

Readers are referred to the disclaimer regarding Forward-Looking Statements, Non-IFRS Financial Measures and Additional IFRS Measures at the end of this Release.

## IGM FINANCIAL INC. REPORTS RECORD HIGH FIRST QUARTER EARNINGS

**Winnipeg – May 6, 2021:** IGM Financial Inc. (IGM or the Company) (TSX:IGM) today announced earnings results for the first quarter of 2021.

### IGM HIGHLIGHTS

- Net earnings of \$202.2 million or 85 cents per share compared to \$160.9 million or 68 cents per share in the first quarter 2020. This represents a **25.0% increase in earnings per share and is the highest first quarter result in the Company's history.**
- **Record high first quarter net inflows of \$2.2 billion**, compared to net inflows of \$821 million in the first quarter of 2020.
- **Record high assets under management and advisement of \$248.5 billion**, up 3.6% in the quarter and 47.6% from March 31, 2020 (including \$30.3 billion in net business acquisitions in 2020).
- Wealthsimple Financial Corp. (Wealthsimple) announcement of a further equity fundraising **increasing the value of IGM's investment in Wealthsimple by \$900 million (\$3.78 per IGM share) to \$1.45 billion.**

"Record high client net inflows in the quarter and continued positive investment returns for our clients resulted in all time high assets under management and advisement," said James O'Sullivan, President and Chief Executive Officer of IGM Financial Inc. "Our first quarter earnings per share of 85 cents is the highest first quarter result in IGM's history and reflects strong momentum across our businesses."

### WEALTH MANAGEMENT

*Reflects the activities of operating companies that are principally focused on providing financial planning and related services to Canadian households and includes the activities of IG Wealth Management and Investment Planning Counsel.*

**Net earnings** in the first quarter of 2021 was \$114.8 million and represented 56.8% of IGM's net earnings. This was an increase of 8.7% compared to the first quarter of 2020.

**Record high assets under advisement** at March 31, 2021 of \$136.9 billion, an increase of 3.2% from \$132.6 billion at December 31, 2020 and an increase of 24.2% from \$110.2 billion at March 31, 2020.

#### IG Wealth Management

**Record high assets under advisement** at March 31, 2021 of \$107.0 billion, an increase of 3.6% from \$103.3 billion at December 31, 2020 and an increase of 24.7% from \$85.8 billion at March 31, 2020.

**Highest quarterly net client inflows in over two decades** of \$1.0 billion, an increase of \$634 million from net client inflows of \$381 million in the first quarter of 2020.

**Record high quarter of gross client inflows** of \$3.6 billion, up 21.0% from gross inflows of \$3.0 billion in 2020.

## **ASSET MANAGEMENT (MACKENZIE INVESTMENTS)**

*Reflects the activities of operating companies primarily focused on providing investment management services, and represents the operations of Mackenzie Investments.*

**Net earnings** in the first quarter of 2021 was \$48.0 million and represented 23.7% of IGM's net earnings. This was an increase of 48.6% compared to the first quarter of 2020.

**Total assets under management were at an all-time high** of \$191.6 billion, an increase of 3.5% from \$185.1 billion at December 31, 2020 and an increase of 53.3% from \$125.0 billion at March 31, 2020. The increase from last year included \$30.3 billion or 24.2% from the net business acquisitions in the fourth quarter of 2020 of GLC Asset Management Group Ltd. (GLC) and Greenchip Financial Corp. (Greenchip). Assets under management excluding sub-advisory to the Wealth Management segment were \$115.5 billion at March 31, 2021, an increase of 4.1% from December 31, 2020 and 89.7% from March 31, 2020. The net business acquisitions represented 49.8% of the increase from the prior year.

**Record high investment fund net sales** in the quarter of \$1.9 billion,<sup>1</sup> compared to \$437 million<sup>2</sup> in 2020.

**Record high gross mutual fund sales** in the quarter of \$4.5 billion,<sup>1</sup> an increase of 23.4% from \$3.7 billion<sup>2</sup> in the first quarter of 2020. Mutual fund net sales for the first quarter were \$1.5 billion<sup>2</sup> compared to net sales of \$355 million in 2020.

**ETF business** - ETF assets under management totalled \$9.5 billion at March 31, 2021, up from \$5.3 billion at March 31, 2020. Excluding investment in ETFs by IGM mutual funds, ETF assets under management were \$4.2 billion at March 31, 2021, compared to \$2.3 billion at March 31, 2020.

