

Investors Group Inc.

Q3, 2002 Results

Analyst Presentation

October 31, 2002

9:00 AM CT



1. Highlights

2. Consolidated Results
3. Investors Group
4. Mackenzie Financial
5. Transition Plans
6. Q & A

Highlights

- ◆ **Earnings per share increased by 11.3% in the quarter ended September 30, 2002 relative to the prior year.**

All numbers in millions of dollars, except per share amounts

Third Quarter

	2002	2001	%
EPS	\$ 0.471	\$ 0.418	12.7 %
Goodwill amortization ¹	-	0.005	
Adjusted EPS	\$ 0.471	\$ 0.423	11.3 %
Dividends per Share	\$ 0.225	\$ 0.190	18.4 %
Canadian Mutual Fund AUM	66,460	68,976	(3.6)%
Canadian Mutual Fund Net Sales	IG Consultant Network ² (216)	88	N/M
	Mackenzie ³ (101)	28	N/M
Total Client Assets Under Administration	74,137	75,847	(2.3)%

1. Represents goodwill amortization related to the Company's investment in affiliate to reflect accounting standards now in effect. (See Note 1 of the Company's consolidated financial statements.)

2. 2001 excludes Maxxum net sales of \$26 million.

3. Excludes Mackenzie net sales made prior to May 1, 2001. Includes Mackenzie hedge funds.

Highlights

- ◆ **Earnings per share increased by 21.9% in the nine months ended September 30, 2002 relative to the prior year.**

All numbers in millions of dollars, except per share amounts

For the Nine Months ended September 30

	<u>2002</u>	<u>2001</u>	<u>%</u>	
EPS ¹	\$ 1.402	\$ 1.135	23.5 %	
Goodwill amortization ²	-	0.015		
Adjusted EPS ³	\$ 1.402	\$ 1.150	21.9 %	
Dividends per Share	\$ 0.635	\$ 0.540	17.6 %	
Canadian Mutual Fund Net Sales	IG Consultant Network ⁴	331	680	(51.4)%
	Mackenzie ⁵	277	(44)	N/M

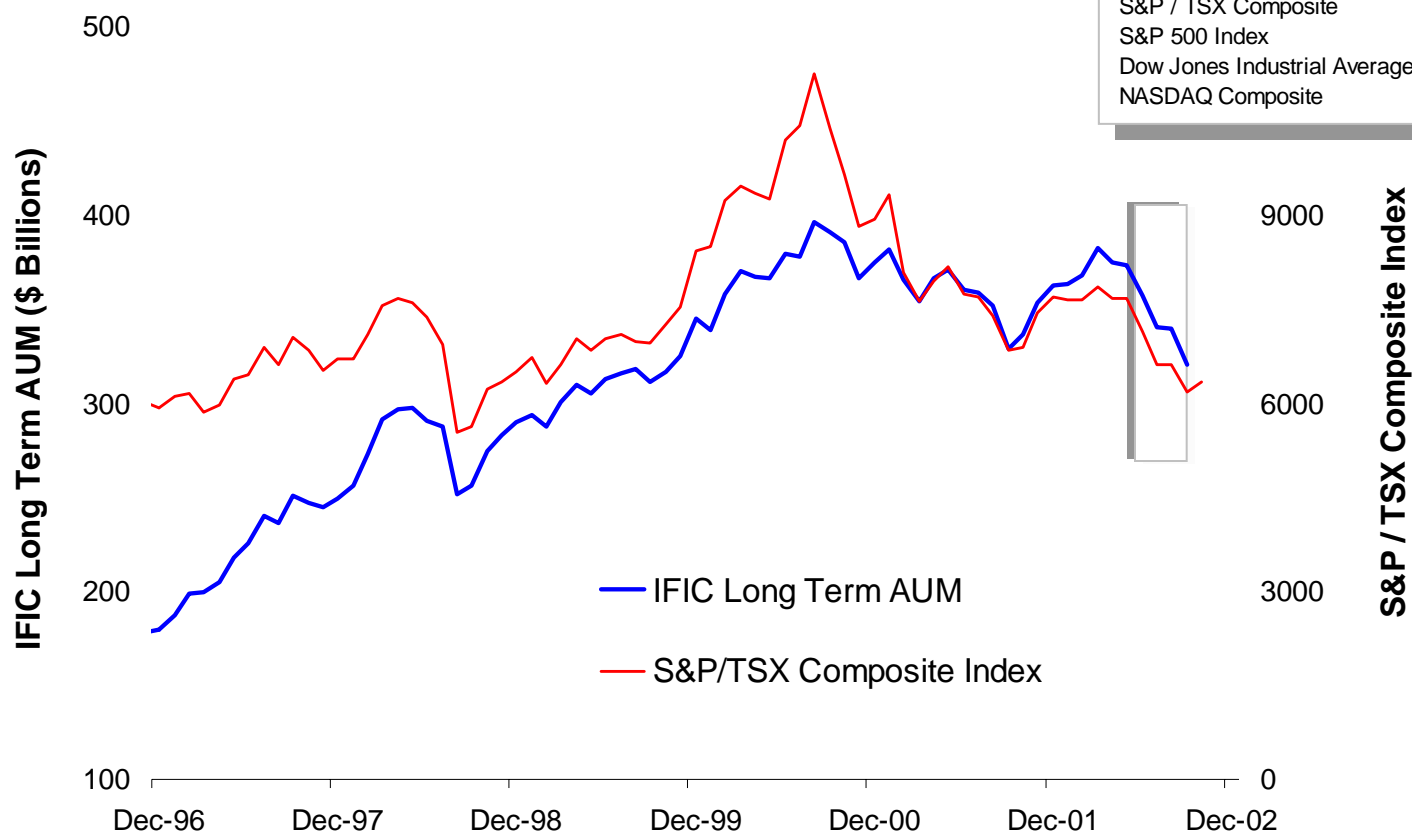
1. Earnings per share for the nine months ended September 30, 2001 excludes both a restructuring charge of \$95.6 million (\$54.1 million after-tax) taken in the second quarter and goodwill amortization related to the acquisition of Mackenzie Financial Corporation (Mackenzie).
2. Represents goodwill amortization related to the Company's investment in affiliate to reflect accounting standards now in effect. (See Note 1 of the Company's consolidated financial statements.)
3. A change in accounting estimate effective April 1, 2001, related to amortization of sales commissions, reduced expenses and increased earnings per share by 7.5 cents
4. 2001 excludes Maxxum net sales of \$194 million.
5. Excludes Mackenzie net sales made prior to May 1, 2001. Includes Mackenzie hedge funds.

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Current Environment

- During Q3, 2002, industry long term mutual fund assets under management declined by 10.3%, driven primarily by equity market declines.

Industry Long Term Mutual Fund Assets Under Management Relative to S&P / TSX Composite Index

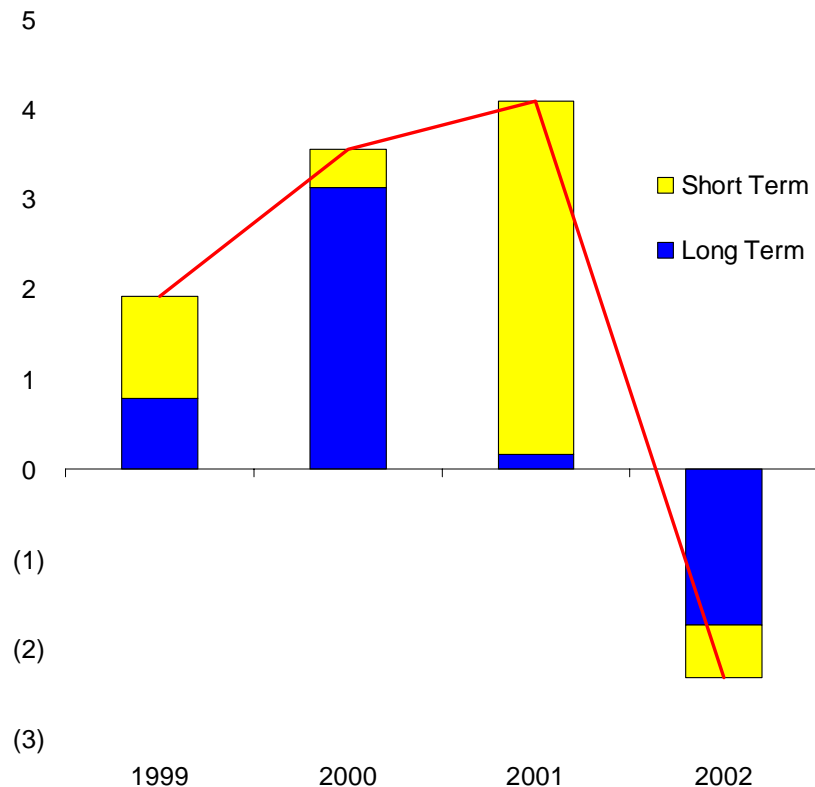


Source: IFIC

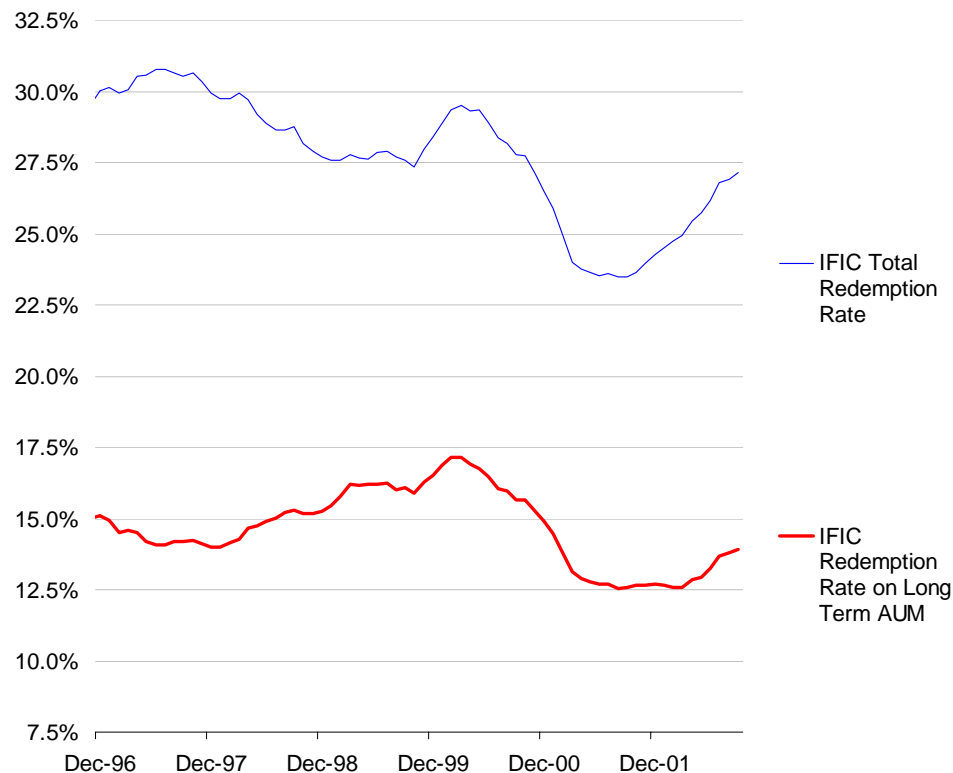
Current Environment

- ◆ **The industry experienced net redemptions during Q3, 2002 in both short term and long term funds.**

