



Q2, 2018 Results

IGM FINANCIAL

AUGUST 2, 2018



CONFERENCE CALL PARTICIPANTS



Jeffrey R. Carney

President & CEO,
IGM Financial and

President & CEO,
Investors Group



Barry S. McInerney

President & CEO,
Mackenzie Investments



Luke Gould

Executive Vice-President & CFO,
IGM Financial



Rhonda Goldberg

SVP, Client and Regulatory Affairs
IGM Financial

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

Certain statements in this report 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, 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.

NON-IFRS FINANCIAL MEASURES & ADDITIONAL IFRS MEASURES

Net earnings available to common shareholders, which is an additional measure in accordance with 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.

This report may also contain non-IFRS financial measures. Non-IFRS financial measures are used to provide management and investors with additional measures of performance. However, we caution that non-IFRS financial measures do not have standard meanings prescribed by IFRS and are not directly comparable to similar measures used by other companies. Specific instances of such measures that may be referred to within this document include "Adjusted Net Earnings", "Adjusted Earnings per Share", "Earnings before Interest and Taxes" (EBIT), "earnings before interest, taxes, depreciation and amortization before sales commissions" (EBITDA before sales commissions) and "earnings before interest, taxes, depreciation and amortization after sales commissions" (EBITDA after sales commissions).

We refer you to the appropriate reconciliation in the Management's Discussion and Analysis of these non-IFRS financial measures to measures prescribed by IFRS.

Other items for the three months ended June 30, 2017 consisted of:

- Favourable revaluation of the Company's registered pension plan obligation of \$36.8 million (\$50.4 million pre-tax), reflecting a new policy which limits the possibility of certain benefit increases in the future.
- Restructuring and other charges of \$16.8 million after-tax (\$23.0 million pre-tax) including severance and termination costs largely associated with the reduction of our region office footprint.
- An after-tax charge of \$5.1 million representing the Company's proportionate share in Great-West Lifeco Inc.'s restructuring provision.

DOCUMENTS INCORPORATED BY REFERENCE

This summary document and webcast are meant to discuss, not to serve as a substitute for, information included in these documents. The reader is hereby cautioned to refer to the following documents relating to IGM Financial's results:

1. Documents related to IGM Financial's Q2, 2018 results issued August 2, 2018:
 - IGM Financial Q2, 2018 financial results press release. This press release includes financial highlights as well as a summary earnings statement.
 - IGM Financial Q2, 2018 Interim Condensed Consolidated Financial Statements and Notes.
 - IGM Financial Q2, 2018 Management's Discussion and Analysis ("MD&A").
 - IGM Financial Q2, 2018 Supplemental Information.
2. IGM Financial July 2018 Investment Fund Sales and Total Assets Under Management press release issued August 2, 2018.
3. IGM Financial 2017 Corporate Responsibility Report issued July 6, 2018.
4. IGM Financial 2017 Annual Report issued on March 15, 2018.
5. IGM Financial 2017 Investor Day Presentation issued on November 28, 2017.

Each of these documents are available on the Company's website at www.igmfinc.com and/or at www.sedar.com.



IGM FINANCIAL

IGM FINANCIAL Q2, 2018 HIGHLIGHTS

1

Record high total ending AUM of \$159.1B; up 2.2% from Q1

- Driven by favourable investment returns

2

IGM investment fund net sales of \$171MM

- Challenging industry environment, with industry long-term mutual fund redemptions of \$3.0B; down from net sales of \$9.8B last year
- Seventh consecutive quarter of market share gains for IGM¹

3

Solid expense management

- Non-commission expense up 2.5% vs. Q2/17
- Continue to guide to 2018 non-commission expense growth of 5%

4

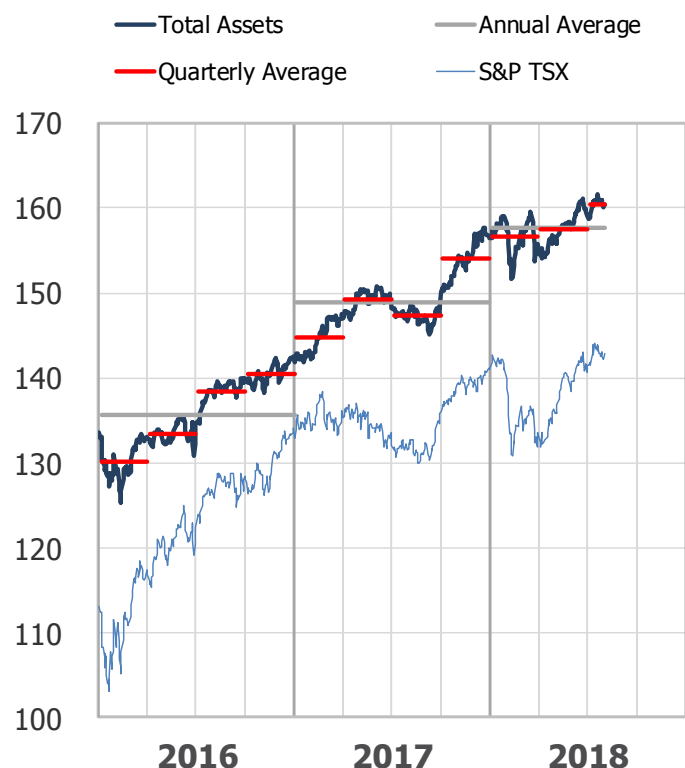
Adjusted EPS of 85 cents per share; up 10.4% from Q2/17

- Highest second quarter adjusted EPS in the Company's history

1. Based on quarterly long-term mutual fund net sales rate relative to advice channel peers. Investors Group includes total mutual fund net sales.

INDUSTRY OPERATING ENVIRONMENT

IGM Assets Under Management (\$B)



		Q2/18	YTD Jun/18	Q3 at Jul 31/18
IGM Client Investment Returns		2.1%	0.7%	0.8%
Equity Markets:				
Canada	(S&P / TSX Composite)	5.9%	0.4%	1.0%
U.S.	(S&P 500)	2.9%	1.7%	3.6%
Europe	(MSCI Europe)	2.5%	(2.5%)	3.1%
Asia	(MSCI AC Asia Pacific)	(3.9%)	(4.5%)	0.6%
World	(MSCI World)	1.1%	(0.7%)	3.1%
Fixed Income	(FTSE TMX Canada Universe TR)	0.5%	0.6%	(0.7%)
Currency:				
USD relative to CAD		1.8%	4.5%	(1.0%)
Euro relative to CAD		(3.5%)	1.7%	(0.9%)

Index returns are local market returns, except Asia and World are reported in USD.

Industry Net Sales (\$B)

	Q2/17	Q2/18	\$ Change
Long-term Mutual Funds			
Advice channel	2.0	(2.6)	(4.6)
Deposit takers	7.9	(1.0)	(8.9)
Other	(0.1)	0.6	0.7
Total	9.8	(3.0)	(12.8)
ETFs	8.8	1.8	(7.0)

Source: Simfund data reflecting the "Funds Administration View" and excluding exchange traded funds.

"Advice" includes "Independents", "Life Insurers" and other select companies.

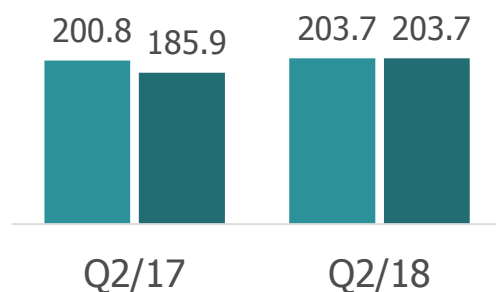
"Other" includes direct sellers, unions & associations and others.

"Net Sales" reflects gross sales less redemptions and is presented by Simfund as "Net New Money".