## **STRATEGIC INVESTMENTS AND OTHER**

*Represents the key strategic investments made by the Company, including China Asset Management Co., Ltd., Great-West Lifeco Inc., Northleaf Capital Group Ltd., Wealthsimple Financial Corporation, and Portag3 Ventures LPs, as well as unallocated capital.*

**Wealthsimple** – On May 3, 2021, Wealthsimple announced a \$750 million equity fundraising which increases the value of IGM's investment in Wealthsimple to \$1.45 billion. The transaction consists of a \$250 million primary offering, as well as a \$500 million secondary offering by the Power Corporation of Canada group. As a result of the secondary offering, IGM will dispose of a portion of its investment for proceeds of approximately \$295 million (\$260 million after-tax), and will continue to hold a 23% interest valued at \$1.15 billion.

**Great-West Lifeco Inc. (Lifeco)** – The Company's proportionate share of Lifeco's first quarter earnings was \$28.1 million, an increase of 96.4% from \$14.3 million in the first quarter of 2020.

**China Asset Management Co., Ltd. (China AMC)** – The Company's proportionate share of China AMC's first quarter earnings was \$12.5 million, **an increase of 40.4%** from \$8.9 million in the first quarter of 2020 and was the highest quarterly result since IGM's investment in China AMC.

## **DIVIDENDS**

The Board of Directors has declared a dividend of 56.25 cents per share on the Company's common shares which is payable on July 30, 2021 to shareholders of record on June 30, 2021.

<sup>1</sup> During the three months ended March 31, 2021, institutional clients which include Mackenzie mutual funds within their investment offerings, made fund allocation changes which resulted in gross sales of \$367 million and net redemptions of \$411 million.

<sup>2</sup> During the three months ended March 31, 2020, institutional clients, which include Mackenzie mutual funds within their investment offerings, made fund allocation changes which resulted in gross sales of \$373 million and net sales of \$181 million.

## **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 Financial's current expectations. Forward-looking statements are provided to assist the reader in understanding the Company's financial position and results of operations as at and for the periods ended on certain dates and to present information about management's current expectations and 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 operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the Company, as well as the outlook for North American and international economies, for the current fiscal year and subsequent periods. 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 the Company 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 the Company's and its subsidiaries' control, affect the operations, performance and results of the Company, 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), the Company's ability to complete strategic transactions, integrate acquisitions and implement other growth strategies, and the Company'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 the Company'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, the Company 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 the Company'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](http://www.sedar.com).

## **NON-IFRS FINANCIAL MEASURES AND ADDITIONAL IFRS MEASURES**

This release contains non-IFRS financial measures and additional IFRS measures. Net earnings available to common shareholders, which is an additional measure in accordance with International Financial Reporting Standards (IFRS), may be subdivided into two components consisting of:

- Adjusted net earnings available to common shareholders; and
- Other items, which include the after-tax impact of any item that management considers to be of a non-recurring nature or that could make the period-over-period comparison of results from operations less meaningful.

Terms by which non-IFRS financial measures are identified include but are not limited to "adjusted net earnings available to common shareholders", "adjusted earnings per share", "adjusted return on average common equity" and other similar expressions used to provide management and investors with additional measures to assess earnings performance. However, non-IFRS financial measures do not have standard meanings prescribed by IFRS and are not directly comparable to similar measures used by other companies. Please refer to the attached Financial Highlights for the appropriate reconciliations of these non-IFRS financial measures to measures prescribed by IFRS.

Terms by which additional IFRS measures are identified include "earnings before income taxes" and "net earnings available to common shareholders". Additional IFRS measures are used to provide management and investors with additional measures to assess earnings performance. These measures are considered additional IFRS measures as they are in addition to the minimum line items required by IFRS and are relevant to an understanding of the entity's financial performance.

## **FIRST QUARTER WEBCAST AND CONFERENCE CALL**

IGM Financial Inc.'s First Quarter 2021 results conference call and webcast will be held on Friday, May 7, 2021 at 8:00 a.m. ET. The webcast and conference call can be accessed respectively through [www.igmfinancial.com](http://www.igmfinancial.com) or by phone at 1-800-319-4610 or 1-416-915-3239.

The most recent Consolidated Financial Statements and Management's Discussion and Analysis (MD&A) of operating results are available on IGM Financial Inc.'s website at [www.igmfinancial.com](http://www.igmfinancial.com).

## **ABOUT IGM FINANCIAL INC.**

IGM Financial Inc. is one of Canada's leading diversified wealth and asset management companies with approximately \$253 billion in total assets under management and advisement at April 30, 2021. The company provides a broad range of financial planning and investment management 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. IGM Financial is a member of the Power Corporation group of companies.