Industry Mutual Fund Net Sales
Quarters ended September 30 (\$ billions)



Industry Mutual Fund Redemption Rates
(Last twelve month trailing % of average AUM)

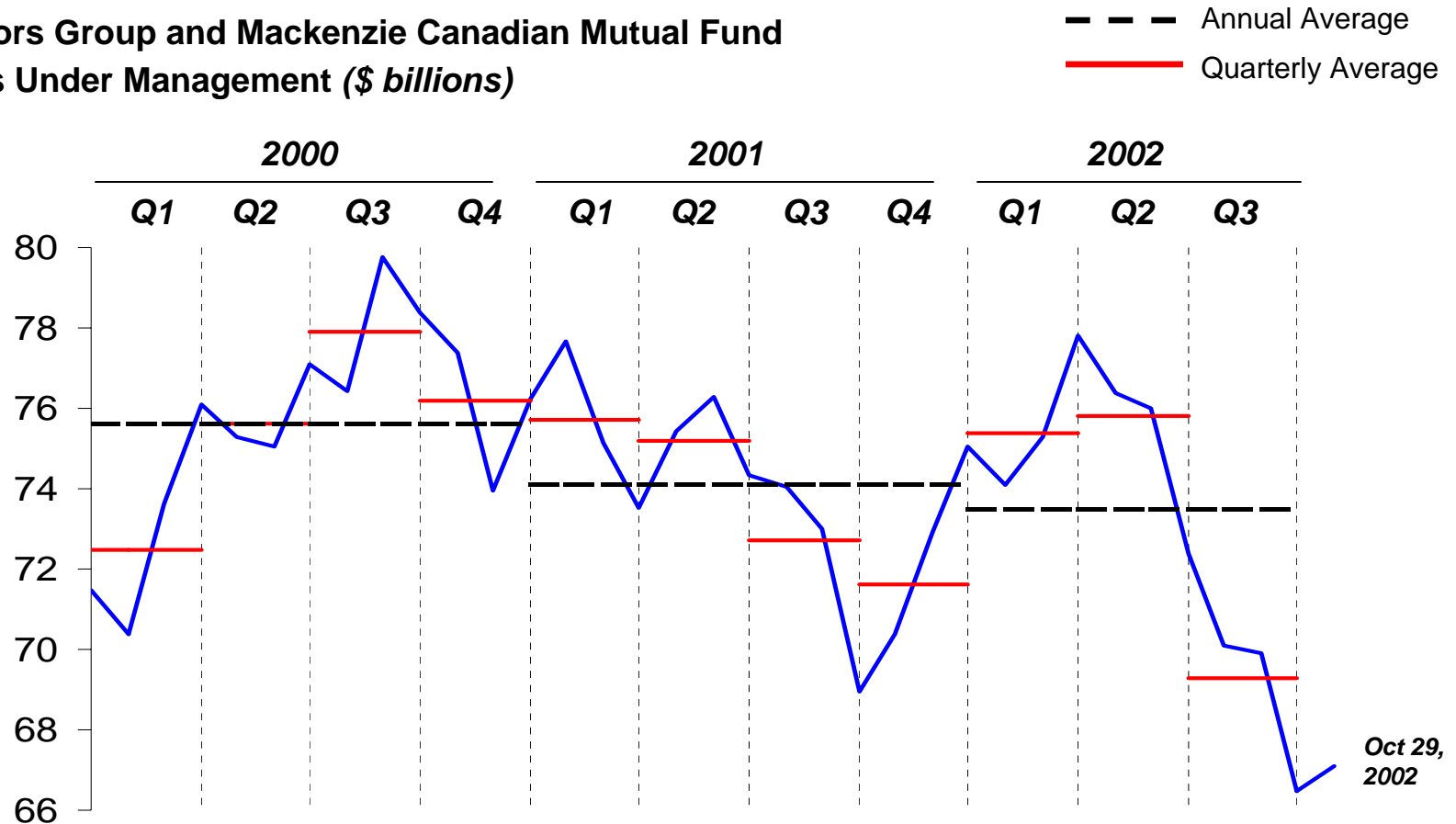


Source: IFIC

Mutual Fund Assets Under Management

- ◆ *Investors Group Inc.'s consolidated average mutual fund assets under management decreased during Q3, 2002 to \$69.3 billion, down 8.6% relative to Q2, 2002 and 4.7% relative to Q3, 2001.*

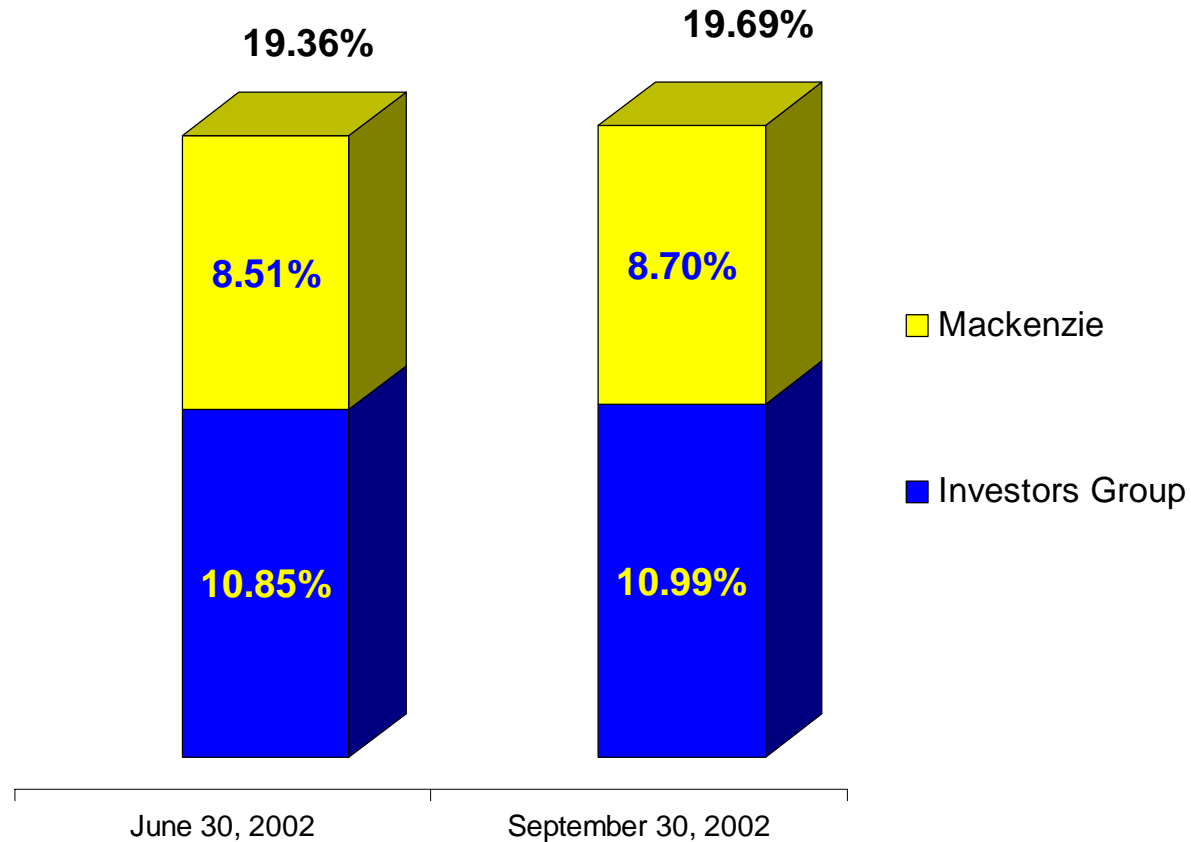
Investors Group and Mackenzie Canadian Mutual Fund Assets Under Management (\$ billions)



Mutual Fund Assets Under Management

- ◆ *Investors Group and Mackenzie gained share of long term industry mutual fund assets during Q3, 2002.*