IGM FINANCIAL Q2, 2018 RESULTS

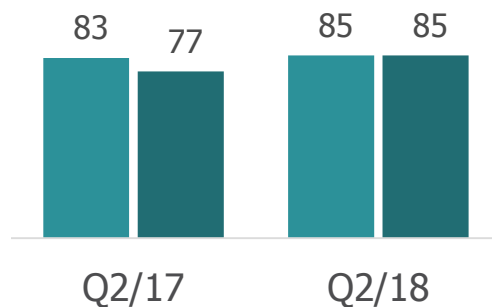
**Net Earnings
(\$MM)**

■ Net Earnings ■ Adjusted Net Earnings¹

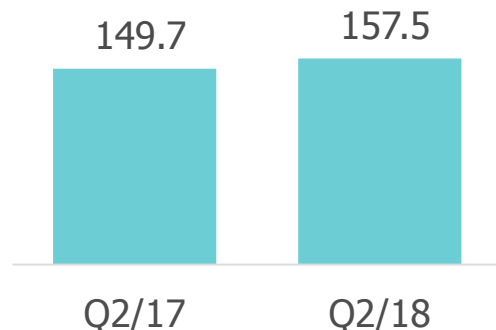


**Net Earnings Per Share
(¢)**

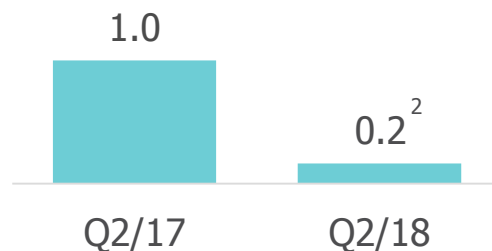
■ EPS ■ Adjusted EPS¹



**Average Total AUM
(\$B)**



**Investment Fund
Net Sales
(\$B)**



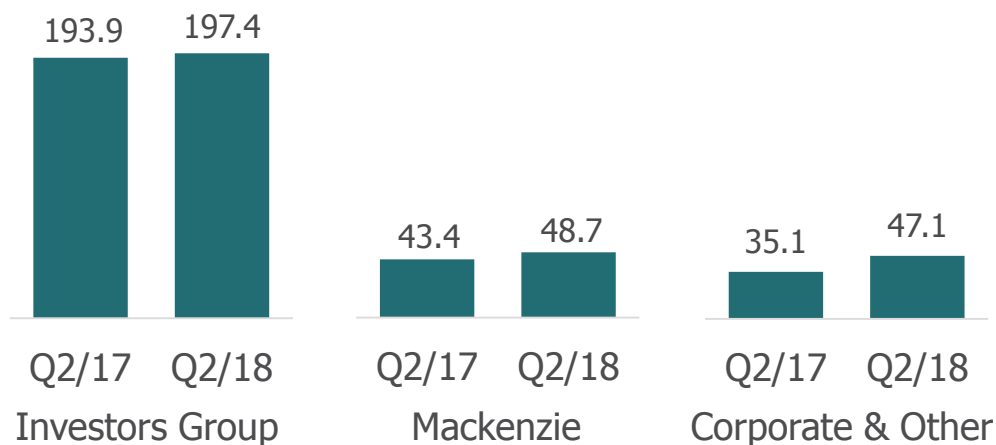
- Adjusted EPS of 85 cents up 10.4% relative to Q2/17¹
- Total average AUM increased 5.2%
- Investment fund net sales of \$171MM during the second quarter²

1. Excludes other items in Q2, 2017 (after-tax): a) Favourable revaluation of the Company's registered pension plan obligation of \$36.8 MM; b) restructuring and other charges of \$16.8 MM; and c) a charge of \$5.1 MM representing the Company's proportionate share in Great-West Lifeco Inc.'s restructuring provision.

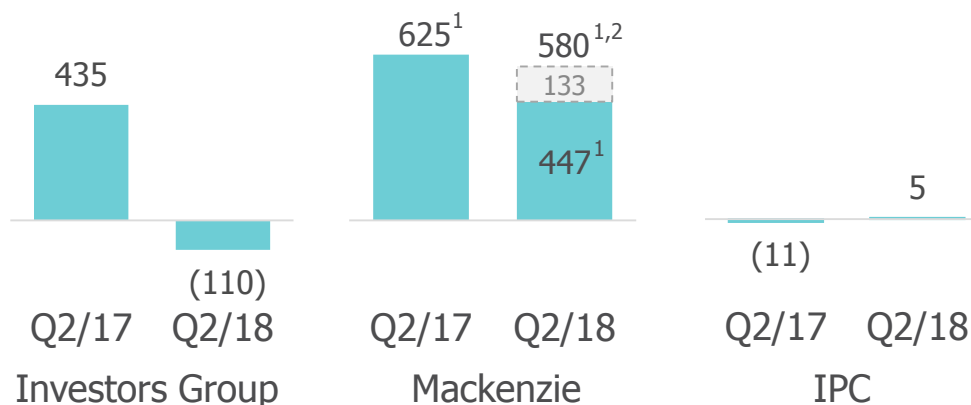
2. Includes gross sales of \$381 MM, redemptions of \$514 MM and net redemptions of \$133 MM during Q2, 2018 related to certain fund allocation changes by third party programs which include Mackenzie mutual funds.

OPERATING SEGMENTS Q2, 2018 RESULTS

Adjusted Earnings Before Interest & Taxes (\$MM)



Investment Fund Net Sales (\$MM)



1. Includes advisory mandates to other segments with net sales of \$164 MM during Q2, 2018 and \$4 MM during Q2, 2017.

2. Excludes gross sales of \$381 MM, redemptions of \$514 MM and net redemptions of \$133 MM during Q2, 2018 related to certain fund allocation changes by third party programs which include Mackenzie mutual funds.



INVESTORS GROUP

INVESTORS GROUP Q2, 2018 HIGHLIGHTS

1

Record high AUM of \$88.8B

- Driven by positive investment returns

2

Continued market share gains

- Investors Group net redemptions of \$110MM in context of industry long-term mutual fund net redemptions of \$3.0B during the quarter

3

Continued emphasis on HNW solutions; 44% of gross sales in HNW up from 41% in Q2/17

4

Solid asset retention: 8.6% long-term trailing twelve month redemption rate flat from 8.6% in Q2/17

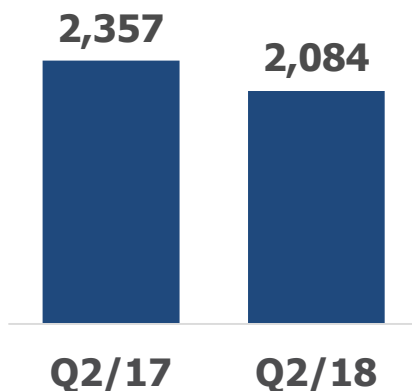
- Remains approximately half of industry average

High Net Worth (HNW) solutions include Series J & U and iProfile.

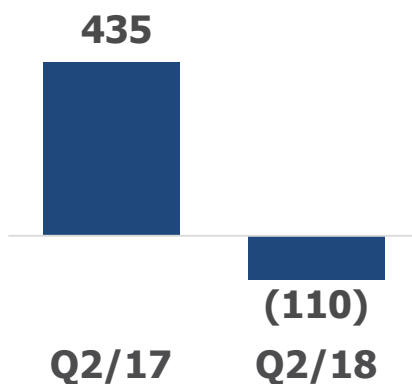
- Series J provides a bundled pricing structure for households with investment assets in excess of \$500,000.
- Series U provides an unbundled pricing structure for households with investment assets in excess of \$500,000.
- iProfile provide an unbundled pricing structure for households with investment assets in excess of \$250,000.

INVESTORS GROUP Q2, 2018 OPERATING RESULTS

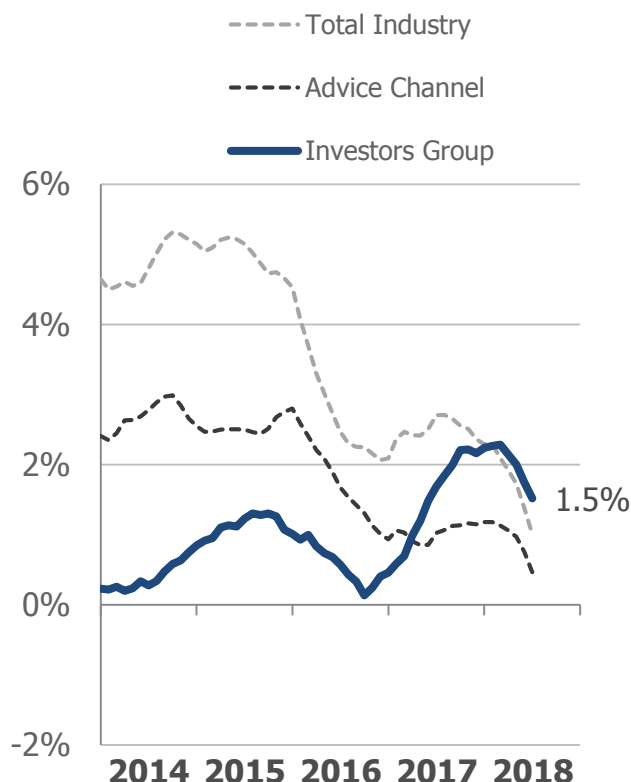
**Mutual Fund Gross Sales
(\$MM)**



**Mutual Fund Net Sales
(\$MM)**



**Long Term Mutual Fund Net Sales Rate¹
(LTM, % of Average AUM)**



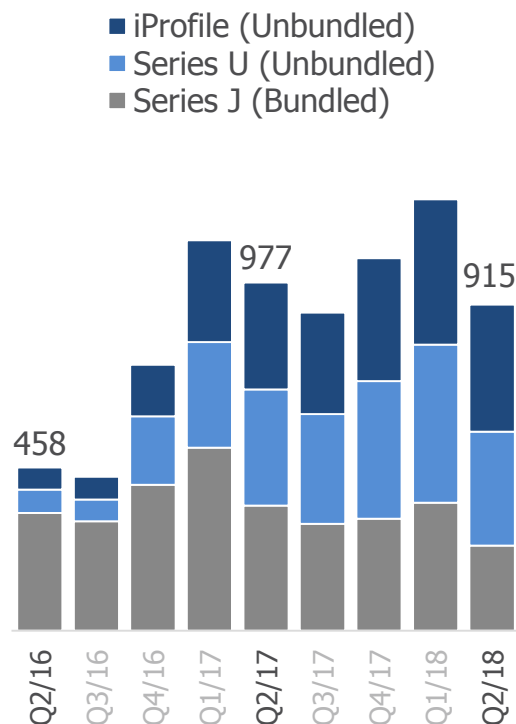
Source: Simfund

- Gross sales of \$2.1B
- Net redemptions of \$110MM
- Capturing market share: net sales rate of 1.5%, above advice channel and overall industry which have declined
- July 2018 gross sales increased 4.5% year-over-year and net sales were \$53MM