## **FOR MORE INFORMATION CONTACT:**

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**Consolidated Statements of Earnings***(unaudited)*

Three months ended March 31

*(in thousands of Canadian dollars, except per share amounts)***2021****2020****Revenues**

Wealth management	<b>\$ 603,451</b>	<b>\$ 562,733</b>
Asset management	<b>232,990</b>	198,442
Dealer compensation expense	<b>(80,709)</b>	(71,381)
Net asset management	<b>152,281</b>	127,061
Net investment income and other	<b>3,134</b>	(1,899)
Proportionate share of associates' earnings	<b>41,589</b>	20,045
	<b>800,455</b>	707,940

**Expenses**

Advisory and business development	<b>284,026</b>	259,114
Operations and support	<b>206,539</b>	195,107
Sub-advisory	<b>19,729</b>	17,502
Interest	<b>28,120</b>	27,307
	<b>538,414</b>	499,030
Earnings before income taxes	<b>262,041</b>	208,910
Income taxes	<b>59,671</b>	48,034
<b>Net earnings</b>	<b>202,370</b>	160,876
Non-controlling interest	<b>(190)</b>	-

<b>Net earnings available to common shareholders</b>	<b>\$ 202,180</b>	<b>\$ 160,876</b>
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Earnings per share (in dollars)

- Basic	<b>\$ 0.85</b>	<b>\$ 0.68</b>
- Diluted	<b>\$ 0.85</b>	<b>\$ 0.68</b>

**Financial Highlights**

As at and for the three months ended March 31

(unaudited)

	2021	2020	Change
<b>Net earnings available to common shareholders</b> (\$ millions)	<b>\$ 202.2</b>	\$ 160.9	25.7 %
<b>Diluted earnings per share</b>	<b>0.85</b>	0.68	25.0
<b>Return on equity</b>	<b>14.8%</b>	14.1%	
<b>Dividends per share</b>	<b>0.5625</b>	0.5625	-
<b>Total assets under management and advisement</b> <sup>(1)</sup> (\$ millions)	<b>\$ 248,474</b>	\$ 168,356	47.6 %
<b>Total assets under management</b> <sup>(1)</sup>	<b>221,577</b>	147,497	50.2
<b>Wealth Management</b>			
<b>Assets under advisement</b> <sup>(1)</sup>	<b>136,876</b>	110,199	24.2
<b>IG Wealth Management</b>			
Assets under management <sup>(2)</sup>	100,745	81,901	
Other assets under advisement	6,250	3,933	
<b>Assets under advisement</b>	<b>106,995</b>	85,834	24.7
<b>Investment Planning Counsel</b>			
Assets under management <sup>(2)</sup>	5,308	4,698	
Other assets under advisement	24,583	19,674	
<b>Assets under advisement</b>	<b>29,891</b>	24,372	22.6
<b>Asset Management (Mackenzie Investments)</b>			
Mutual funds <sup>(3)</sup>	58,137	54,288	
ETFs <sup>(4)</sup>	4,174	2,335	
Investment funds	62,311	56,623	
Institutional SMA <sup>(3)</sup>	53,213	4,275	
Total excluding subadvisory to Wealth Management	115,524	60,898	
Sub-advisory to Wealth Management <sup>(3)</sup>	76,041	64,068	
<b>Total assets under management</b>	<b>191,565</b>	124,966	53.3

**Net Flows**

(\$ millions)

	Wealth Management		Asset Management		
	IG Wealth Management	Investment Planning Counsel	Mackenzie Investments	Intersegment Eliminations	Total <sup>(1)</sup>
For the three months ended March 31, 2021					
Mutual fund net sales <sup>(2)</sup>	\$ 501	\$ (109)	\$ 1,461	\$ -	\$ 1,853
ETF net creations	-	-	405	-	405
Investment fund net sales	501	(109)	1,866	-	2,258
Institutional SMA net sales	-	-	(414)	-	(414)
<b>Managed asset net sales</b>	<b>501</b>	<b>(109)</b>	<b>1,452</b>	<b>-</b>	<b>1,844</b>
Other dealer net flows	514	100	-	(279)	335
<b>Total net flows</b>	<b>1,015</b>	<b>(9)</b>	<b>1,452</b>	<b>(279)</b>	<b>2,179</b>

<sup>(1)</sup> Consolidated results eliminate double counting where business is reflected within multiple segments.

<sup>(2)</sup> Includes separately managed accounts.

<sup>(3)</sup> The change in mutual fund assets under management includes a net decrease of \$13.2 billion due to the divestiture of Quadrus Group of Funds and Greenchip acquisition in the fourth quarter of 2020. The increase in institutional assets under management includes \$43.5 billion due to the GLC Asset Management Group Ltd. acquisition in the fourth quarter of 2020.

<sup>(4)</sup> Total ETFs in the Asset Management section including ETFs held within IGM investment funds were \$9.5 billion at March 31, 2021 compared to \$5.3 billion at March 31, 2020.