Share of Canadian Mutual Fund Industry Long Term Assets Under Management

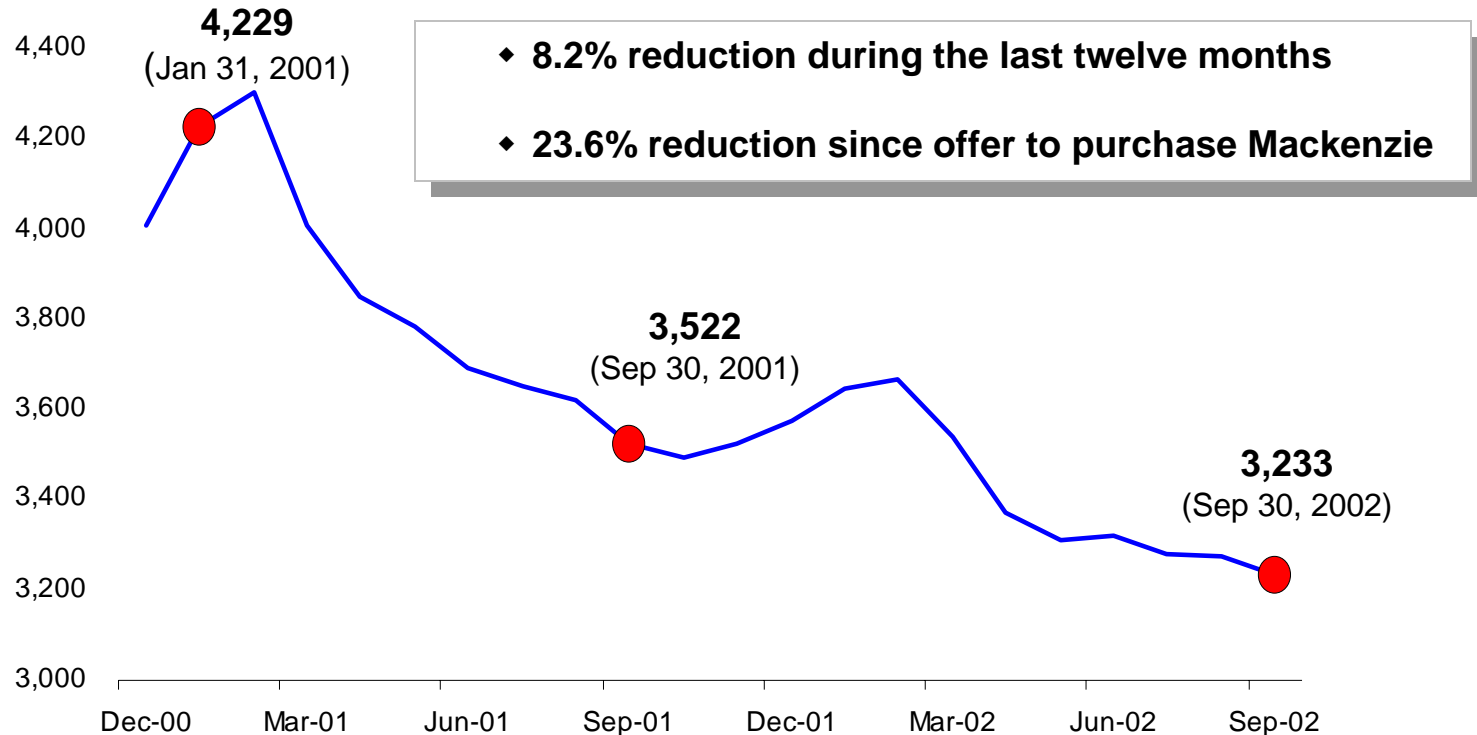


Source: IFIC

Expense Control

- ◆ *In response to the changing economic conditions, Investors Group and Mackenzie initiated expense management measures beyond the cost reduction opportunities created by the transition activities.*

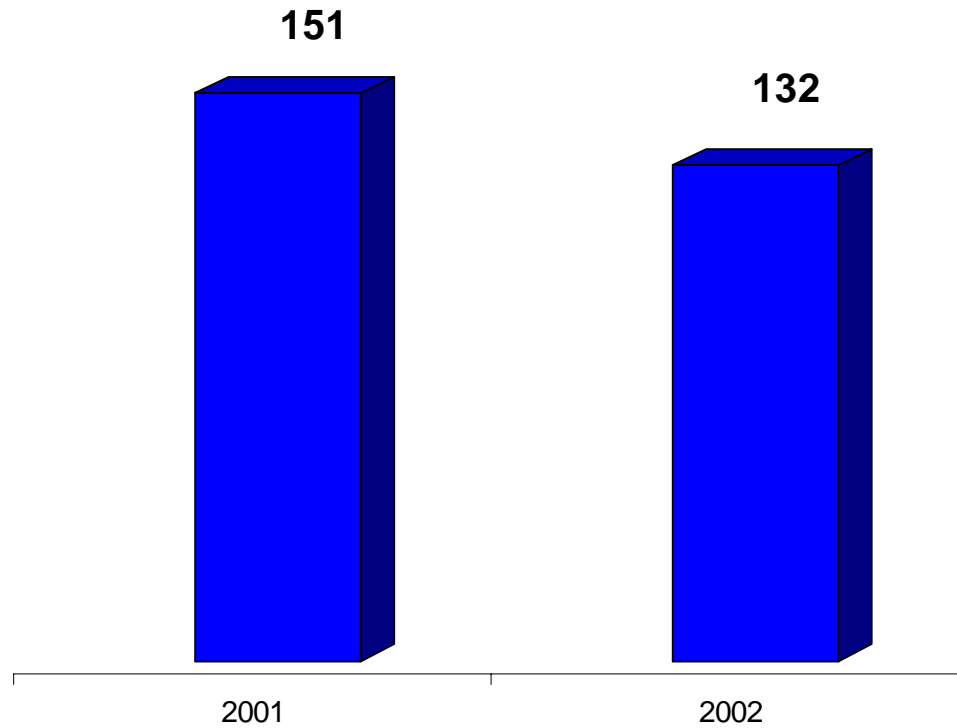
Investors Group and Mackenzie Consolidated Number of Employees (Full Time Equivalents, excludes Investors Group Consultant Network)



Expense Control - Third Quarter

- ◆ *Investors Group and Mackenzie's consolidated expenses were reduced by 12.7% during the quarter ended September 30, 2002 relative to the prior year.*

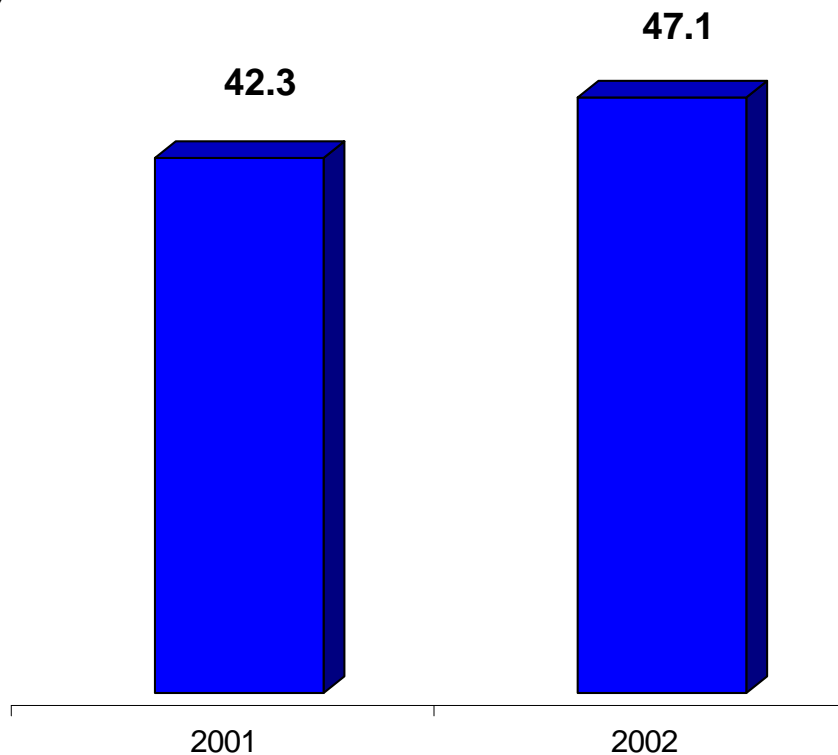
Non-Commission Expenses
Quarters ended September 30 (\$ millions)



EPS (excluding goodwill amortization and restructuring charge) - Third Quarter

- ◆ *EPS excluding the effect of goodwill amortization and restructuring charge increased by 11.3% in Q3, 2002 relative to the prior year.*

Quarters ended September 30
(cents)

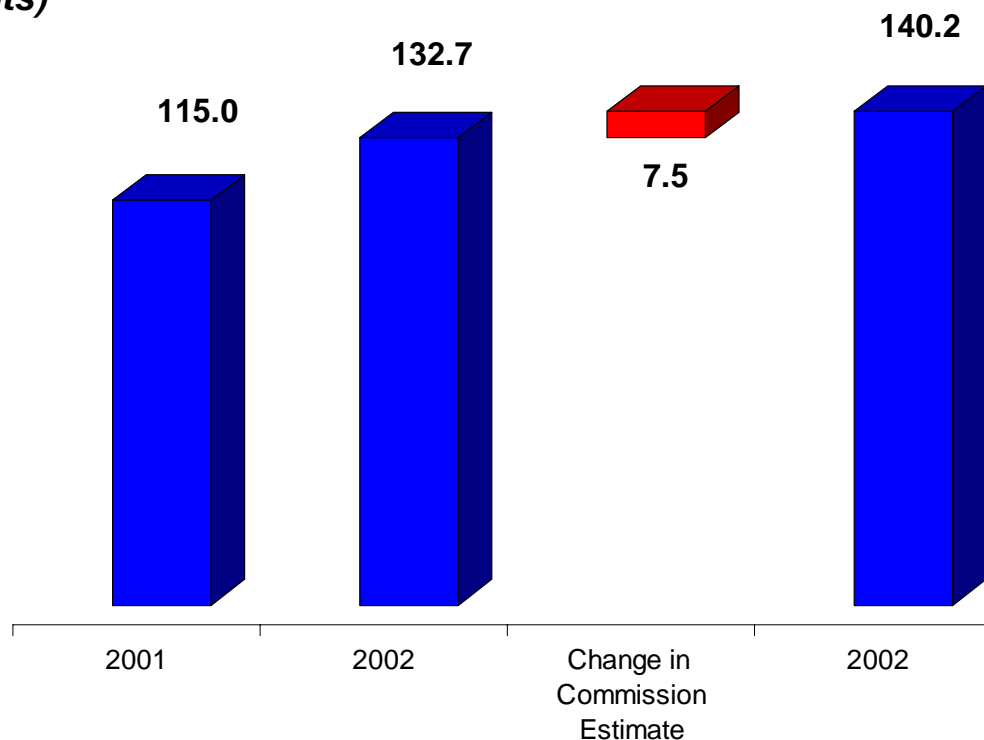


Note: 2001 EPS has been adjusted to exclude goodwill amortization related to the Company's investment in affiliate to reflect accounting standards now in effect. (See Note 1 of the Company's consolidated financial statements.)