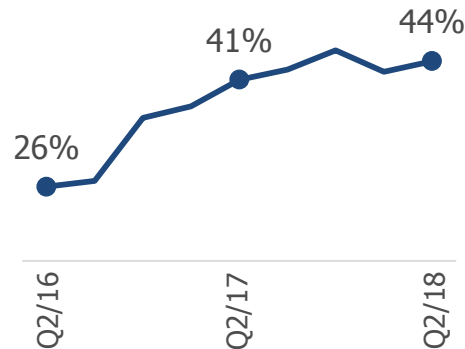
1. Investors Group reflects total net sales and average AUM.

CONTINUED EMPHASIS ON HIGH NET WORTH SOLUTIONS AND MANAGED SOLUTIONS

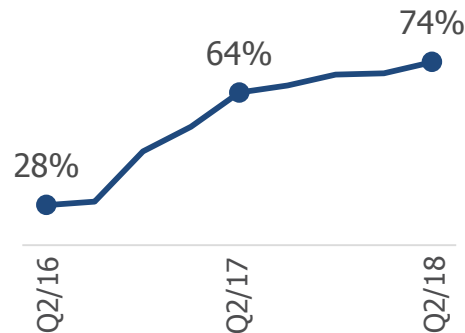
**Gross Sales of
HNW Solutions
(\$MM)**



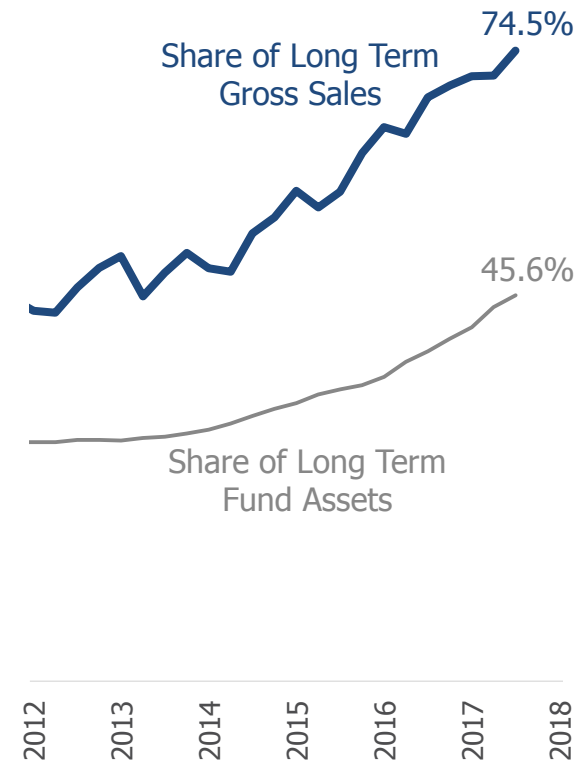
HNW % of Total Sales



**Unbundled % of HNW
Sales**



**Managed Solutions Share
of Long Term Funds**



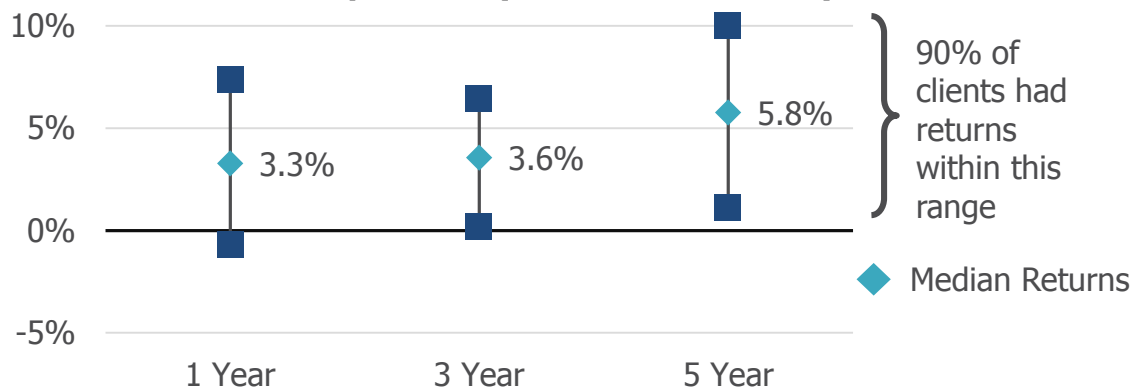
HNW solutions include Series J & U and iProfile.

- Series J provides a bundled pricing structure for households with investment assets in excess of \$500,000.
- Series U provides an unbundled pricing structure for households with investment assets in excess of \$500,000.
- iProfile provide an unbundled pricing structure for households with investment assets in excess of \$250,000.

Managed solutions include Maestro Portfolios, Allegro Portfolios, Alto Portfolios, Cornerstone Portfolios, Investors Group Portfolios, and iProfile.

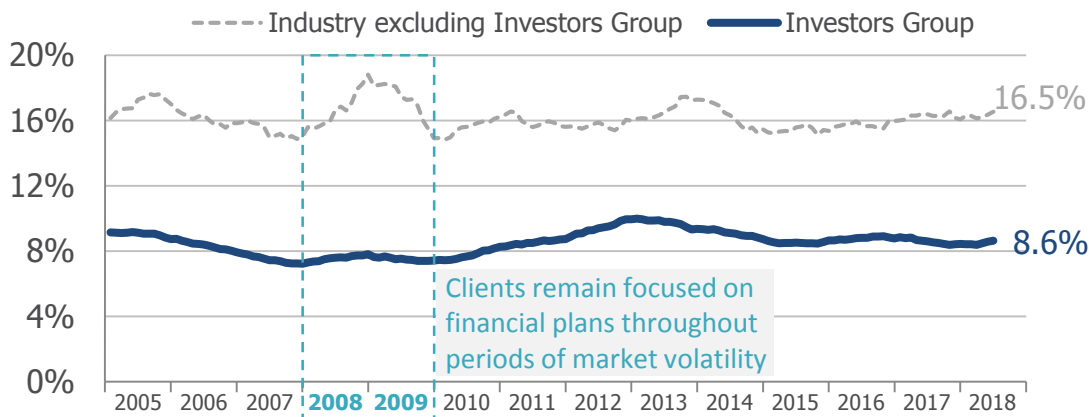
INVESTORS GROUP CLIENT RATE OF RETURN EXPERIENCE AND HISTORICAL REDEMPTION RATE

Investors Group Client Account Rate of Return Experience (as at June 30, 2018)



- Short-term client returns are positive despite market volatility experienced in Q1
- Investors Group's long-term redemption rate is approximately 1/2 that of peers and stable through periods of market volatility

**Redemption Rate on Long Term Mutual Funds¹
(Last Twelve Month Trailing % of Average Assets Under Management)**



1. All numbers exclude CI Investments and Invesco from the date that they discontinued reporting to IFIC. CI discontinued reporting to IFIC during December, 2008 and Invesco discontinued reporting to IFIC during October, 2010.



MACKENZIE INVESTMENTS

MACKENZIE Q2, 2018 HIGHLIGHTS

1

Record high investment fund AUM of \$58.7B; up 3.0% from Q1/18

- Driven by investment returns and net investment fund sales

2

Continued market share gains with investment fund net sales of \$580MM¹

- Strong ETF net creations; Mackenzie ranked #2 in industry
- Total net sales of \$483MM^{1,2}

3

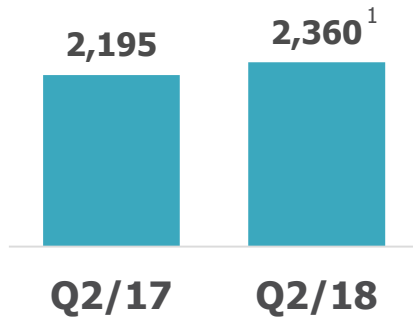
Mackenzie's retail net sales continue to improve in context of declines in industry net sales

- Retail mutual fund net sales of \$278MM; up slightly from 2017

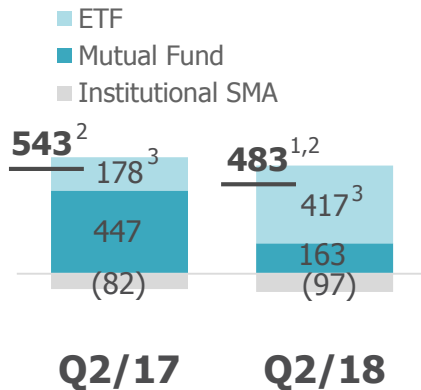
1. Includes advisory mandates to other segments with net sales of \$164 MM during Q2, 2018 and \$4 MM during Q2, 2017. Excludes gross sales of \$381 MM, redemptions of \$514 MM and net redemptions of \$133 MM during Q2, 2018 related to certain fund allocation changes by third party programs which include Mackenzie mutual funds.
2. Excludes Mackenzie mutual fund investment in ETFs of \$153 MM for Q2 2018 and \$211 MM for Q2 2017.

