

Mackenzie Investments to Acquire Power Corporation of Canada's 13.9% equity interest in China Asset Management Co. Ltd.

Acquisition enhances IGM Financial Inc.'s growth profile

WINNIPEG and TORONTO, January 5, 2022 – IGM Financial Inc. (“IGM” or “IGM Financial”) subsidiary Mackenzie Financial Corporation (“Mackenzie”) today announced that it is entering into a definitive agreement to acquire Power Corporation of Canada’s (“PCC”) 13.9% interest in China Asset Management Co., Ltd. (“ChinaAMC”) for cash consideration of CAD\$1.15 billion. The transaction will double Mackenzie’s interest in ChinaAMC to 27.8%. To partially fund the transaction, IGM will sell 15,200,662 common shares (“Lifeco Shares”) of Great-West Lifeco (“Lifeco”) to PCC for cash consideration of CAD\$575 million. The transactions are expected to close in the first half of 2022.

Benefits of the ChinaAMC acquisition include:

- Enhancing participation in the rapidly growing Chinese asset management industry, through a meaningful ownership position in one of the leading asset managers in China.
- Reinforcing relationships and business opportunities between Mackenzie and ChinaAMC as Mackenzie builds global, fully diversified and differentiated solutions for its clients and strengthens distribution opportunities in China.
- Simplifying the IGM and PCC organization structure by consolidating the ChinaAMC ownership position at Mackenzie.
- Providing a financially attractive outcome that is expected to be accretive to IGM’s earnings in the first year of increased ownership.

“The Chinese asset management industry is one of the largest and fastest growing markets in the world. We believe that an expanded investment in ChinaAMC – one of the top three asset managers in the country – is strategically important to position IGM Financial for further growth,” said James O’Sullivan, President & CEO, IGM Financial. “We see this partnership as the best opportunity to accelerate growth and diversify our business.”

Established in 1998 as one of China’s first fund management companies, ChinaAMC has a strong leadership team, brand and multi-channel distribution business model that is supported by significant scale and sophisticated investment management capabilities. The company also has a well-established institutional business and a diversified asset mix and client base. It has demonstrated strong asset growth, with nearly RMB¥1,607 billion (CAD\$309 billion)¹ in AUM as at June 30, 2021, and has experienced a compound annual growth rate in long-term mutual fund assets of close to 40% over the last three years. After-tax quarterly net earnings for the third quarter of 2021 of RMB¥636 million (CAD\$124 million) were up 56% year-over-year.

“ChinaAMC is well positioned to take advantage of strong growth in a market that is expected to represent a large portion of all global net sales over the next decade,”² said Barry McInerney, President & CEO, Mackenzie Investments. “Since our original acquisition of an interest in ChinaAMC in 2017, we have built sales relationships in excess of \$1 billion between our two companies. We believe our increased investment in ChinaAMC and its market will amplify opportunities going forward.”

TRANSACTION DETAILS

As partial financing for the purchase of ChinaAMC shares, IGM has agreed to sell 15,200,662 Lifeco Shares to a subsidiary of PCC, for aggregate consideration of \$575 million, representing a price per Lifeco Share of CAD\$37.8273, which is based on the 5-day volume-weighted average price of the Lifeco Shares at the close of business on January 5, 2022. IGM currently holds 37.337 million Lifeco Shares, or 4% of the outstanding Lifeco Shares. On a pro-forma basis, IGM will own 22.136 million Lifeco Shares, representing 2.4% of the outstanding Lifeco Shares, valued at approximately CAD\$830 million based on a market price of CAD\$37.48 as at January 5, 2022. IGM holds Lifeco Shares for investment purposes and, in accordance with applicable securities laws, may increase or decrease its investment in Lifeco depending on market conditions and certain other relevant factors. IGM will fund the remaining portion of the purchase price with \$575 million cash from existing financial resources.

“The sale of Lifeco Shares further simplifies the IGM and PCC organization structure and enables IGM to allocate capital toward an exciting strategic growth opportunity,” added Mr. O’Sullivan.

IGM’s purchase of PCC’s equity interest in ChinaAMC and sale of Lifeco Shares are subject to customary conditions and certain regulatory approvals in China. In addition, the sale of Lifeco Shares is conditional on IGM’s purchase of the ChinaAMC shares.

The board of directors of IGM (the “Board”) established a special committee of independent directors (the “Committee”) to assess, review and supervise negotiations regarding the proposed terms of the purchase of PCC’s equity interest in ChinaAMC and the sale of Lifeco Shares and to make recommendations relating to the transactions to the Board. After extensive consideration of the transactions, including the advice of RBC Capital Markets (financial advisor to the Committee) and Fasken Martineau DuMoulin LLP (legal advisor to the Committee) and based on, among other things, a fairness opinion from RBC Capital Markets, financial advisor to the Committee, the Committee unanimously determined that the transactions are in the best interest of IGM and the Committee recommended to the Board that the Board approve each of the transactions. Having received and considered the recommendation of the Committee, the Board unanimously determined that each of the transactions is in the best interests of IGM and approved the transactions.

LIVE WEBCAST AND CONFERENCE CALL

James O’Sullivan, President and CEO, IGM, Barry McInerney, President and CEO, Mackenzie Investments, and Luke Gould, Executive Vice-President and Chief Financial Officer, IGM will hold a live conference call and webcast on January 6 at 9:30 a.m. CT/10:30 a.m. ET to share additional information about the purchase of PCC’s equity interest in ChinaAMC and the sale of Lifeco Shares, which can be accessed respectively through www.igmfinancial.com or by phone at **1-800-319-4610** or **416-915-3239**.

About IGM Financial Inc.

IGM Financial Inc. is one of Canada's leading diversified wealth and asset management companies with approximately \$270 billion in total assets under management and advisement at November 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.

About Mackenzie Investments

[Mackenzie Investments](#) is a leading investment management firm with \$205 billion in assets under management as of November 30, 2021. Mackenzie provides investment solutions and related services to more than one million retail and institutional clients through multiple distribution channels. Founded in 1967, Mackenzie is a global asset manager with offices across Canada as well as in Boston, Dublin, London, Hong Kong and Beijing. Mackenzie is a member of IGM Financial Inc. (TSX: IGM), one of Canada's premier financial services companies. For more information, visit mackenzieinvestments.com.

About China Asset Management Co., Ltd.

Founded in 1998 as one of the first fund management companies in China, China Asset Management Co., Ltd. (ChinaAMC) has maintained a market leading position in China's asset management industry with total AUM of approximately RMB¥1.607 trillion¹ (CAD\$309 billion) at June, 2021. The company currently serves over 75,000 institutional clients and 184 million retail investors. ChinaAMC boasts one of the industry's strongest investment teams with over 250 dedicated investment professionals. See fund.chinaamc.com for more information.

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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 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 anticipated benefits of the transactions, including expected accretion to annual earnings, the future growth prospects of ChinaAMC, and the timing of the completion of the transactions. 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, the transactions not being completed as expected or at all, including failure of any condition to the transactions, or the failure to achieve the anticipated benefits of the transactions, 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.

¹⁾ ChinaAMC's assets under management is reported semi-annually and excludes China Asset Management Co., Ltd subsidiary assets under management.

²⁾ CaseyQuirk by Deloitte, Leadership in Times of Plenty: Future Winners in China's Asset Management Industry.