EPS (excluding goodwill amortization and restructuring charge) - Nine months ended September 30

- ◆ **EPS excluding the effect of goodwill amortization and restructuring charge increased by 21.9% during the nine months ended September 30, 2002 relative to the prior year. Excluding the effect of a change in accounting estimate related to the amortization of sales commissions, the increase was 15.4%.**

Nine months ended September 30
(cents)



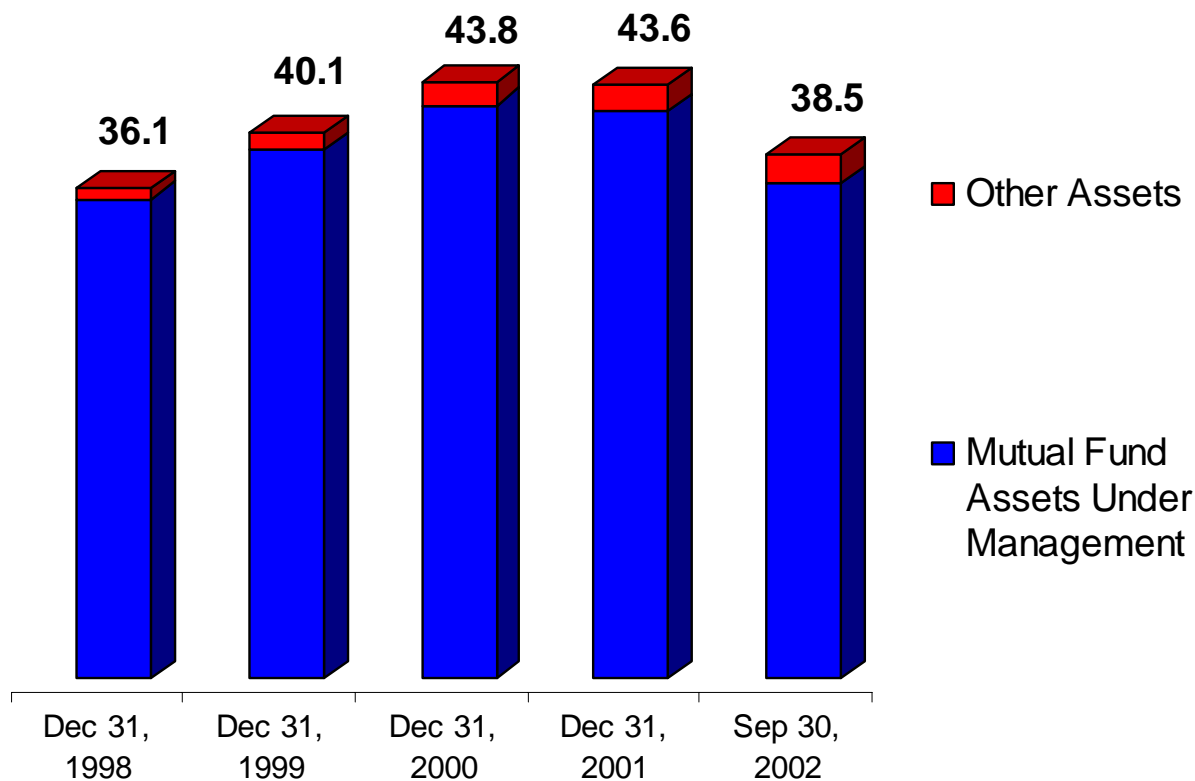
Note: 2001 EPS has been adjusted to exclude goodwill amortization related to the Company's investment in affiliate to reflect accounting standards now in effect. (See Note 1 of the Company's consolidated financial statements.)

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Consultant Network Assets Under Administration

- ◆ *Assets under administration distributed through the Investors Group Consultant Network decreased by 11.8% year to date.*

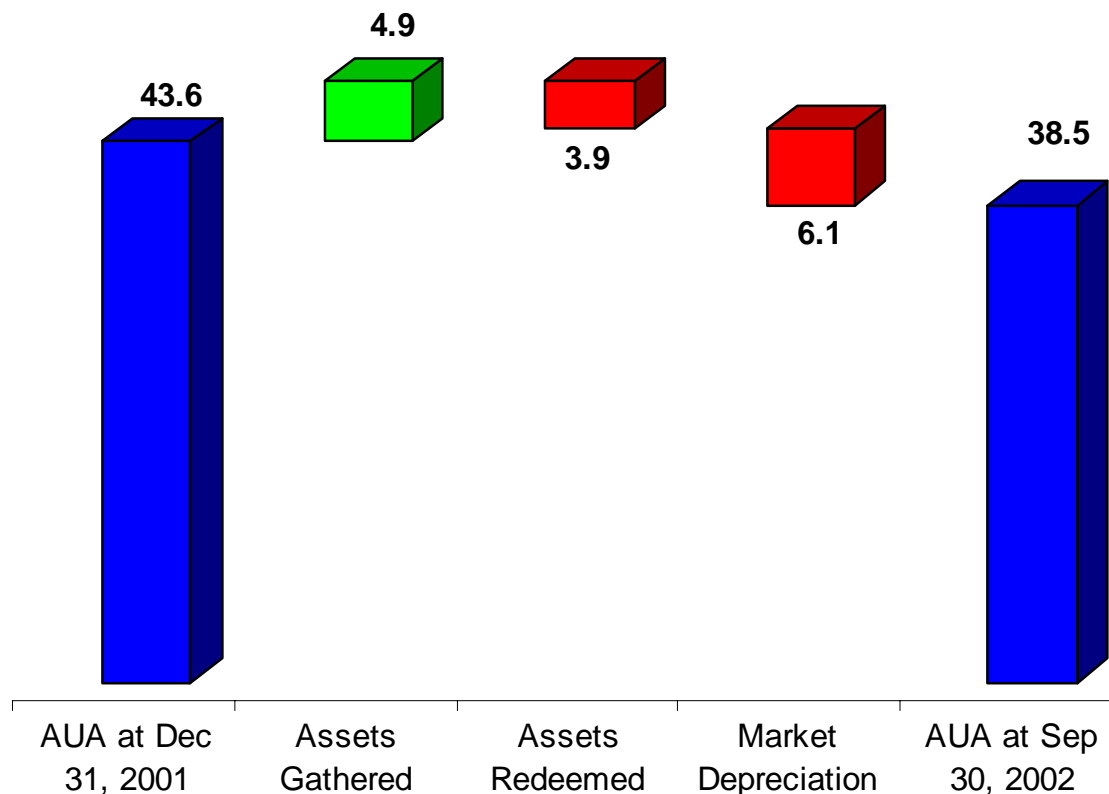
Consultant Network Assets Under Administration
(\$ billions)



Change in Consultant Network Assets under Administration

- ◆ *Despite net asset gathering , Consultant Network Assets under Administration declined during the nine months ended September 30, 2002 due to equity market declines.*

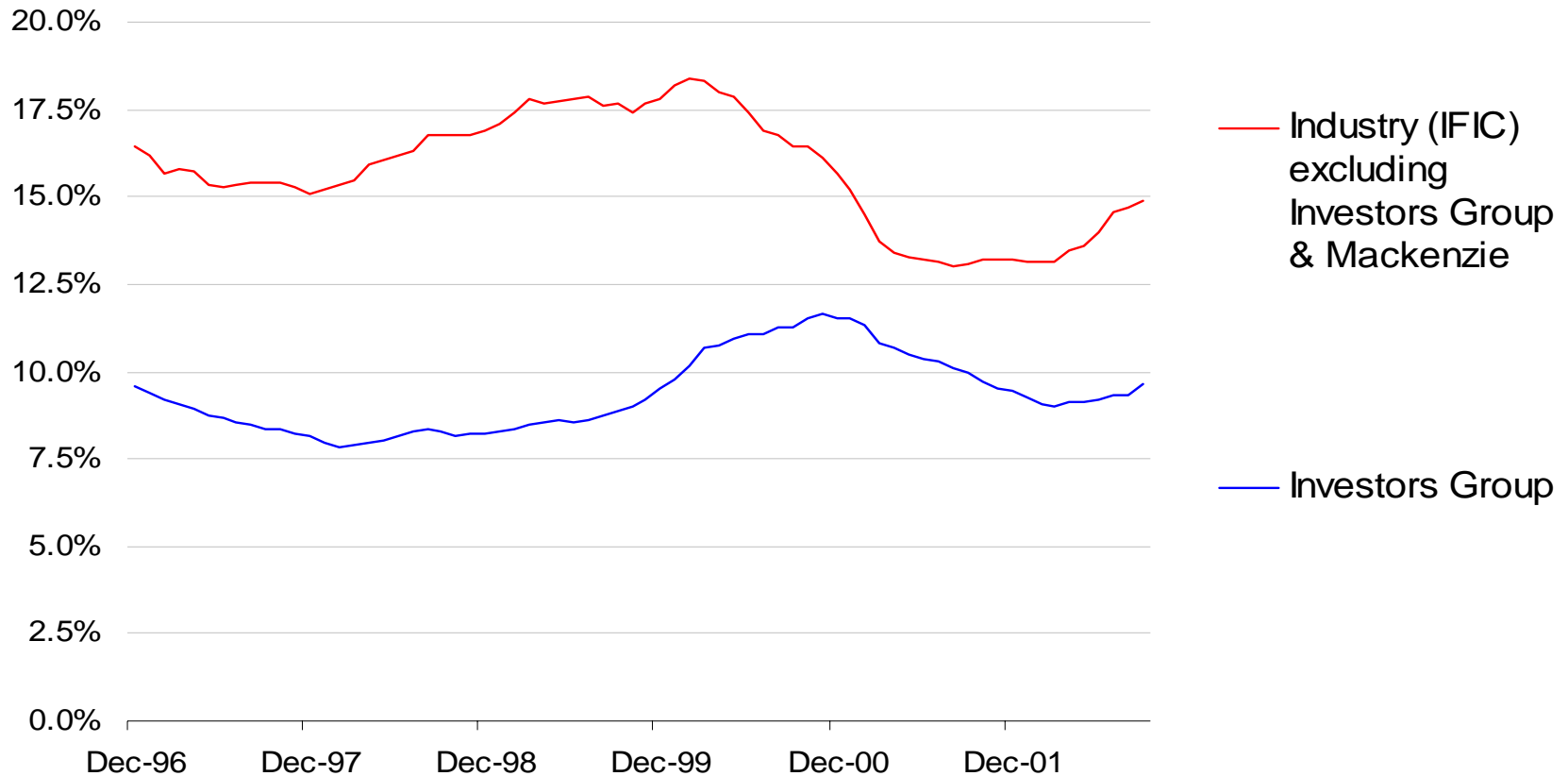
Change in Assets Under Administration Distributed through the IG Consultant Network
(\$ billions)



Consultant Network Mutual Fund Redemption Rate

- ◆ **Investors Group's redemption rate is significantly below the industry rate.**

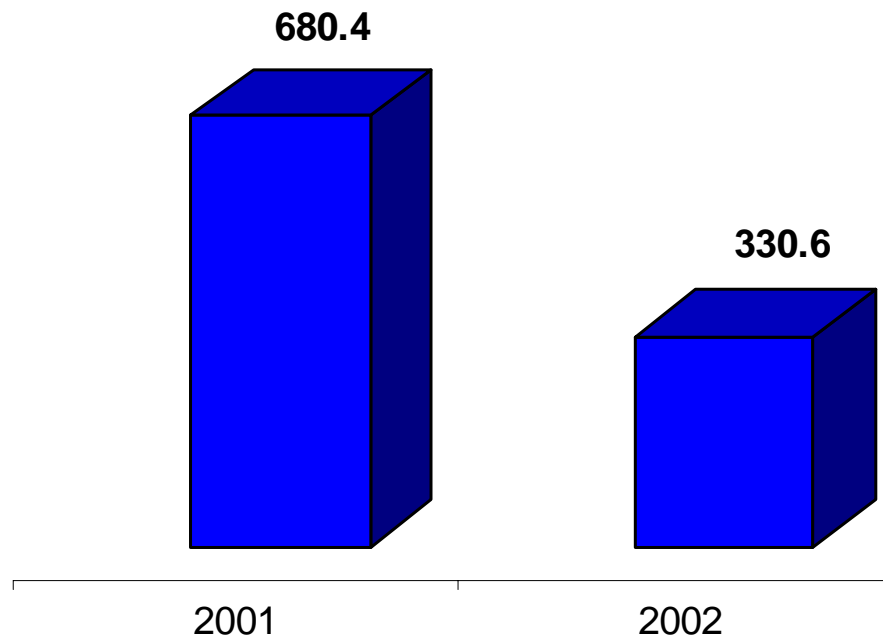
**Redemption Rate on Long Term Mutual Funds
(Last Twelve Month % of Average Assets Under Management)**



