

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 SECOND QUARTER EARNINGS**

**Winnipeg – August 4, 2021:** IGM Financial Inc. (IGM or the Company) (TSX:IGM) today announced earnings results for the second quarter of 2021.

### **IGM HIGHLIGHTS**

- Net earnings of \$237.4 million or 99 cents per share compared to \$183.5 million or 77 cents per share in the second quarter 2020. This represents a **28.6% increase in earnings per share and is the all-time highest quarter result in the Company's history.**
- **Net inflows of \$2.5 billion**, compared to net inflows of \$3.6 billion in the second quarter of 2020.
- **Record high second quarter investment fund net sales of \$1.9 billion**, compared to \$864 million in the second quarter of 2020.
- **Record high assets under management and advisement of \$262.0 billion**, up 5.4% in the quarter and 39.2% from June 30, 2020 (including \$30.3 billion in net business acquisitions in 2020).

"Earnings per share of 99 cents in the quarter is the highest result in IGM's history," said James O'Sullivan, President and Chief Executive Officer of IGM Financial Inc. "The result reflects record high second quarter client inflows across the companies and continued strong investment returns for our clients."

Net earnings available to common shareholders for the six months ended June 30, 2021 were \$439.6 million or \$1.84 per share compared to \$344.4 million or \$1.45 per share for 2020.

### **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 second quarter of 2021 was \$134.3 million and represented 57.1% of IGM's net earnings. This was an increase of 33.6% compared to the second quarter of 2020.

**Record high assets under advisement** at June 30, 2021 of \$143.3 billion, an increase of 4.7% from \$136.9 billion at March 31, 2021 and an increase of 19.0% from \$120.5 billion at June 30, 2020.

#### ***IG Wealth Management***

**Record high assets under advisement** at June 30, 2021 of \$112.2 billion, an increase of 4.9% from \$107.0 billion at March 31, 2021 and an increase of 19.6% from \$93.8 billion at June 30, 2020.

**Highest second quarter net client inflows** of \$670 million, an increase of \$732 million from net client outflows of \$62 million in the second quarter of 2020. Net client inflows for the six month period were \$1.7 billion, an increase of \$1.4 billion from net client inflows of \$319 million in 2020.

**Record high second quarter gross client inflows** of \$3.2 billion, up 69.4% from gross inflows of \$1.9 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 second quarter of 2021 was \$56.5 million and represented 24.0% of IGM's net earnings. This was an increase of 54.4% compared to the second quarter of 2020.

**Total assets under management were at an all-time high** of \$201.7 billion, an increase of 5.3% from \$191.6 billion at March 31, 2021 and an increase of 44.3% from \$139.7 billion at June 30, 2020. The increase from last year included \$30.3 billion or 21.7% 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 \$122.9 billion at June 30, 2021, an increase of 6.4% from March 31, 2021 and 73.6% from June 30, 2020. The net business acquisitions represented 42.8% of the increase from the prior year.

**Record high second quarter investment fund net sales** in the quarter of \$1.7 billion, compared to \$1.1 billion<sup>2</sup> in 2020. Net sales for the six month period were \$3.5 billion<sup>1</sup> compared to net sales of \$1.5 billion<sup>2</sup> a year ago.

**Record high second quarter gross mutual fund sales** in the quarter of \$3.0 billion, an increase of 19.6% from \$2.5 billion<sup>2</sup> in the second quarter of 2020. Mutual fund net sales for the second quarter were \$1.1 billion compared to net sales of \$376 million<sup>2</sup> in 2020.

**ETF business** - ETF assets under management totalled \$10.6 billion at June 30, 2021, up from \$6.6 billion at June 30, 2020. Excluding investment in ETFs by IGM mutual funds, ETF assets under management were \$4.9 billion at June 30, 2021, compared to \$3.1 billion at June 30, 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 increased the value of IGM's investment in Wealthsimple to \$1.45 billion. As a result of the transaction, IGM disposed of a portion of its investment for proceeds of \$294 million (\$258 million after-tax), and continues to hold a 23% interest valued at \$1.15 billion.

**Great-West Lifeco Inc. (Lifeco)** – The Company's proportionate share of Lifeco's second quarter earnings was \$31.3 million, a decrease of 9.3% from \$34.5 million in the second quarter of 2020.

**China Asset Management Co., Ltd. (China AMC)** – The Company's proportionate share of China AMC's second quarter earnings was \$15.1 million, **an increase of 46.6%** from \$10.3 million in the second 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 October 29, 2021 to shareholders of record on September 30, 2021.

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<sup>1</sup> During the six months ended June 30, 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 June 30, 2020, institutional clients, which include Mackenzie mutual funds within their investment offerings, made fund allocation changes which resulted in gross sales and net sales of \$109 million.

During the six months ended June 30, 2020, institutional clients, which include Mackenzie mutual funds within their investment offerings, made fund allocation changes which resulted in gross sales of \$482 million and net sales of \$290 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.