MACKENZIE Q2, 2018 OPERATING RESULTS

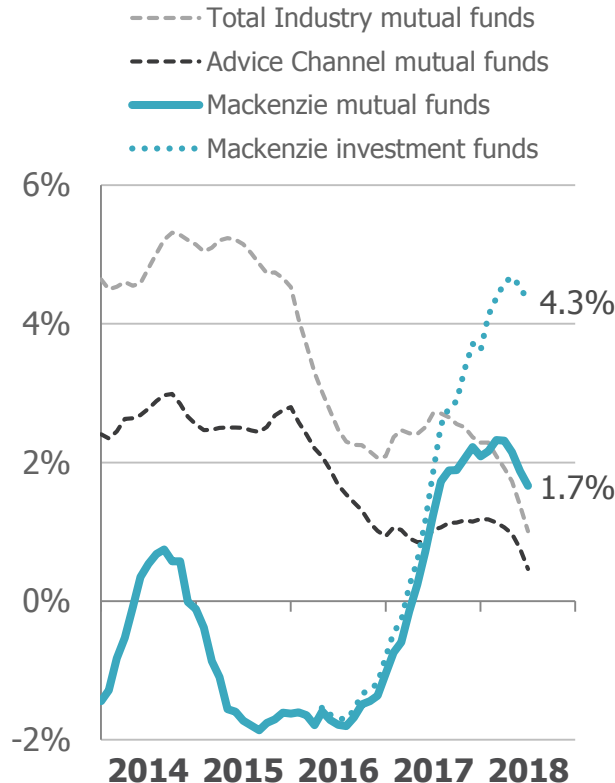
**Mutual Fund Gross Sales
(\$MM)**



**Net Sales
(\$MM)**



**Long-term Fund Net Sales Rate
(LTM, % of Average AUM)**



Source: Simfund

- Q2 total mutual fund gross sales up 7.5%¹
- Strong total net sales of \$483MM^{1,2}
- Capturing market share: long-term mutual fund net sales rate of 1.7% above advice channel and overall industry
- 4.3% long-term investment fund net sales rate

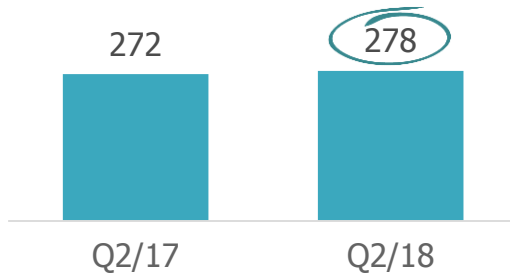
1. Excludes gross sales of \$381 MM, redemptions of \$514 MM and net redemptions of \$133 MM during Q2, 2018 related to certain fund allocation changes by third party programs which include Mackenzie mutual funds.
 2. Includes advisory mandates to other segments with net sales of \$164 MM during Q2, 2018 and \$4 MM during Q2, 2017.
 3. Excludes Mackenzie mutual fund investment in ETFs of \$153 MM for Q2 2018 and \$211 MM for Q2 2017.

BROAD DEMAND FOR MACKENZIE'S MUTUAL FUND OFFERING ACROSS ASSET CLASSES

\$MM	Gross Sales ¹			Net Sales ¹		
	Q2/17	Q2/18	% Change	Q2/17	Q2/18	\$ Change
Income-oriented	239	390	63.2%	29	117	88
Balanced						
<i>Symmetry</i>	416	334	(19.7%)	148	21	(127)
<i>Other</i>	608	636	4.6%	229	140	(89)
Total Balanced	1,024	970	(5.3%)	377	161	(216)
Canadian equity	164	211	28.7%	(53)	(35)	18
Foreign equity	563	625	11.0%	24	(83)	(107)
Sector / other	107	72	(32.7%)	51	(7)	(58)
Long-term Mutual Funds	2,097	2,268	8.2%	428	153	(275)
Money market	98	92	(6.1%)	19	10	(9)
Total Mutual Funds	2,195	2,360	7.5%	447	163	(284)

- Mutual fund net sales of positive \$163MM¹
- In the context of lower industry flows, Mackenzie's retail mutual fund net sales remained strong

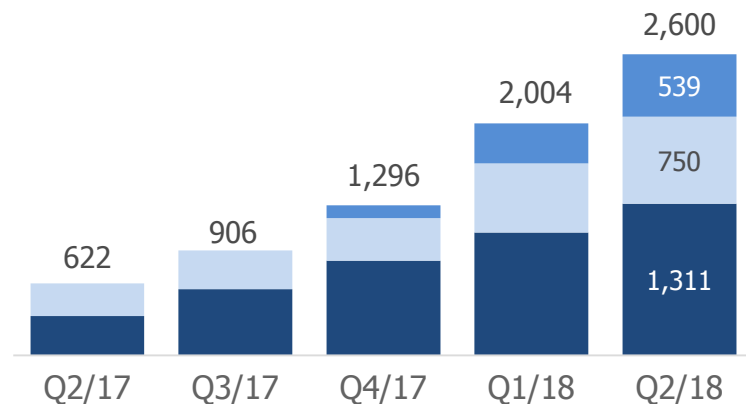
**Retail Mutual Fund Net Sales
(Excludes ETFs, \$MM)**



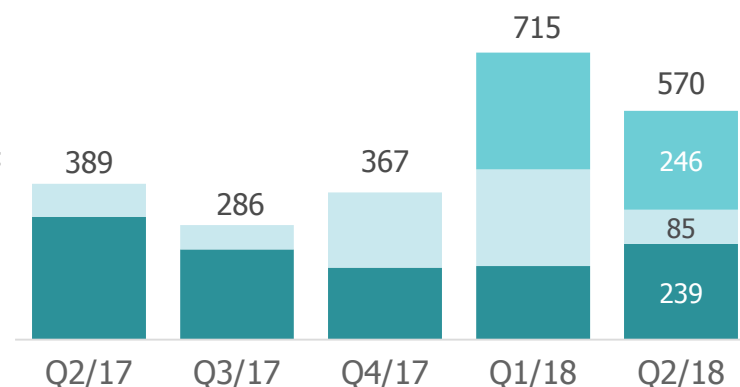
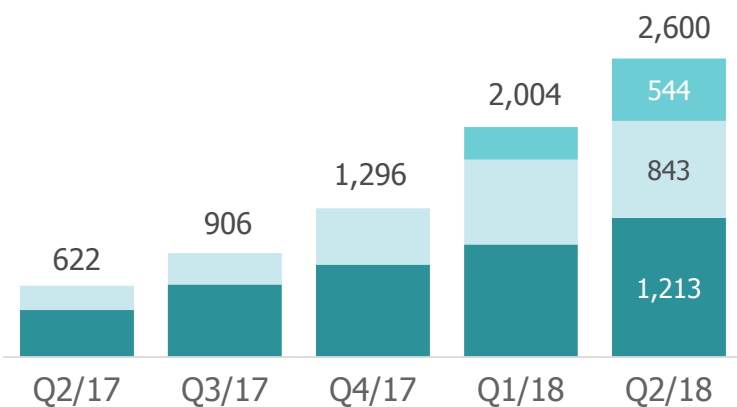
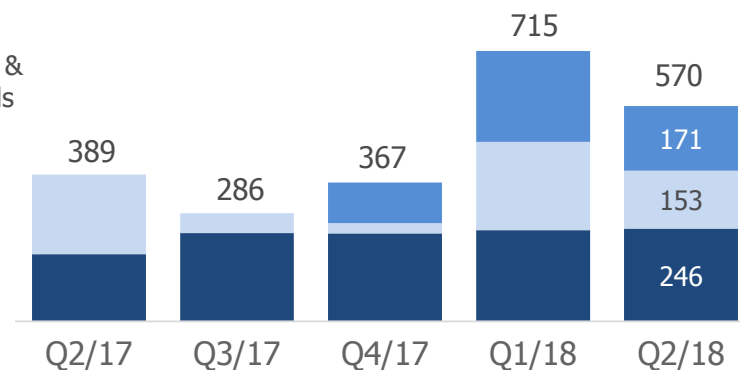
1. Excludes gross sales of \$381 MM, redemptions of \$514 MM and net redemptions of \$133 MM during Q2, 2018 related to certain fund allocation changes by third party programs which include Mackenzie mutual funds.