Consultant Network Mutual Fund Net Sales

- ◆ *Net sales of mutual funds distributed through the Investors Group Consultant Network decreased during the nine months ended September 30, 2002 relative to the prior year.*

Consultant Network Mutual Fund Net Sales
Nine Months Ended September 30 (\$ millions)

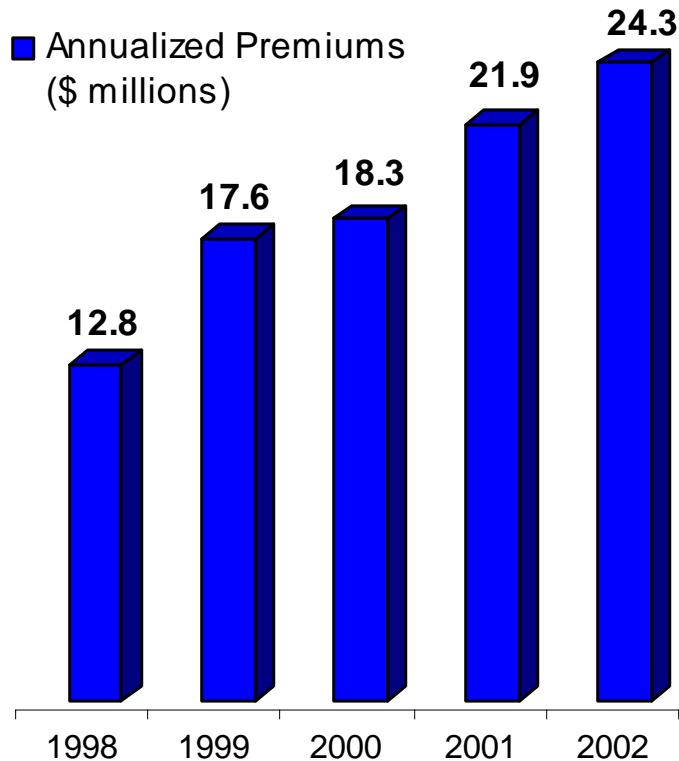


Maxxum net sales made subsequent to September 30, 2001 are reported in Mackenzie Financial's results.

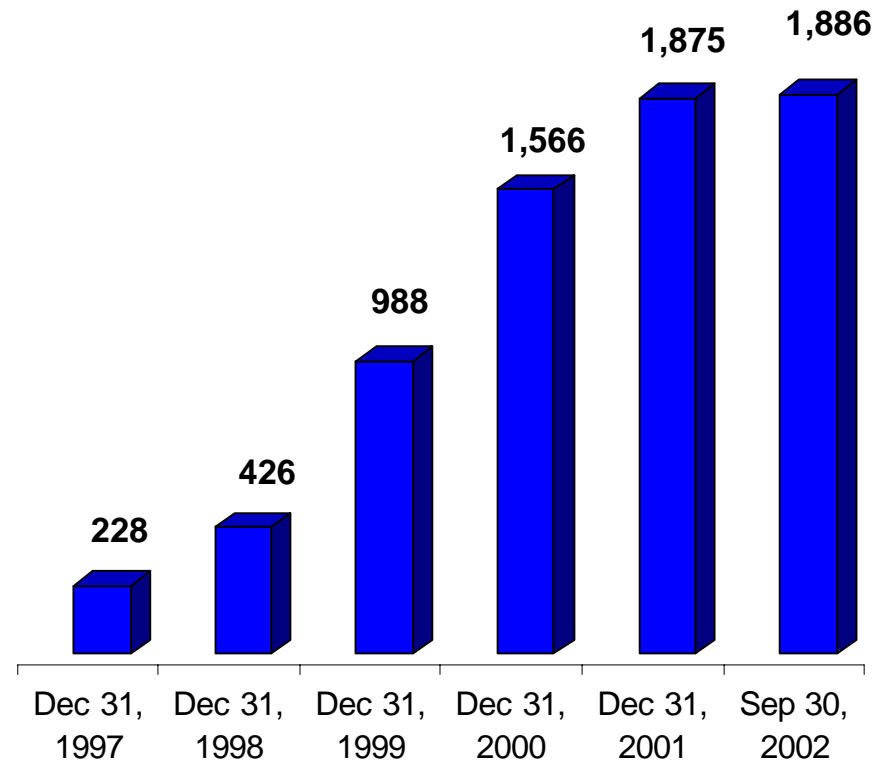
Investors Group Comprehensive Solutions

- ◆ *During 2002, Investors Group Consultants have continued to be successful in broadening their relationships with clients using a variety of products and services.*

Insurance Sales
Nine months ended September 30



IG Securities - Assets Under Administration
Excluding Investors Group Mutual Funds (\$ millions)



Consultant Network

- ◆ *Strengthening the Consultant Network is a priority for Investors Group's management team.*

	1998	1999	2000	2001	2002
Total Investors Group Consultants	3,774	3,626	3,483	3,409	3,266
Percentage of Consultants with greater than four years with Investors Group	53%	57%	58%	59%	61%

* All numbers are as at December 31, except 2002 (which is at September 30).

New Product Developments - Investors Group Corporate Class Inc.

- On October 24, 2002 Investors Group launched Canada's largest tax advantaged fund structure. This structure offers, for the first time in Canada, tax deferred switching between 46 mutual funds with eleven leading brands.

Tax-Deferred Switching within Non-Registered Accounts Between:

46 Funds

- Comprehensive offering of mandates, with a broad range of
 - Asset Classes
 - Investment Styles
 - Geographic Focuses
 - Specialty Funds
- Eight new mandates, four of which represent sector-specific funds.

9 Brands

Investors
Masterseries™



BEUTEL GOODMAN
Investment Counsel



Mackenzie
Building Financial Independence



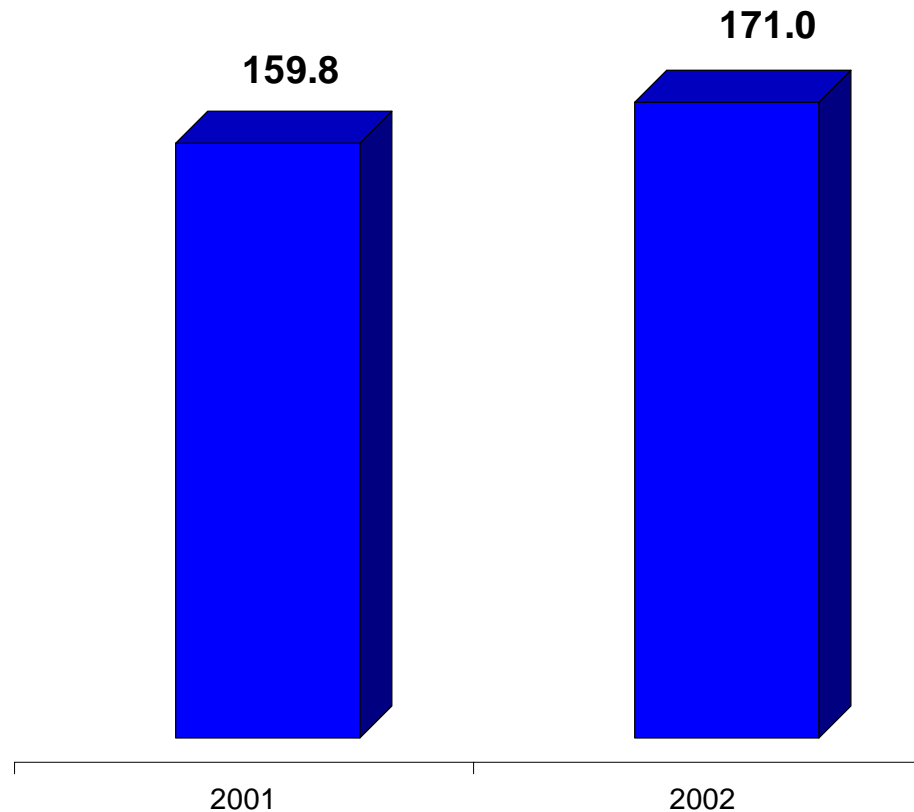
13 Investment Advisors

- IG Investment Management
- AGF
- Beutel Goodman
- Bluewater
- Cundill
- CWC Capital
- Fidelity
- Goldman Sachs
- Henderson
- Janus
- Mackenzie Financial
- Sceptre
- Templeton

IG Net Operating Income before Interest and Taxes - Third Quarter

- ◆ *Investors Group's Net Operating Income before Interest and Taxes increased by 7.0% in the quarter ended September 30, 2002 relative to the prior year.*

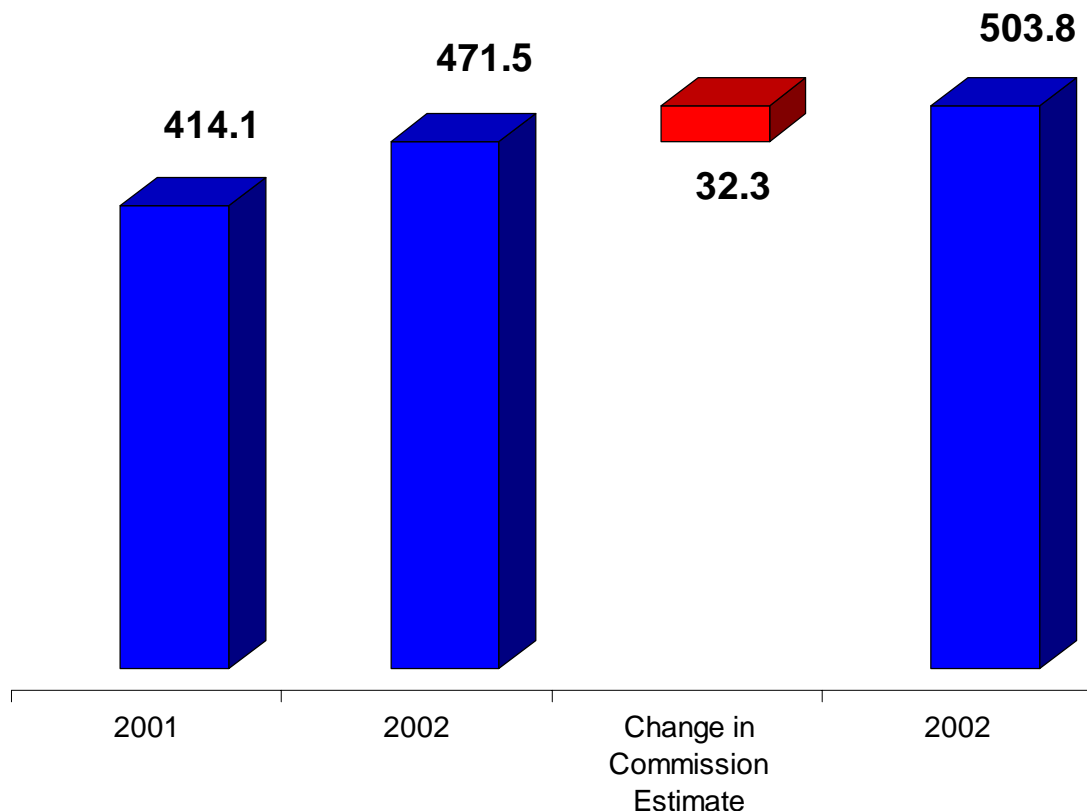
Quarters ended September 30
(\$ millions)