## **SECOND QUARTER WEBCAST AND CONFERENCE CALL**

IGM Financial Inc.'s Second Quarter 2021 results conference call and webcast will be held on Thursday, August 5, 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 \$262 billion in total assets under management and advisement at June 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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**IGM FINANCIAL INC.****Consolidated Statements of Earnings**

<i>(unaudited)</i>	Three months ended		Six months ended	
<i>(in thousands of Canadian dollars,</i>	June 30		June 30	
<i>except per share amounts)</i>	2021	2020	2021	2020
<b>Revenues</b>				
Wealth management	\$ 627,638	\$ 531,066	\$ 1,231,089	\$ 1,093,799
Asset management	248,312	190,757	481,302	389,199
Dealer compensation expense	(82,701)	(66,096)	(163,410)	(137,477)
Net asset management	165,611	124,661	317,892	251,722
Net investment income and other	2,475	7,502	5,609	5,603
Proportionate share of associates' earnings	48,153	43,379	89,742	63,424
	<b>843,877</b>	<b>706,608</b>	<b>1,644,332</b>	<b>1,414,548</b>
<b>Expenses</b>				
Advisory and business development	291,124	245,419	575,150	504,533
Operations and support	196,685	185,417	403,224	380,524
Sub-advisory	20,472	16,899	40,201	34,401
Interest	28,496	27,470	56,616	54,777
	<b>536,777</b>	<b>475,205</b>	<b>1,075,191</b>	<b>974,235</b>
Earnings before income taxes	307,100	231,403	569,141	440,313
Income taxes	69,354	47,861	129,025	95,895
<b>Net earnings</b>	<b>237,746</b>	<b>183,542</b>	<b>440,116</b>	<b>344,418</b>
Non-controlling interest	(357)	-	(547)	-
<b>Net earnings available to common shareholders</b>	<b>\$ 237,389</b>	<b>\$ 183,542</b>	<b>\$ 439,569</b>	<b>\$ 344,418</b>
Earnings per share (in dollars)				
- Basic	\$ 0.99	\$ 0.77	\$ 1.84	\$ 1.45
- Diluted	\$ 0.99	\$ 0.77	\$ 1.84	\$ 1.45

**Financial Highlights**

(unaudited)	For the three months ended June 30			As at and for the six months ended June 30		
	2021	2020	Change	2021	2020	Change
<b>Net earnings available to common shareholders</b> (\$ millions)	\$ 237.4	\$ 183.5	29.4 %	\$ 439.6	\$ 344.4	27.6 %
<b>Diluted earnings per share</b>	0.99	0.77	28.6	1.84	1.45	26.9
<b>Return on equity</b>				15.5%	15.0%	
<b>Dividends per share</b>	0.5625	0.5625	-	1.125	1.125	-
<b>Total assets under management and advisement</b> <sup>(1)</sup> (\$ millions)				\$ 262,006	\$ 188,260	39.2 %
<b>Total assets under management</b> <sup>(1)</sup>				233,616	165,395	41.2
<b>Wealth Management</b>						
<b>Assets under advisement</b> <sup>(1)</sup>				143,345	120,467	19.0
<b>IG Wealth Management</b>						
Assets under management <sup>(2)</sup>				105,218	89,533	
Other assets under advisement				6,967	4,303	
<b>Assets under advisement</b>				112,185	93,836	19.6
<b>Investment Planning Counsel</b>						
Assets under management <sup>(2)</sup>				5,485	5,041	
Other assets under advisement				25,686	21,596	
<b>Assets under advisement</b>				31,171	26,637	17.0
<b>Asset Management (Mackenzie Investments)</b>						
Mutual funds <sup>(3)</sup>				61,717	60,132	
ETFs <sup>(4)</sup>				4,889	3,132	
Investment funds				66,606	63,264	
Institutional SMA <sup>(3)</sup>				56,307	7,557	
Total excluding subadvisory to Wealth Management				122,913	70,821	
Sub-advisory to Wealth Management <sup>(3)</sup>				78,788	68,927	
<b>Total assets under management</b>				201,701	139,748	44.3

**Net Flows**

(\$ millions)

	Wealth Management		Asset Management		Intersegment Eliminations	Total <sup>(1)</sup>
	IG Wealth Management	Investment Planning Counsel	Mackenzie Investments			
For the three months ended June 30, 2021						
Mutual fund net sales <sup>(2)</sup>	\$ 279	\$ (60)	\$ 1,103	\$ -	\$ -	\$ 1,322
ETF net creations	-	-	562	-	-	562
Investment fund net sales	279	(60)	1,665	-	-	1,884
Institutional SMA net sales	-	-	242	-	-	242
<b>Managed asset net sales</b>	<b>279</b>	<b>(60)</b>	<b>1,907</b>	<b>-</b>	<b>-</b>	<b>2,126</b>
Other dealer net flows	391	176	-	(155)	-	412
<b>Total net flows</b>	<b>670</b>	<b>116</b>	<b>1,907</b>	<b>(155)</b>	<b>-</b>	<b>2,538</b>
For the six months ended June 30, 2021						
Mutual fund net sales <sup>(2)</sup>	\$ 780	\$ (169)	\$ 2,564	\$ -	\$ -	\$ 3,175
ETF net creations	-	-	967	-	-	967
Investment fund net sales	780	(169)	3,531	-	-	4,142
Institutional SMA net sales	-	-	(172)	-	-	(172)
<b>Managed asset net sales</b>	<b>780</b>	<b>(169)</b>	<b>3,359</b>	<b>-</b>	<b>-</b>	<b>3,970</b>
Other dealer net flows	905	276	-	(434)	-	747
<b>Total net flows</b>	<b>1,685</b>	<b>107</b>	<b>3,359</b>	<b>(434)</b>	<b>-</b>	<b>4,717</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 \$10.6 billion at June 30, 2021 compared to \$6.6 billion at June 30, 2020.