MACKENZIE'S RAPID ETF GROWTH IS BROAD-BASED ACROSS CHANNELS & INVESTMENT STRATEGIES

ETF AUM by Quarter
(\$MM)



ETF Net Creations by Quarter
(\$MM)

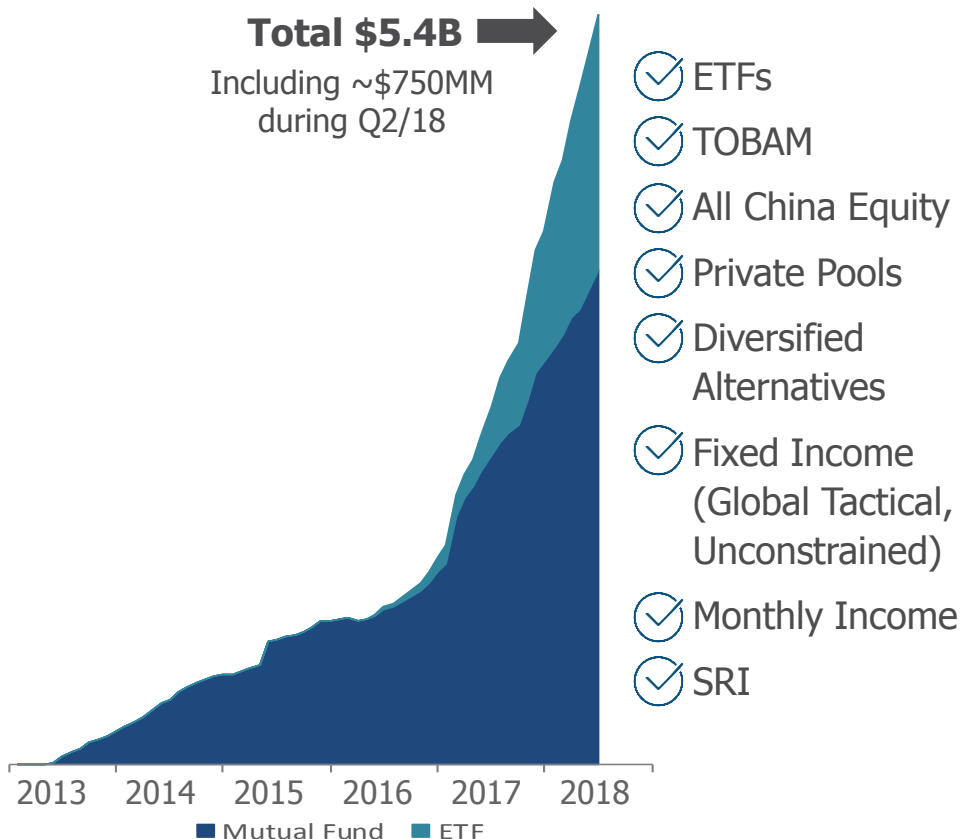


PRODUCT INNOVATION A KEY CATALYST FOR NET SALES & AUM GROWTH

Innovative product launches have delivered \$5.4B in net sales over the past 5 years

Total \$5.4B →

Including ~\$750MM during Q2/18



- ✓ ETFs
- ✓ TOBAM
- ✓ All China Equity
- ✓ Private Pools
- ✓ Diversified Alternatives
- ✓ Fixed Income (Global Tactical, Unconstrained)
- ✓ Monthly Income
- ✓ SRI

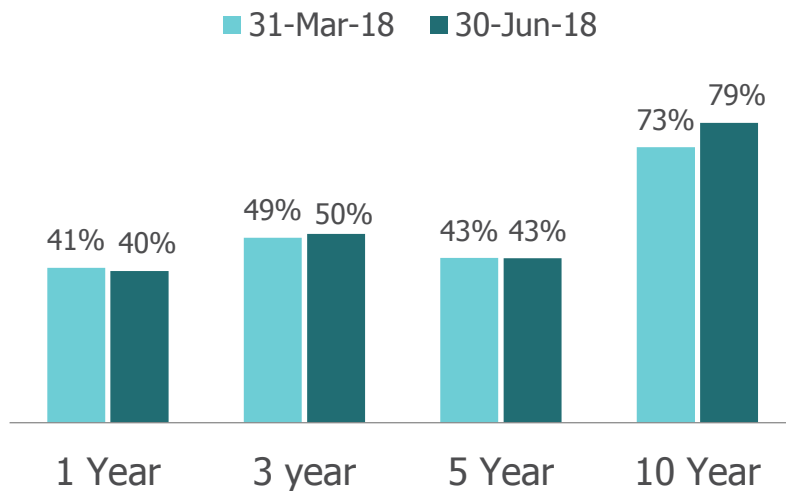
- May, 2018 launch of Mackenzie Multi-Strategy Absolute Return Fund
 - New solution is resonating with advisors and generating interest
 - Product has already been added to approved lists for a number of third party firms
- On July 16, 2018, Mackenzie launched a new fund and portfolio analysis tool called Precision
 - Combines a suite of powerful analysis tools with access to Canadian Mutual Fund and ETF data
 - Helps advisors build client portfolios, generate data-driven insights and share information

PRECISION
Powered by Mackenzie

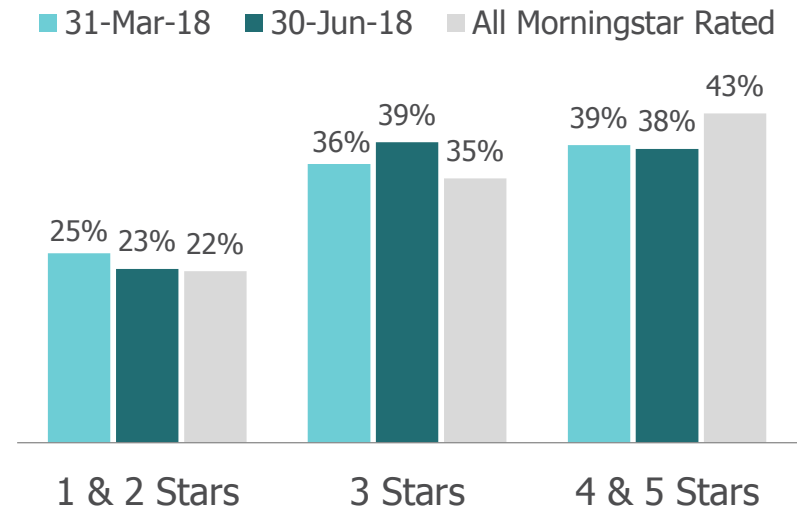
INVESTMENT PERFORMANCE HIGHLIGHTS

Of Mackenzie's 20 largest funds, 17 are rated 4/5 star and 8 are rated 5 stars (series F)

Mackenzie Mutual Funds in 1st or 2nd Quartile¹ (Proportion of Assets)



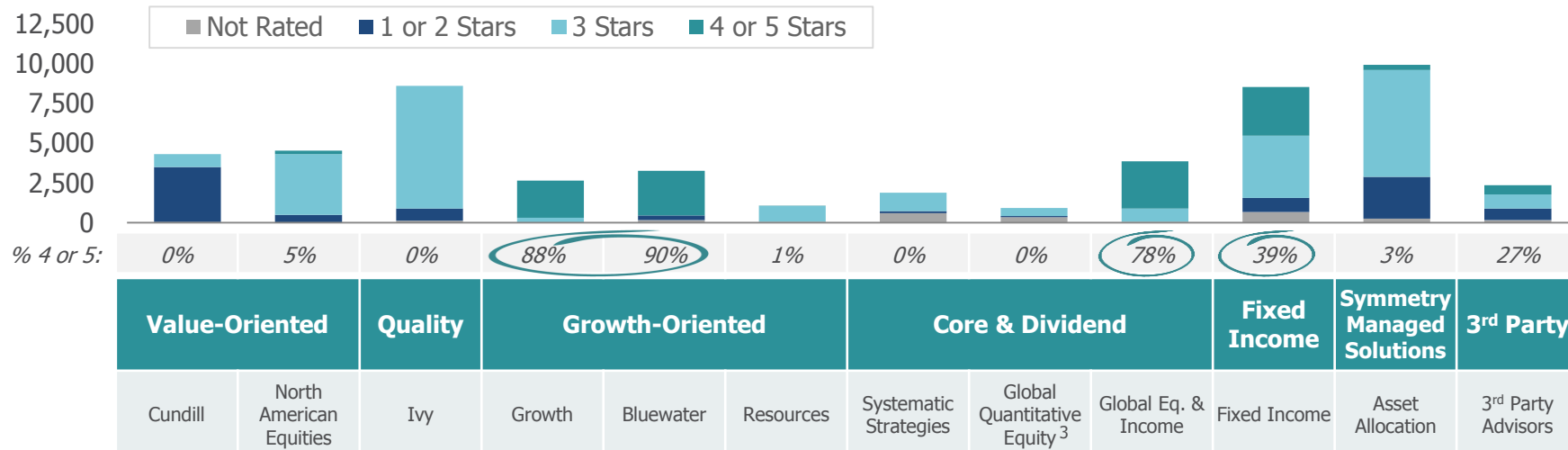
Morningstar Star Ratings¹ (Proportion of Assets)