IG Net Operating Income before Interest and Taxes - Nine Months Ended September 30

- ◆ **Investors Group's Net Operating Income before Interest and Taxes increased by 21.7% in the nine months ended September 30, 2002 relative to the prior year. Excluding the change in estimate effective April 1, 2001 related to the amortization of sales commissions, the increase was 13.9%.**

Nine months ended September 30 (\$ millions)

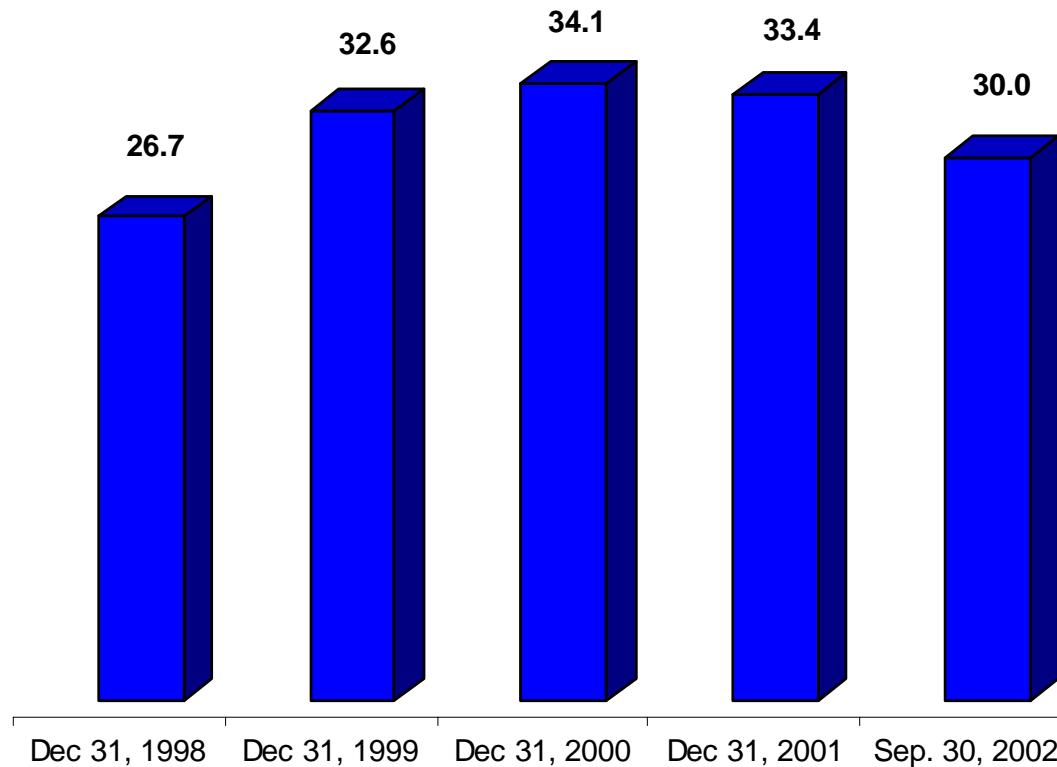


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Mackenzie Mutual Fund Management

- ◆ *Mackenzie Financial's assets under management decreased by 10.1% during the nine months ended September 30, 2002.*

Mackenzie Financial Canadian Mutual Fund Assets Under Management (\$ billions)

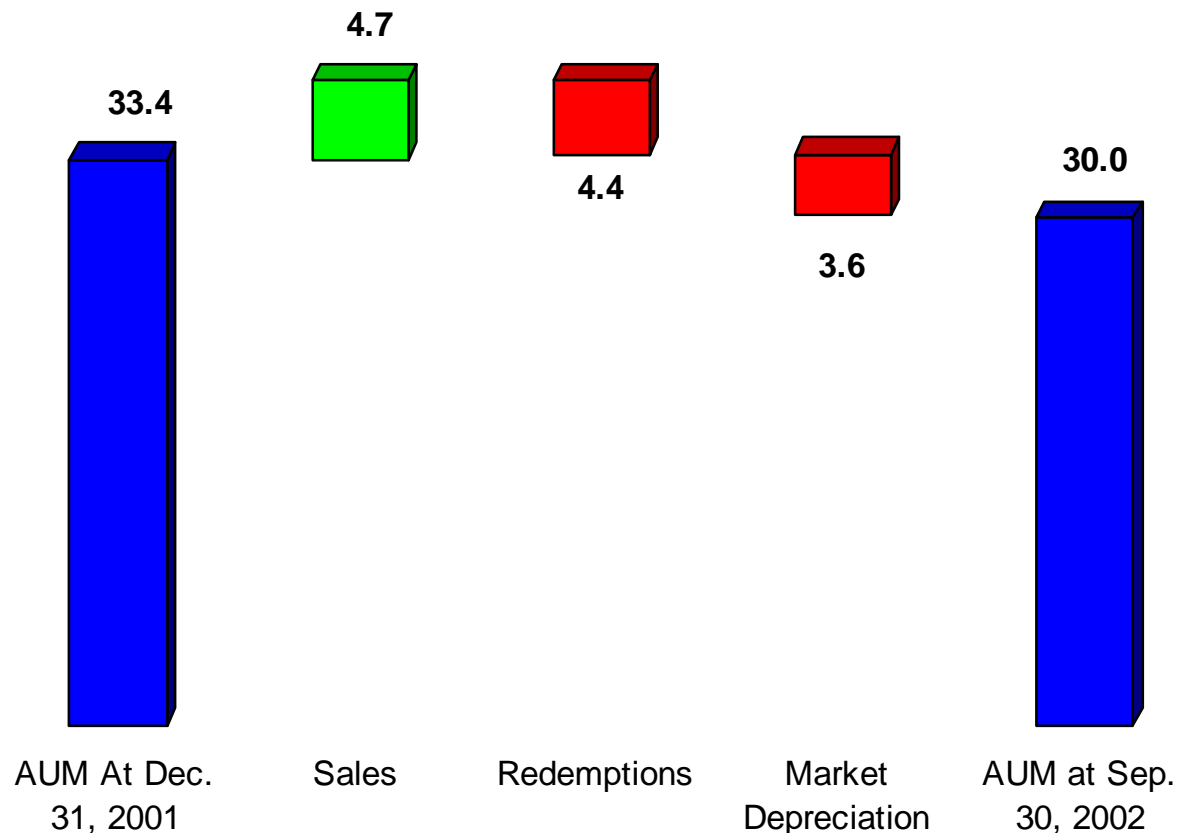


Note: numbers have been retroactively restated to include Maxxum assets (Maxxum operations were transferred to Mackenzie October 5, 2001). Hedge funds are included in Mutual Fund Assets Under Management.

Mackenzie Change in Mutual Fund Assets

- ◆ *Although net sales of Mackenzie mutual funds have improved substantially, weak equity markets have led to a decrease in assets under management.*

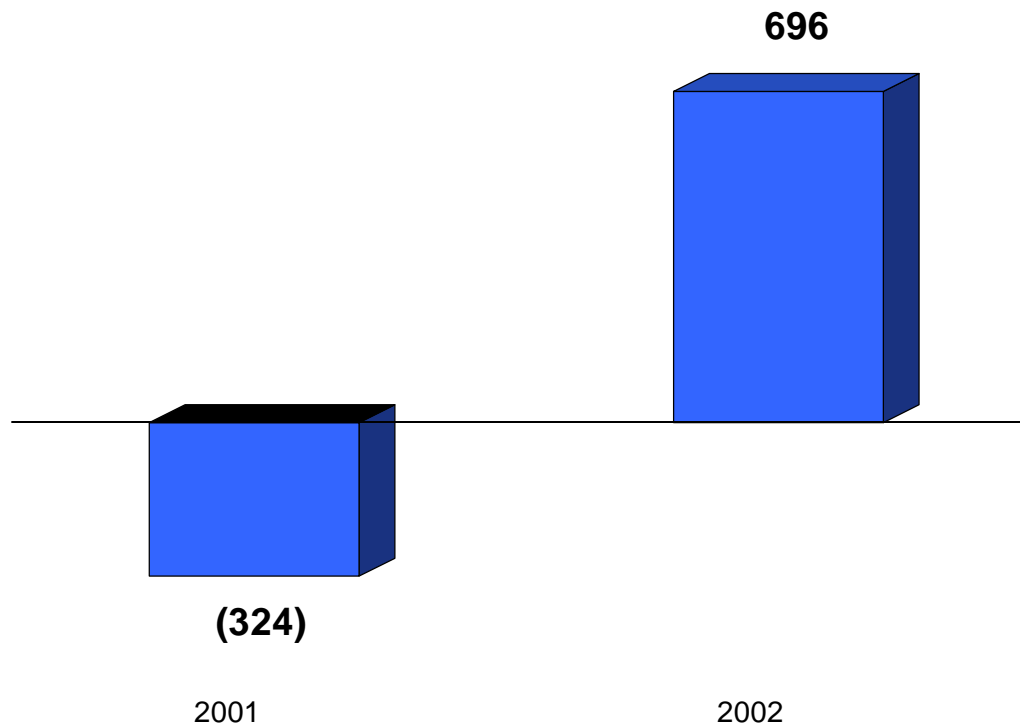
Mackenzie Canadian Mutual Fund Assets Under Management (\$ billions)



