

Investors Group Inc.

Q4, 2003 Results

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Caution Concerning Forward Looking Statements

This report includes forward-looking statements about objectives, strategies and expected financial results. These statements are inherently subject to risks and uncertainties beyond the Company's control including, but not limited to, economic and financial conditions globally, regulatory developments in Canada and elsewhere, technological developments and competition. These and other factors may cause the Company's actual performance to differ materially from that contemplated by forward-looking statements, and the reader is therefore cautioned not to place undue reliance on these statements.

Non-GAAP Financial Measures

This report may also contain non-GAAP financial measures. Non-GAAP financial measures are used to provide management and investors with additional measures of performance. However, we caution that non-GAAP financial measures do not have standard meanings prescribed by GAAP and are not directly comparable to similar measures used by other companies. Specific instances of such measures referred to within this document include “Adjusted EPS” and “Adjusted Net Income”. We refer you to the appropriate reconciliation of these non-GAAP financial measures to measures prescribed by GAAP.

1. Highlights

2. Consolidated Results

3. Investors Group

4. Mackenzie Financial

5. Q & A

Highlights - Fourth Quarter

- ◆ **Earnings per share were up 20.0% during the quarter ended December 31, 2003 relative to the prior year.**

All numbers in millions of dollars except per share amounts

	<u>2003</u>	<u>2002</u>	<u>%</u>
Adjusted EPS ¹	\$ 0.54	\$ 0.45	20.0%
EPS	\$ 0.51	\$ 0.45	13.3%
Dividends per share	\$ 0.255	\$ 0.225	13.3%
Average Canadian Mutual Fund AUM	72,337	67,682	6.9%
Long Term Mutual Fund Sales			
IG Consultant Network	765	738	3.7%
Mackenzie ²	1,279	878	45.7%
Long Term Mutual Fund Net Sales			
IG Consultant Network	(136)	(315)	N/M
Mackenzie ²	192	5	N/M

1. Adjusted to exclude the impact of an increase to the future income tax provision as a result of announced tax rate increases in Ontario of (\$.093) and the impact of a reversal of the restructuring provision relating to the acquisition of Mackenzie of \$.059.
2. Includes Mackenzie hedge funds.

Highlights - Twelve Months Ended December 31

- ◆ **Earnings per share increased by 8.6% during the twelve months ended December 31, 2003 relative to the prior year.**

All numbers in millions of dollars except per share amounts

	<u>2003</u>	<u>2002</u>	<u>%</u>
Adjusted EPS ¹	\$ 2.01	\$ 1.85	8.6%
EPS	\$ 2.03	\$ 1.85	9.7%
Dividends per share	\$ 0.990	\$ 0.860	15.1%
Average Canadian Mutual Fund AUM	68,858	72,052	(4.4%)
Long Term Mutual Fund Sales			
IG Consultant Network	3,104	3,861	(19.6%)
Mackenzie ²	3,970	4,320	(8.1%)
Long Term Mutual Fund Net Sales			
IG Consultant Network	(855)	(76)	N/M
Mackenzie ²	209	700	(70.1%)

1. Adjusted to exclude the impact of an increase to the future income tax provision as a result of announced tax rate increases in Ontario of (\$.094), the impact of a reversal of the restructuring provision relating to the acquisition of Mackenzie of \$.059 and the impact of a dilution gain associated with the investment in common shares of Great West Lifeco of \$.056.

2. Includes Mackenzie hedge funds.

Reconciliation of Adjusted Net Income and EPS

	<u>Q4, 2003</u>	<u>2003</u>
<i>\$ millions</i>		
Adjusted Net Income	\$ 143.8	\$ 533.5
Dilution gain - Great West Lifeco	-	14.8
Reversal of Mackenzie restructuring provision	15.6	15.6
Increase in future tax liability ¹	(24.8)	(24.8)
Net Income - GAAP	<u>\$ 134.6</u>	<u>\$ 539.1</u>
<i>\$</i>		
Adjusted EPS	\$ 0.54	\$ 2.01
Dilution gain - Great West Lifeco	-	0.05
Reversal of Mackenzie restructuring provision	0.06	0.06
Increase in future tax liability ¹	(0.09)	(0.09)
EPS - GAAP	<u>\$ 0.51</u>	<u>\$ 2.03</u>