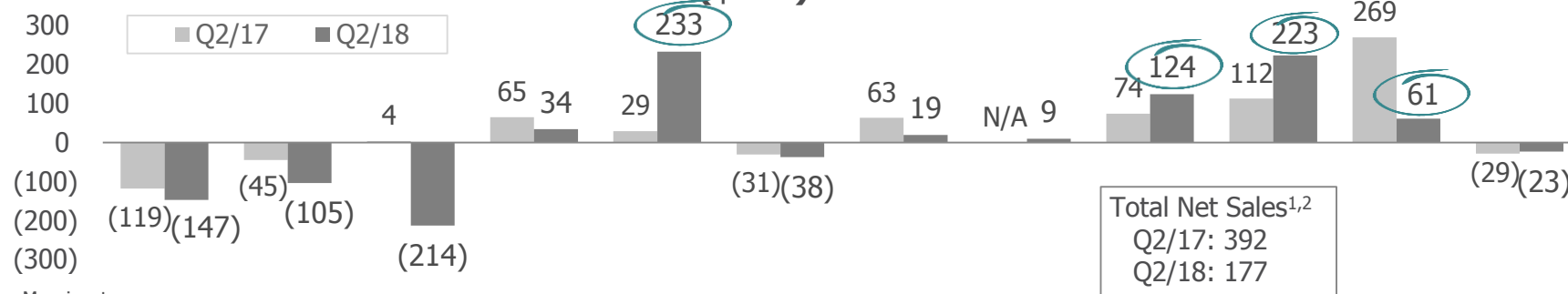
1. Based on Morningstar data as at June 30, 2018 unless otherwise stated and excludes Quadrus funds. Effective 2018, performance metrics are based on the entire Morningstar universe, which include the Fee Based Series (Series F). Prior periods beginning with Q1/17 have been restated.

INVESTMENT BOUTIQUE MUTUAL FUND PERFORMANCE & NET SALES

Mutual Fund AUM by Morningstar Ratings (\$MM)¹



Mackenzie Mutual Fund Net Sales (\$MM)^{1,2}



Source: Morningstar.

1. Excludes Quadrus funds net outflow of (\$14MM) in Q2 2018 and net inflow of \$55MM in Q2 2017.

2. Excludes gross sales of \$381MM, redemptions of \$514 MM and net redemptions of \$133 MM during Q2, 2018 related to certain fund allocation changes by third party programs which include Mackenzie mutual funds.

3. On May 17, 2018, the Global Quantitative Equity boutique began managing Mackenzie's emerging market offerings which were previously managed by a third party sub-advisor.



Regulatory Update

REGULATORY UPDATE

CLIENT FOCUSED REFORMS NI 31-103

Registrant Regulation Rule

KEY AREAS OF FOCUS FOR REGULATORS

- 1) Suitability includes putting clients' interests first, with focus on enhanced KYC, holistic understanding of client and suitable portfolio construction
- 2) Conflicts of Interest must be addressed in the best interests of the client, with specific controls identified for third-party and internal compensation and the offering of proprietary products
- 3) KYP emphasis on competitiveness of the security relative to similar securities in the market, including more emphasis on cost and performance

IGM WELL-POSITIONED CLIENT FOCUSED STRATEGIES

- Financial planning focus and mandating CFP/PI.Fin at Investors Group equips Consultants to meet heightened KYC and Suitability
- Mackenzie holistic wealth solutions support suitability obligations
- Investors Group has a robust KYP process and selection criteria, with products aligned with client interests
- Investor Group product shelf of leading sub-advisors supports KYP
- Competitive performance and pricing for products and services being offered by our companies

OPTION TO DISCONTINUE EMBEDDED COMPENSATION NI 81-330

- 1) Trailing commissions in mutual fund securities allowed, subject to proposed conflicts of interest mitigation rules and KYP and suitability considerations
 - Trailing commissions prohibited for dealers who do not make a suitability determination
- 2) Will prohibit all forms of DSC and Low load options

- Investors Group to offer unbundled fee-based products for all clients
- Mackenzie agnostic and offering a variety of series options for MFDA and IIROC advisors, including series F and negotiated series FB
- Series D at Mackenzie easily transitioned to series F
- Investors Group eliminated DSC on new sales (effective January 1, 2017)
- Mackenzie agnostic to fee structure

KYC refers to Know Your Client; KYP refers to Know Your Product.

REGULATORY UPDATE – NEXT STEPS

**Client Focused
Reform
Submissions due
on or before
October 19, 2018**

**Publication of
rule proposals on
embedded
commissions
expected in
September, 2018**

**Some CSA
jurisdictions may
hold in-person
consultations and
roundtables in
2018-2019**

**A YEAR OF FURTHER CONSULTATIONS AND SOME
REGULATORY DECISIONS**

**IGM CONTINUES PROACTIVE STRATEGY EXECUTION AND
REVIEW OF ITS PRACTICES AS REGULATORY
CONSULTATIONS & RULES EVOLVE**



FINANCIAL RESULTS

IGM FINANCIAL Q2, 2018 FINANCIAL HIGHLIGHTS

1

Adjusted EPS of 85 cents per share; up 10.4% from Q2/17

- Driven by higher AUM and expense management
- IFRS 15 adopted January 1, 2018; if applied retrospectively Q2/18 EPS increased 7.6%
- Non-commission expense up 2.5% vs. Q2/17; continue to guide to 2018 non-commission expense growth of 5%

2

Issued \$200MM 4.174% 30 year debentures (closed July 11th, 2018)

- Announced early redemption of \$375MM 7.35% April 8, 2019 debentures to be funded with debt issuance combined with internal cash resources

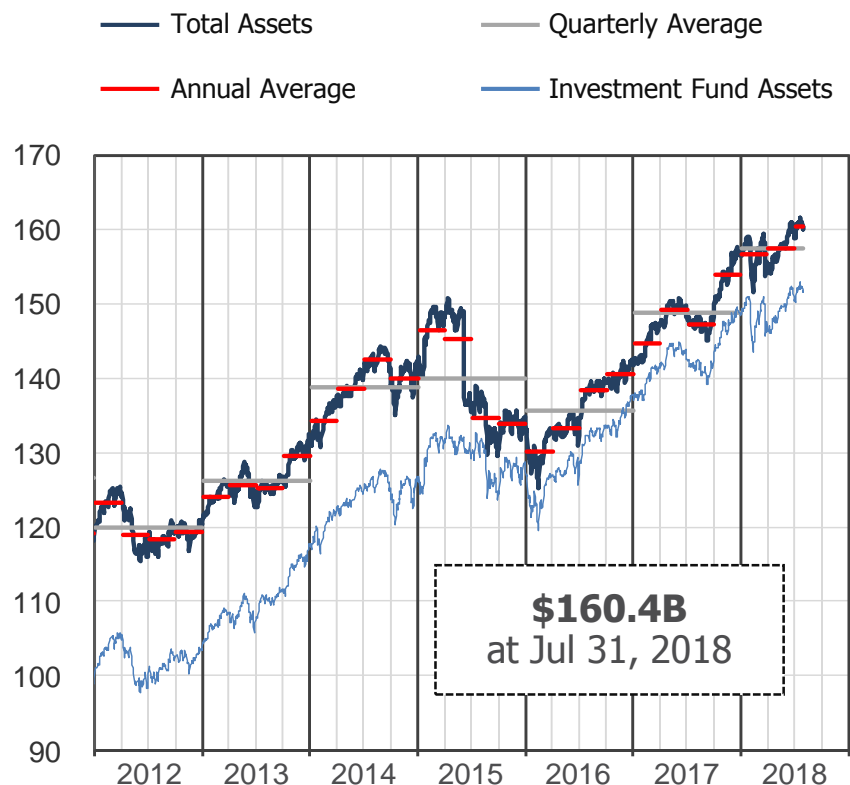
3

Disclosure Enhancements

- Cash flow statement enhanced with a focus on improving the operating activities section

ASSETS UNDER MANAGEMENT

IGM Assets Under Management (\$B)