Mackenzie Mutual Fund Net Sales

- ◆ *Mackenzie's net sales of long term funds increased considerably during the nine months ended September 30, 2002 relative to the prior year.*

**Mackenzie Canadian Net Sales of Long Term Funds
Nine months ended September 30 (\$ millions)**

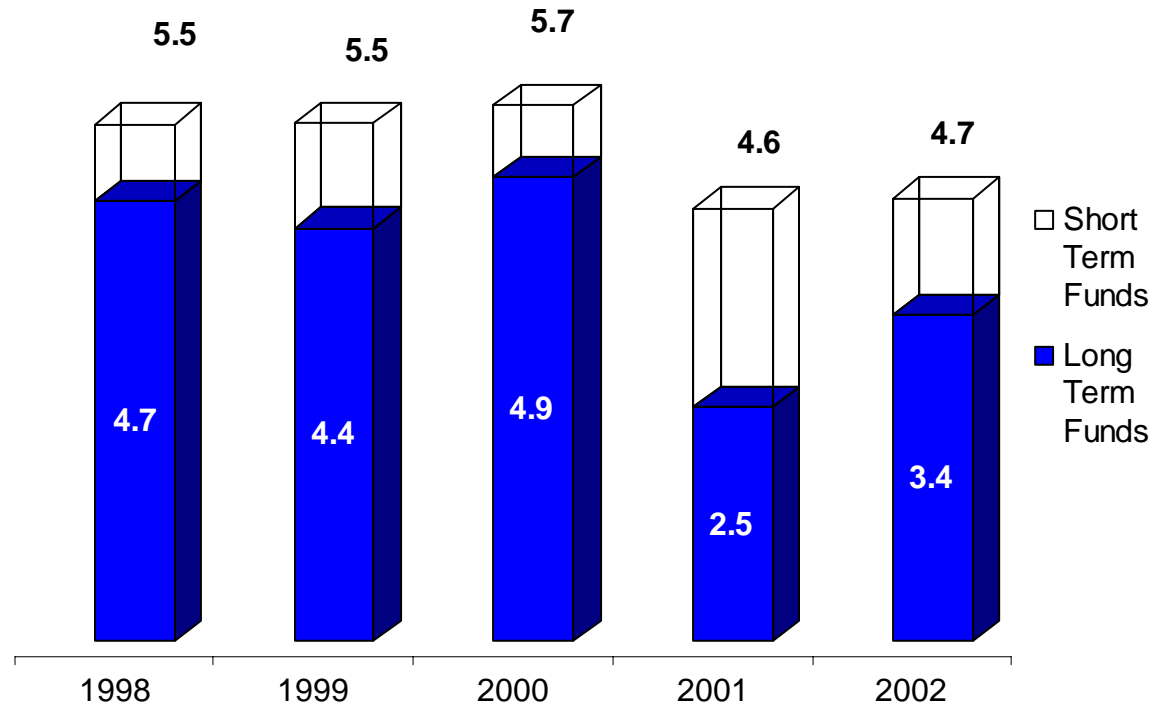


Note: numbers have been retroactively restated to include Maxxum net sales (Mackenzie acquired Maxxum from Investors Group on October 5, 2001)
Hedge funds are included

Mackenzie Mutual Fund Sales

- ◆ *Year to date, sales into long term funds have increased by 38.5% relative to 2001.*

Mackenzie Canadian Mutual Fund Sales Nine months ended September 30 (\$ billions)

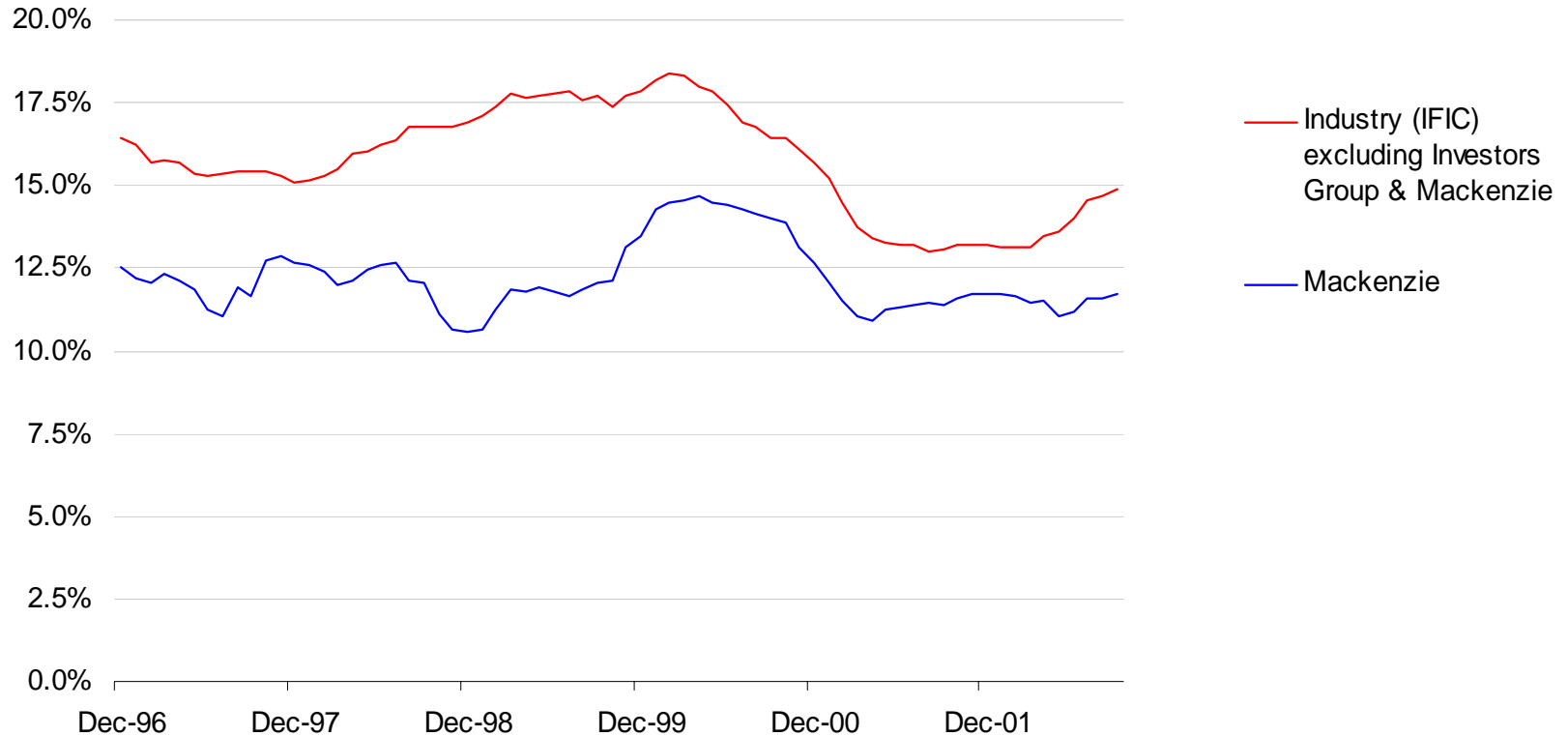


Note: numbers have been retroactively restated to include Maxxum sales (Mackenzie acquired Maxxum from Investors Group on October 5, 2001)
Hedge funds are included

Mackenzie Mutual Fund Redemption Rate

- ◆ *Mackenzie's redemption rate on long term assets is below the industry rate.*

**Redemption Rate on Canadian Long Term Mutual Funds
(Last Twelve Month % of Average AUM)**

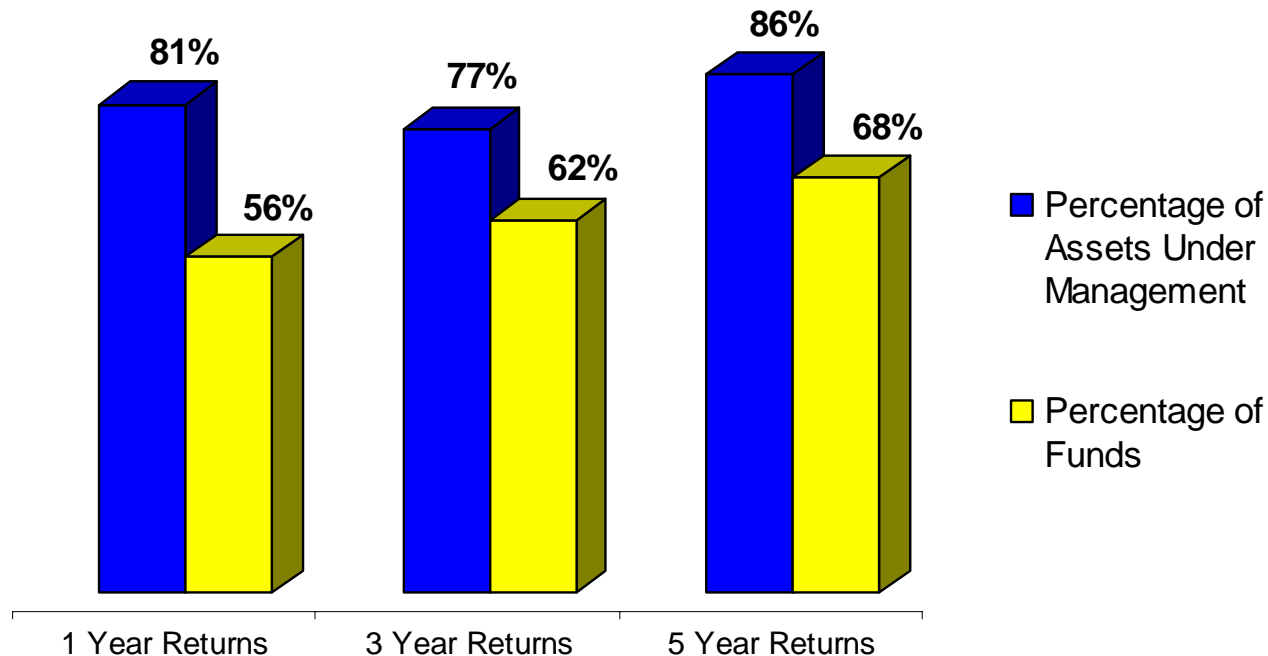


Note: numbers have been retroactively restated to include Maxxum redemptions (Maxxum operations were transferred to Mackenzie October 5, 2001)
Hedge funds have been excluded from Mackenzie numbers for comparability (these funds do not report with IFIC).