1. Relating to indefinite life intangible assets, and as a result of tax rate increases in Ontario.

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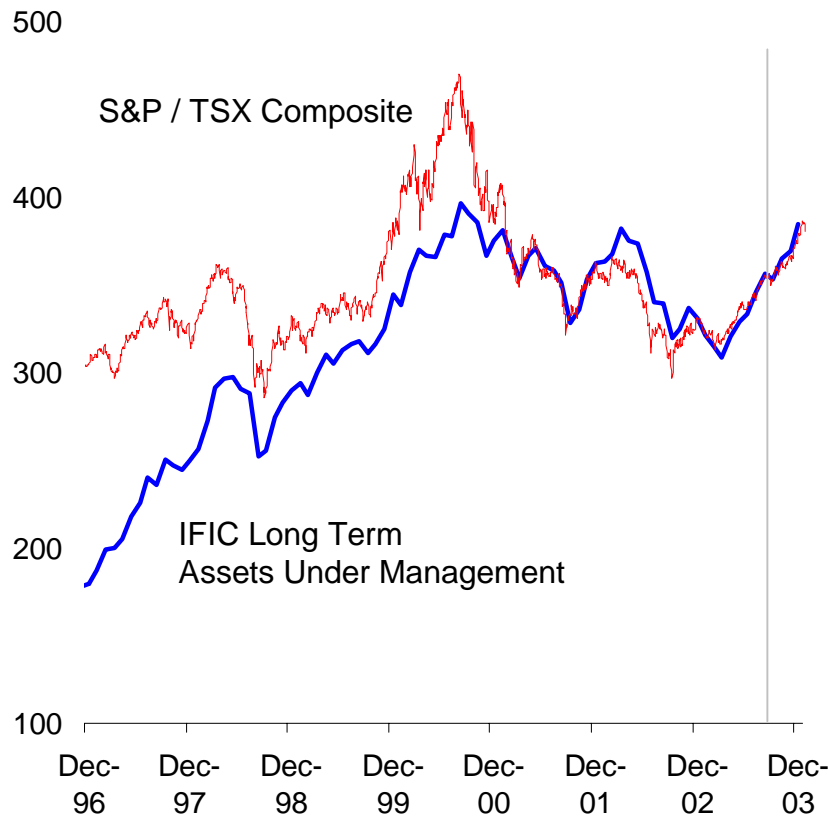
4. Mackenzie Financial

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Operating Environment

- ◆ ***During Q4, 2003, industry long term mutual fund assets under management increased by 8.8%, driven primarily by equity market improvements.***

Industry Long Term Mutual Fund Assets Under Management (\$ Billions)



	Quarter Ended Dec 31, 2003	Jan 29, 2004 Month to Date
IFIC Long Term Assets	8.8%	
S&P / TSX Composite	10.8%	2.8%
S&P 500	11.6%	2.0%
Dow Jones Industrial	12.7%	0.5%
Nasdaq Composite	12.1%	3.2%
FTSE 100	9.4%	(1.5%)
DAX	21.8%	3.3%
Nikkei 225	4.5%	1.0%
US dollar relative to CAD	(4.1%)	2.5%
Euro relative to CAD	3.7%	1.0%