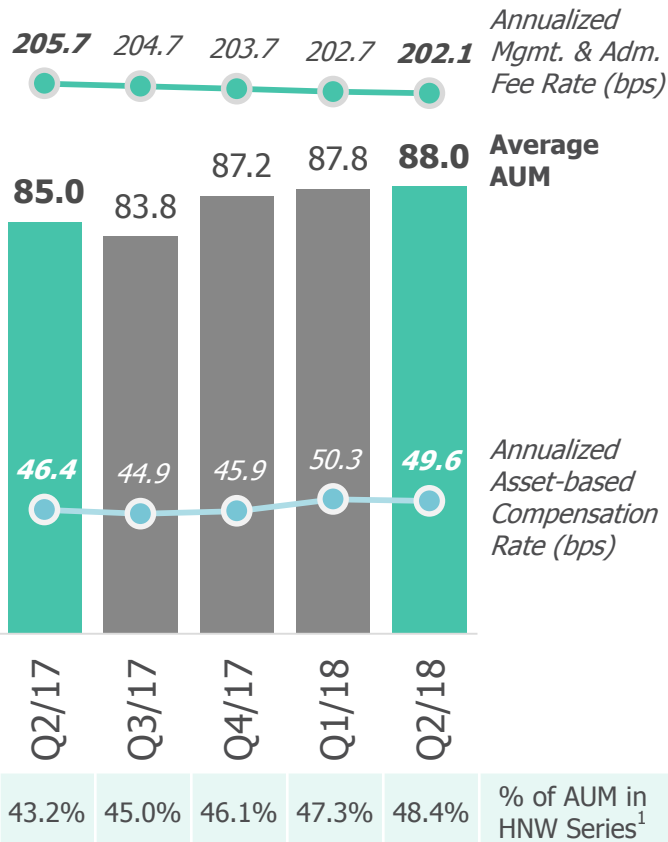
Change in IGM Assets Under Management (\$B)

	Q2/17	Q3/17	Q4/17	Q1/18	Q2/18	LTM
Opening	147.5	148.6	150.0	156.5	155.8	148.6
Net Sales - Investment Funds	1.0	0.8	0.7	1.4	0.2	3.1
Net Sales - Institutional & Other	(0.1)	0.0	1.1	(0.0)	(0.1)	1.0
Total Net Sales	1.0	0.8	1.8	1.4	0.1	4.1
Investment Returns	0.1	0.5	4.7	(2.1)	3.3	6.4
Ending	148.6	150.0	156.5	155.8	159.1	159.1
Change	0.8%	0.9%	4.3%	-0.5%	2.2%	7.1%
Average Total Assets	149.7	147.8	154.2	156.8	157.5	154.1
Annualized Net Sales Rate:						
Investment Funds	2.9%	2.3%	1.9%	3.7%	0.5%	2.1%
Total Net Sales	2.6%	2.2%	4.7%	3.5%	0.2%	2.7%
Investment Returns Rate	0.1%	0.4%	3.0%	-1.3%	2.1%	4.2%
S&P / TSX Total Return	-1.6%	3.7%	4.5%	-4.5%	6.8%	10.4%
S&P 500 Total Return (in \$USD)	3.1%	4.5%	6.6%	-0.8%	3.4%	14.4%
USD vs. CAD	-2.7%	-3.8%	0.8%	2.6%	1.8%	1.3%

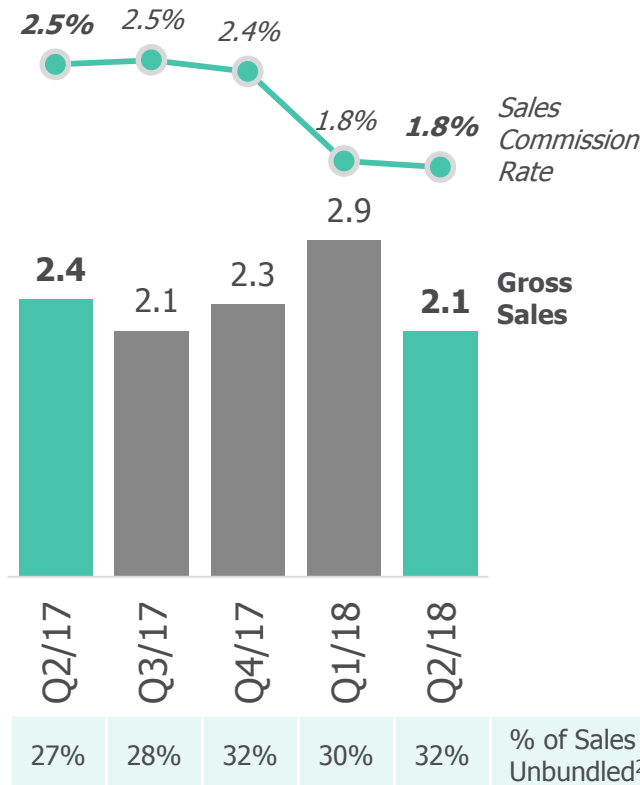
\$0.2B Investment Fund Net Sales in Q2 2018

INVESTORS GROUP KEY PROFITABILITY DRIVERS

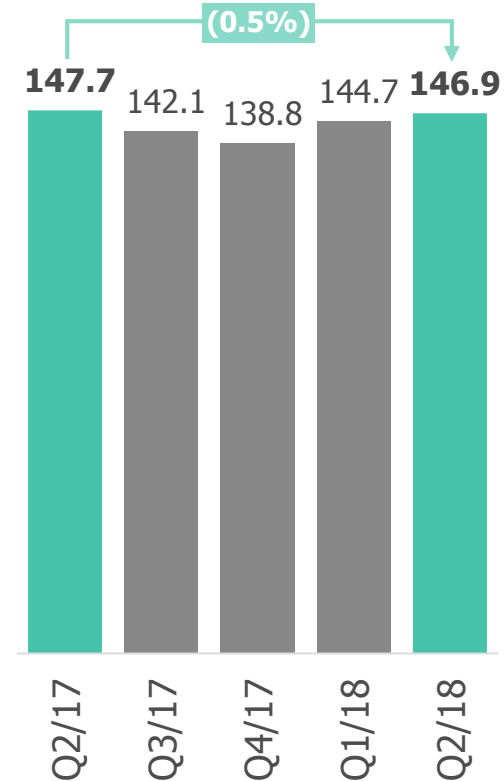
Average AUM & Rates of AUM (\$B, unless otherwise stated)



Gross Sales & Rates of Sales (\$B, unless otherwise stated)



Non-commission Expenses (\$MM)



1. Reflects quarter ending proportion of mutual fund AUM held in iProfile and Series J & U.

2. "Unbundled" or "Fee-Based" arrangements are where dealer compensation is charged directly to the end client through advisory or other fees. This reflects Series U and iProfile.

INVESTORS GROUP PROFITABILITY

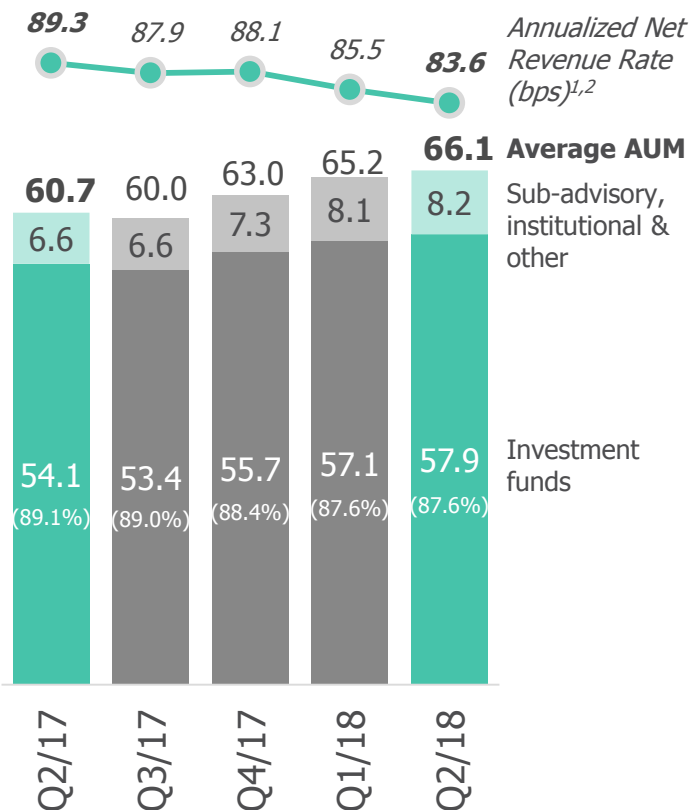
(\$MM, unless otherwise indicated)

	Q2/17	Q1/18	Q2/18	Change QoQ		Change YoY	
				\$	%	\$	%
Days in the period	91	90	91		1.1%		0.0%
Average mutual fund AUM (\$ Billions)	85.0	87.8	88.0	0.2	0.2%	3.0	3.5%
Management fees	354.6	360.8	365.8	5.0	1.4%	11.2	3.2%
Administration fees	81.3	78.1	77.5	(0.6)	(0.8%)	(3.8)	(4.7%)
	435.9	438.9	443.3	4.4	1.0%	7.4	1.7%
Distribution fees	46.5	43.3	40.5	(2.8)	(6.5%)	(6.0)	(12.9%)
Net investment income & other	22.1	10.3	12.1	1.8	17.5%	(10.0)	(45.2%)
Total Revenue	504.5	492.5	495.9	3.4	0.7%	(8.6)	(1.7%)
Commission expenses							
Total sales-based commission expenses	44.7	38.8	27.9	(10.9)	(28.1%)	(16.8)	(37.6%)
Asset-based compensation & other	98.4	109.0	108.7	(0.3)	(0.3%)	10.3	10.5%
Mutual Fund	143.1	147.8	136.6	(11.2)	(7.6%)	(6.5)	(4.5%)
Other	19.8	17.0	15.0	(2.0)	(11.8%)	(4.8)	(24.2%)
	162.9	164.8	151.6	(13.2)	(8.0%)	(11.3)	(6.9%)
Non-commission expenses	147.7	144.7	146.9	2.2	1.5%	(0.8)	(0.5%)
Total Expenses	310.6	309.5	298.5	(11.0)	(3.6%)	(12.1)	(3.9%)
Earnings before Interest and Taxes (EBIT)	193.9	183.0	197.4	14.4	7.9%	3.5	1.8%