Mackenzie Fund Performance

- ◆ ***Mackenzie's disciplined approach to investment management has produced strong results, with 86% of its assets delivering first or second quartile performance in terms of five year returns.***
- ◆ ***Mackenzie has more 4 or 5 star Morningstar-rated funds than any other fund manager in Canada.***

Mackenzie Canadian Funds in 1st/2nd Quartile at September 30, 2002

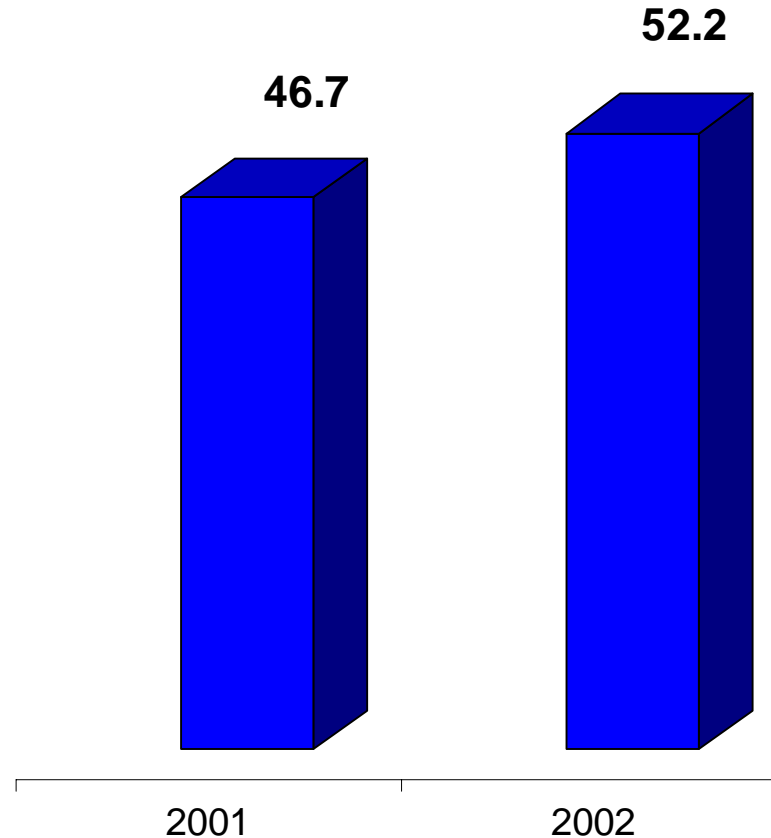


Source - Bell Charts

Mackenzie Net Operating Income before Interest & Taxes - Third Quarter

- ◆ *Mackenzie Financial's Net Operating Income before Interest and Taxes increased by 11.8% during the quarter ended September 30, 2002 relative to the prior year.*

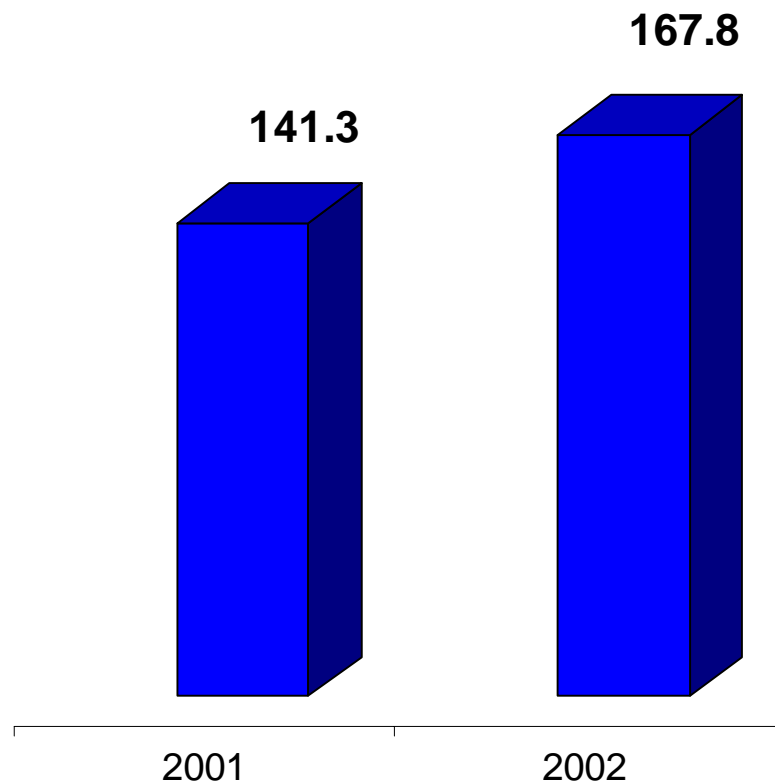
Net Operating Income before Interest and Taxes
Quarters ended September 30 (\$ millions)



Mackenzie Net Operating Income before Interest & Taxes - Nine Months Ended September 30

- ◆ *Mackenzie Financial's Net Operating Income before Interest and Taxes increased by 18.8% during the nine months ended September 30, 2002 relative to the prior year.*

Net Operating Income before Interest and Taxes
Nine months ended September 30 (\$ millions)



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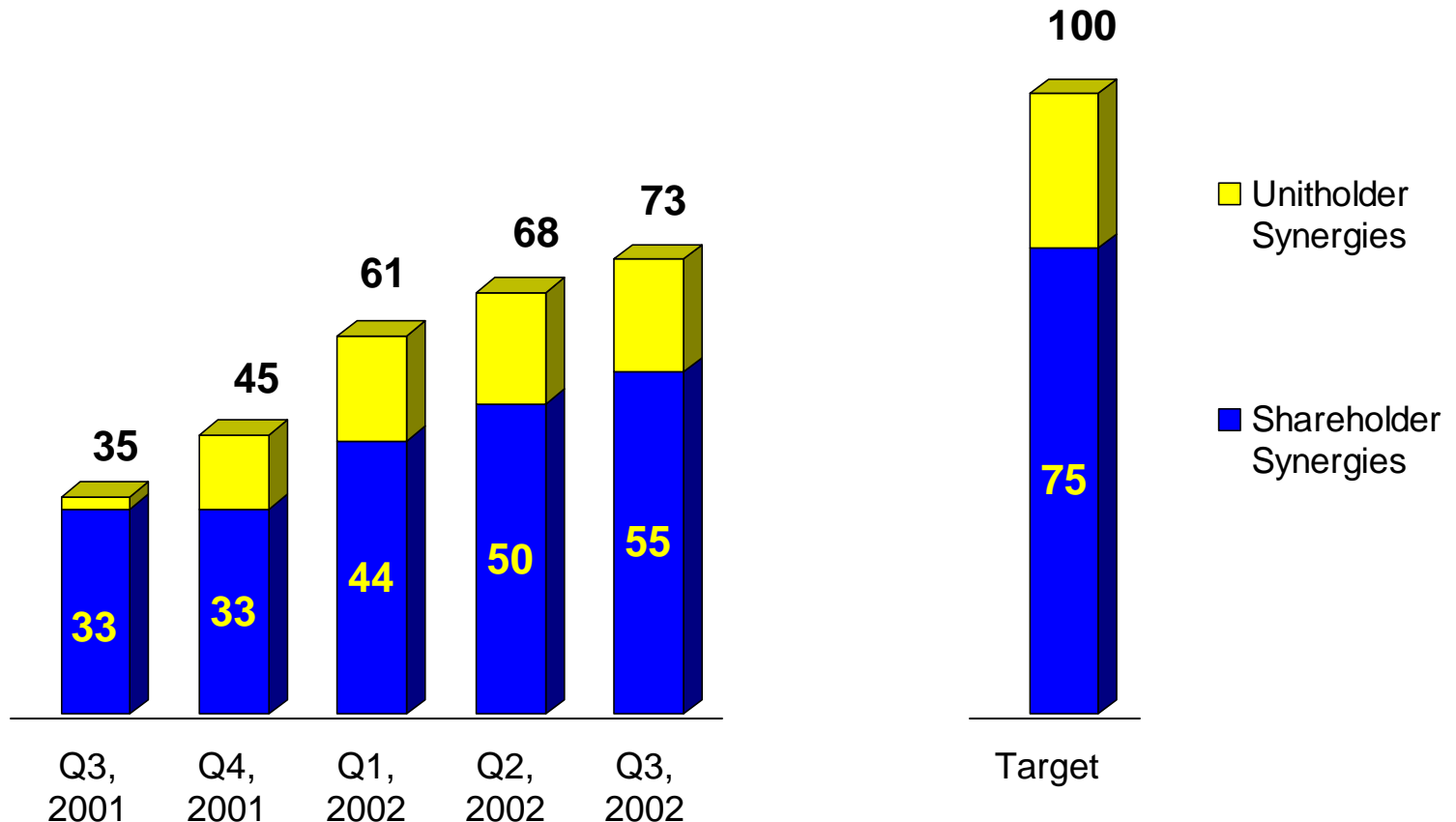
Mackenzie Financial Transition - Philosophy and Approach

- ◆ The acquisition of Mackenzie provides Investors Group Inc. with a premier vehicle to access different distribution channels, namely, serving the independent financial planner and full service broker markets.
- ◆ Accordingly, Mackenzie will operate separately, with its own brand, distribution, investment management operations, and corporate leadership.
- ◆ Numerous opportunities are being actively pursued to achieve operating efficiencies and product enhancements which will benefit clients, financial advisors and shareholders.

Mackenzie Transition Progress

- ◆ Annual synergies of \$100 million per year (pre-tax) continue to be achievable. As of September 30, 2002, over 70% of targeted synergies had been achieved.

Annualized Run-Rate Synergies from the Purchase of Mackenzie Financial
(\$ millions)



Transition Progress - Source of Synergies

- ♦ *Synergies have resulted from a number of activities, including:*
 - Integration of MAXXUM into the operations of Mackenzie
 - Re-negotiated vendor relationships including sub-advisory investment management arrangements, printing contracts, telephony services, etc.
 - Consolidation of a number of systems and management activities such as web-hosting support, data telecommunications services and selected corporate services
 - Lower administration costs for both Investors Group and Mackenzie Financial unitholders through a review and implementation of “best demonstrated practices”

Transition Progress - Areas of Focus

- ◆ ***Transition progress has continued in a number of areas during Q3, 2002.***
 - Sale of Mackenzie Investment Management Inc. (MIMI) to Waddell & Reed
 - Transaction will close mid-December.
 - Net proceeds to Investors Group are anticipated to be approximately US\$ 63 million (contingent upon level of working capital and assets under management).
 - Waddell & Reed has been retained as a sub-advisor on certain Mackenzie funds distributed in Canada.
 - Further development of opportunities in non-mutual fund areas
 - Continued development of MRS and Winfund.
 - MRS Trust has been appointed trustee of Investors Group Securities Inc.'s registered accounts.
 - Further adoption of “Best Demonstrated Practices” across the companies.
 - Preparation for migration to common systems architecture.

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2002 Results

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