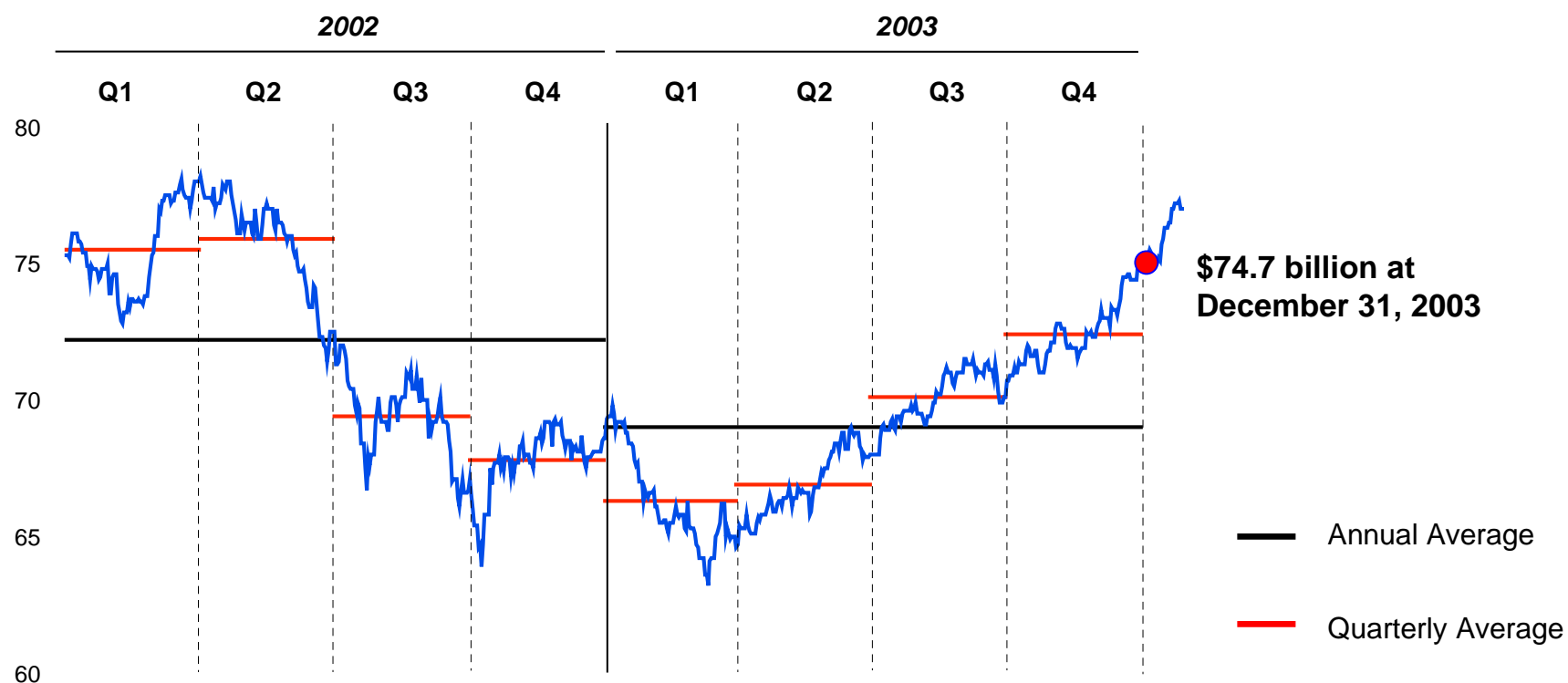
Source: IFIC



IGI Mutual Fund Assets Under Management

- ♦ *The average balance of mutual fund assets under management during Q4, 2003 was 6.9% higher than the balance that prevailed during Q4, 2002 and 3.4% higher than Q3, 2003.*

