

Mackenzie Investments to Acquire GLC Asset Management Group

Agreement with Canada Life solidifies Mackenzie as one of Canada's largest asset managers while expanding distribution reach into fast-growing channels

Winnipeg, August 4, 2020 – IGM Financial Inc. (“IGM”) subsidiary Mackenzie Financial Corporation (“Mackenzie”) today announced that it has entered into a definitive agreement to acquire all of the shares of GLC Asset Management Group Ltd. (“GLC”), a subsidiary of The Canada Life Assurance Company (“Canada Life”), for cash consideration of \$175 million. As part of the deal, Canada Life will acquire the fund management contracts relating to the private label Quadrus Group of Funds from Mackenzie for \$30 million cash consideration.

Highlights include:

- The addition of \$36 billion in assets under management (AUM) increases Mackenzie’s total AUM to \$172 billion, making it one of Canada’s largest asset managers.
- Expands Mackenzie’s distribution reach to the fast-growing group retirement business and establishes Mackenzie as one of the top three providers in Canada of investment solutions to defined contribution plans and other group retirement offerings.
- Enhances Mackenzie’s investment capabilities with the addition of a new Canadian Equity boutique and new talent, bolstering several existing Mackenzie teams.
- A distribution agreement with Canada Life positions Mackenzie as core investment advisor to its individual and group product offerings and enhances Canada Life’s capabilities and competitiveness.
- The transaction is expected to be accretive to earnings during 2021.

“We are excited to further expand our relationship with our sister company Canada Life through this agreement,” said Jeff Carney, President and CEO, IGM Financial. “GLC brings complementary capabilities that will strengthen Mackenzie’s ability to deliver the best investment solutions to advisors and investors across all key distribution channels.”

GLC has a 50-year history of providing investment advisory services to a range of mutual funds and individual and group segregated funds offered by and distributed through Canada Life. The firm’s investment mandates include a range of traditional, specialty and alternative portfolio strategies across the spectrum of fixed income, domestic and global equity, balanced and asset allocation portfolios. As part of this transaction, \$36 billion in assets under management will be transferred to Mackenzie.

“As a result of this expanded relationship, we’ll be in a position to offer more diverse and unique products and solutions to both Mackenzie and Canada Life clients, building upon our multi-boutique and multi-asset class structure and approach,” said Barry McInerney, President & CEO, Mackenzie Investments. “This agreement also solidifies Mackenzie’s presence in the very important and growing group retirement market, where Canada Life is a leading provider and offers employee benefits and retirement services to millions of Canadians.”

As part of the transaction, Mackenzie has also agreed to sell the mutual fund management contracts related to the Quadrus Group of Funds (“QGOF”) to Canada Life Investment Management Limited (“CLIML”), a newly formed fund management subsidiary of Canada Life, for cash consideration of \$30 million. The QGOF is a private label arrangement between Canada Life and Mackenzie which currently has \$7 billion in assets under management. Mackenzie will continue to provide administrative services to these funds and will also continue to be a core investment advisor to these funds under the arrangement. QGOF fund and series unitholders will receive a notice or information circular from Mackenzie explaining the transition of its trustee and management responsibilities to CLIML.

The acquisition of GLC and sale of QGOF (collectively, the “Transaction”) are cross-conditional and are subject to customary conditions and certain regulatory and fund securityholder approvals and CLIML obtaining all necessary securities registrations prior to closing. The Transaction is expected to close by the end of 2020.

The board of directors of IGM (the “Board”) established a special committee of independent directors (the “Committee”) to assess, review and consider the proposed terms of the Transaction and to make recommendations relating to the Transaction to the Board. After extensive consideration of the Transaction and based on, among other things, a fairness opinion from CIBC Capital Markets, financial advisor to the Committee, the Committee unanimously determined that the Transaction is in the best interests of IGM and that the net consideration payable pursuant to the Transaction is fair to IGM, and the Committee recommended to the Board that the Board approve the Transaction. Having received and considered the recommendation of the Committee, the Board unanimously determined that the Transaction is in the best interests of IGM and approved the Transaction.

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IGM Financial

IGM Financial Inc. is one of Canada’s leading diversified wealth and asset management companies with approximately \$165 billion in total assets under management. The company provides a broad range of financial and investment planning services to help more than two million Canadians meet their financial goals. Its activities are carried out principally through IG Wealth Management, Mackenzie Investments and Investment Planning Counsel.

Mackenzie Investments

[Mackenzie Investments](#) was founded in 1967 and is a leading investment management firm providing investment advisory and related services. With \$140.4 billion in assets under management as of June 30, 2020, Mackenzie Investments distributes its investment services through multiple distribution channels to both retail and institutional investors. Mackenzie Investments is a member of the IGM Financial Inc. (TSX: IGM) group of companies. IGM Financial is one of Canada’s premier financial services companies with approximately \$165 billion in total assets under management as of June 30, 2020. For more information, visit mackenzieinvestments.com.

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Forward-Looking Statements

Certain statements in this Release, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect IGM's current expectations. Forward-looking statements are provided to assist the reader in understanding management's current expectations regarding the Transaction and its effect on IGM and management's plans relating to the future. Readers are cautioned that such statements may not be appropriate for other purposes.

These statements may include, without limitation, statements regarding the anticipated benefits of the Transaction, the expected accretion to annual earnings, the amount of assets under management expected to be transferred to Mackenzie, the number of employees expected to join Mackenzie, the ability of Mackenzie to continue to grow, Mackenzie's continued provision of administrative services and continued service as a core investment advisor to the QGOF and the timing of the completion of the Transaction. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "estimates", "seeks", "intends", "targets", "projects", "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could".

This information is based upon certain material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking statements, including the perception of historical trends, current conditions and expected future developments, as well as other factors that are believed to be appropriate in the circumstances. While IGM considers these assumptions to be reasonable based on information currently available to management, they may prove to be incorrect.

By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved.

A variety of material factors, many of which are beyond IGM's and its subsidiaries' control, affect the operations, performance and results of IGM and its subsidiaries, and their businesses, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, management of market liquidity and funding risks, changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates), the effect of applying future accounting changes, operational and reputational risks, business competition, technological change, changes in government regulations and legislation, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, outbreaks of disease or pandemics (such as COVID-19), IGM's ability to complete strategic transactions, integrate acquisitions and implement other growth strategies, the Transaction not being completed as expected or at all, including failure of any condition to the Transaction, or the failure to achieve the anticipated benefits of the Transaction, and IGM's and its subsidiaries' success in anticipating and managing the foregoing factors.

The reader is cautioned that the foregoing list is not exhaustive of the factors that may affect any of IGM's forward-looking statements. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not place undue reliance on forward-looking statements.

Other than as specifically required by applicable Canadian law, IGM undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Additional information about the risks and uncertainties of IGM's business and material factors or assumptions on which information contained in forward-looking statements is based is provided in its disclosure materials filed with the securities regulatory authorities in Canada, available at www.sedar.com.