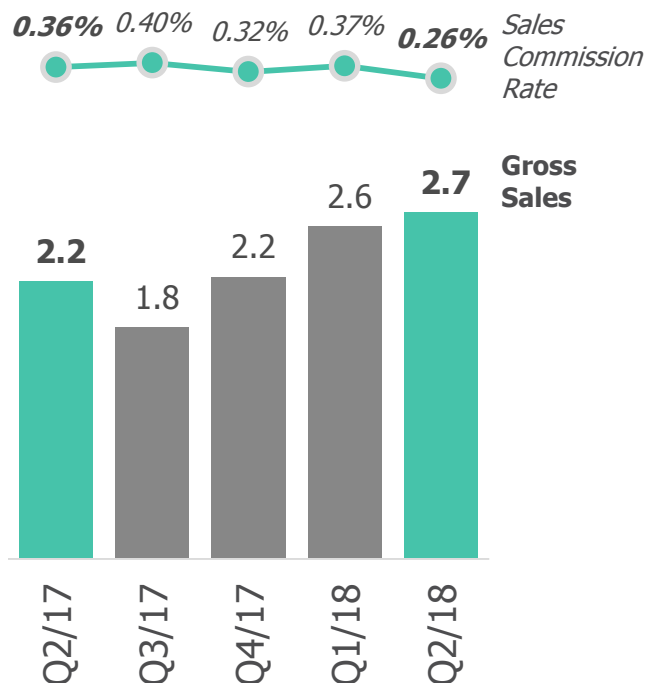
- 1 Management and administration fees increased 1.0% quarter-over-quarter
- 2 Lower distribution revenues offset by lower non-mutual fund commission expense
- 3 Year-over-year change in mutual fund commission expenses includes transition to more asset-based and less sales-based compensation
- 4 Q2/18 non-commission expenses down 0.5% year-over-year

MACKENZIE KEY PROFITABILITY DRIVERS

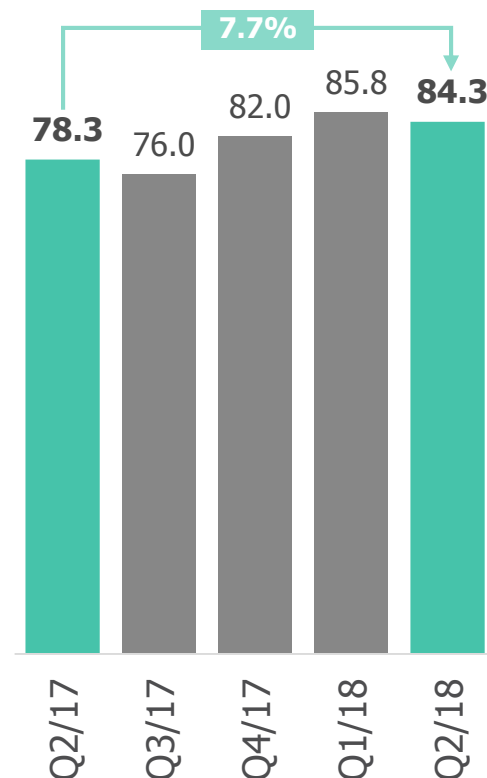
Average AUM & Rates of AUM (\$B, unless otherwise stated)



Mutual Fund Gross Sales & Rates of Sales (\$B, unless otherwise stated)



Non-commission Expenses² (\$MM)



1. Net revenue rate reflects management, administration and distribution fees less trailing commission expense divided by average total AUM. Prior periods adjusted to remove Investors Group advisory fees and related average AUM.
2. Effective October 1, 2017, Mackenzie segment has been redefined to exclude advisory mandates to Investors Group funds from its assets under management, management fees, and non-commission expense. These changes have been restated to reclassify the sub-advisory fees out of management fees and into non-commission expenses (Q2/17 - \$5.0MM, Q3/17 - \$5.6MM).

MACKENZIE PROFITABILITY

(\$MM, unless otherwise indicated)

	Q2/17	Q1/18	Q2/18	Change QoQ		Change YoY	
				\$	%	\$	%
Days in the period	91	90	91		1.1%		0.0%
Average AUM (\$ Billions):							
Total	60.7	65.2	66.1	0.9	1.4%	5.5	9.0%
Investment funds	54.1	57.1	57.9	0.8	1.5%	3.83	7.1%
Fee Revenue							
Management fees ¹	172.3	175.9	177.0	1.1	0.6%	4.7	2.7%
Administration fees	24.9	24.9	24.9	-	0.0%	-	0.0%
Distribution fees	1.9	2.1	1.5	(0.6)	(28.6%)	(0.4)	(21.1%)
Total Fee Revenue	199.1	202.9	203.4	0.5	0.2%	4.3	2.2%
Trailing commission	(63.8)	(65.4)	(65.7)	(0.3)	0.5%	(1.9)	3.0%
Total Net Revenue	135.3	137.5	137.7	0.2	0.1%	2.4	1.8%
Sales-based commission expenses	(11.7)	(9.9)	(7.2)	2.7	(27.3%)	4.5	(38.5%)
Non-commission expenses ¹	(78.3)	(85.8)	(84.3)	1.5	(1.7%)	(6.0)	7.7%
Net investment income & other	(1.9)	(0.2)	2.5	2.7	n/m	4.4	n/m
Earnings before Interest and Taxes (EBIT)	43.4	41.6	48.7	7.1	17.1%	5.3	12.2%

1 Net revenue up slightly quarter-over-quarter

2 Q2/18 Non-commission expenses up 7.7% from last year

1. Effective October 1, 2017, Mackenzie segment has been redefined to exclude advisory mandates to Investors Group funds from its assets under management, management fees, and non-commission expense. These changes have been restated to reclassify the sub-advisory fees out of management fees and into non-commission expenses (Q2/17 - \$5.0MM).

DISCLOSURE ENHANCEMENTS – CASH FLOW STATEMENT

Consolidated statement of cash flows (\$MM)

Operating activities

Earnings before income taxes

Income taxes paid

Adjustments to determine net cash from operating activities

Capitalized sales commission amortization

Capitalized sales commissions paid

Amortization of capital and intangible assets

Proportionate share of associates' earnings, net of dividends received

Pension and other post-employment benefits

Write-down of intangible assets

Pension plan amendment

Restructuring provisions and other

Changes in operating assets and liabilities and other

Cash flows from operating activities before restructuring provision payments

Restructuring provision cash payments

Cash flows from operating activities

Twelve Months Ended

Dec 31, 2017

Prior New

784.7 784.7

(165.2) (165.2)

230.9 230.9

(271.6) (271.6)

55.8 55.8

(32.6)

(11.2)

92.4

(50.4)

107.6

23.1 (25.1)

715.2

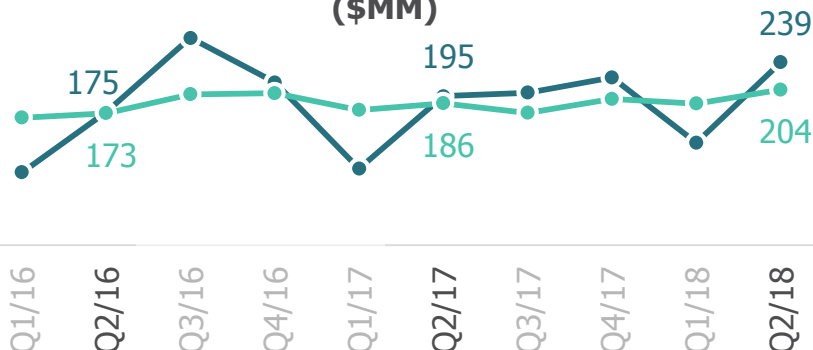
(43.1)

657.6 672.1

727.8 727.8

- 1 Proportionate share of GWL and China AMC earnings exceeds dividends received. GWL dividends paid quarterly, China AMC annually.
- 2 Isolated impact of non-IFRS adjustments on operating cash flows.
- 3 Re-classified volatile mortgage collection cash flows out of operating activities. This has no net impact over time (Investors Group collects and remits) but has noticeable impact on quarters.

Adjusted Net Earnings Versus Cash Flow from Operating Activities (\$MM)



- Cash flows from operating activities before restructuring provision payments
- Adjusted Net Earnings



Q&A

IGM FINANCIAL

AUGUST 2, 2018