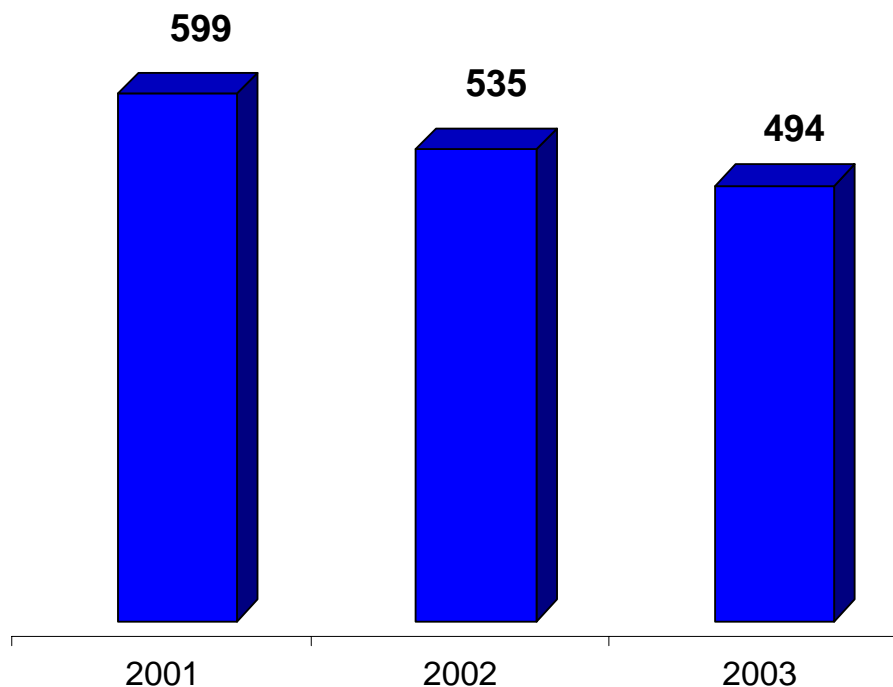
Investors Group and Mackenzie Canadian Mutual Fund Assets Under Management (\$ Billions)



Expense Control

- ◆ *Investors Group and Mackenzie's consolidated non-commission expenses declined by 7.7% during 2003 and at a compound annual rate of 9.2% during the last two years.*

Non-Commission Expense
Years Ended December 31 (\$ Millions)

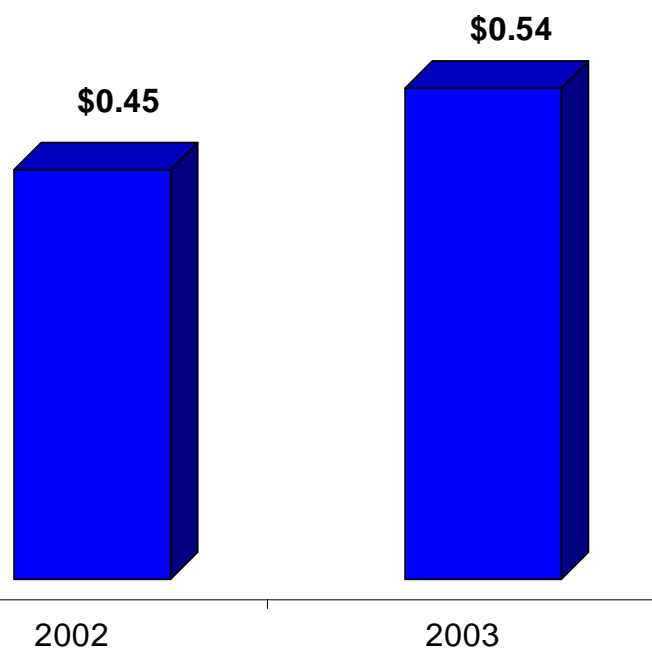


All periods exclude non-commission expenses from discontinued operations (Mackenzie Investment Management Inc.)

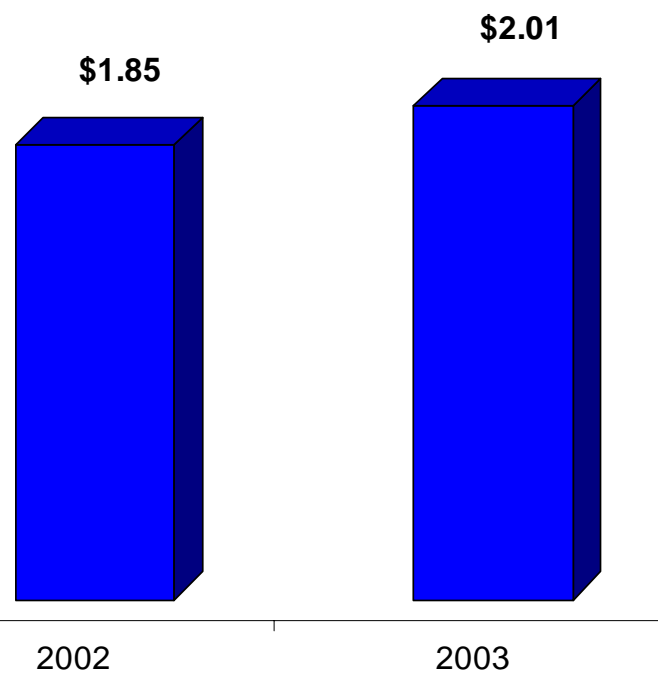
Adjusted Earnings Per Share

- ◆ **EPS increased 20.0% in Q4, 2003 relative to Q4, 2002. 2003 EPS increased by 8.6% relative to 2002.**

Quarters Ended December 31 ¹



Year Ended December 31 ²



1. The quarter ended December 31, 2003 excludes the impact of a) an increase to the future income tax provision relating to the announced increase in Ontario tax rates of (\$.093), and b) a reversal of the restructuring provision related to the acquisition of Mackenzie of \$.059.
2. The year ended December 31, 2003 excludes the impact of a) a dilution gain on the investment in Great West Lifeco of \$.056, b) an increase to the future income tax provision relating to the announced increase in Ontario tax rates of (\$.094), and c) a reversal of the restructuring provision related to the acquisition of Mackenzie of \$.059.

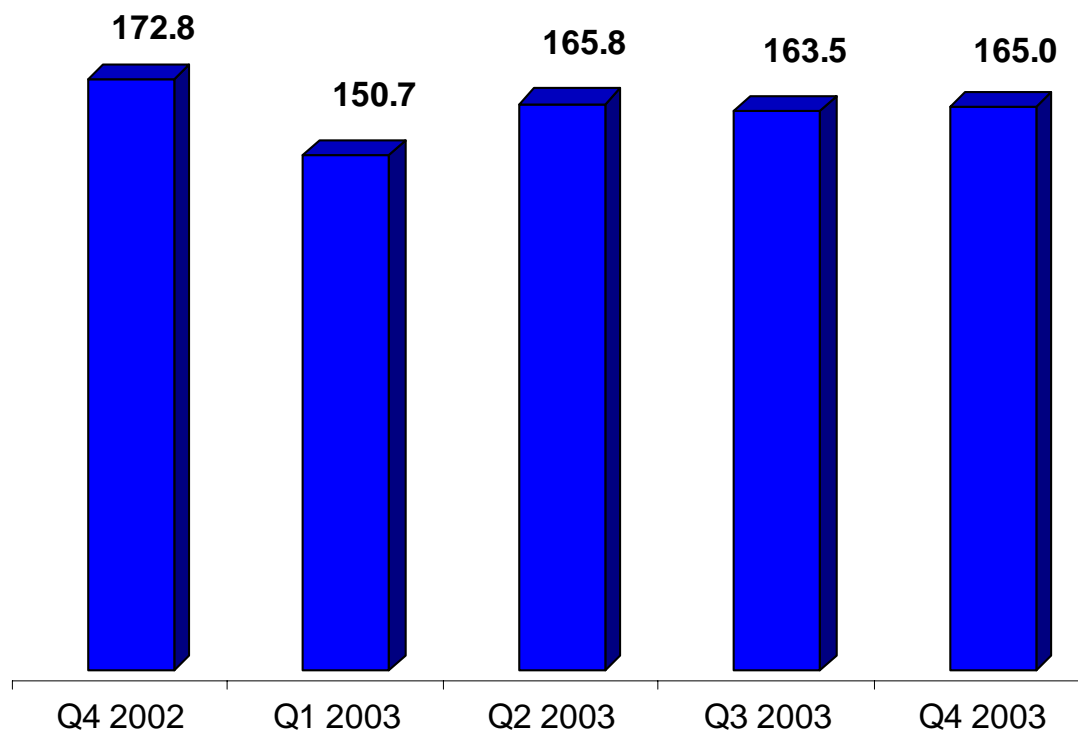


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Income before Interest and Taxes

- ◆ *During the quarter ended December 31, 2003, Investors Group's Income before Interest and Taxes decreased by 4.5% relative to the prior year.*

\$ Millions

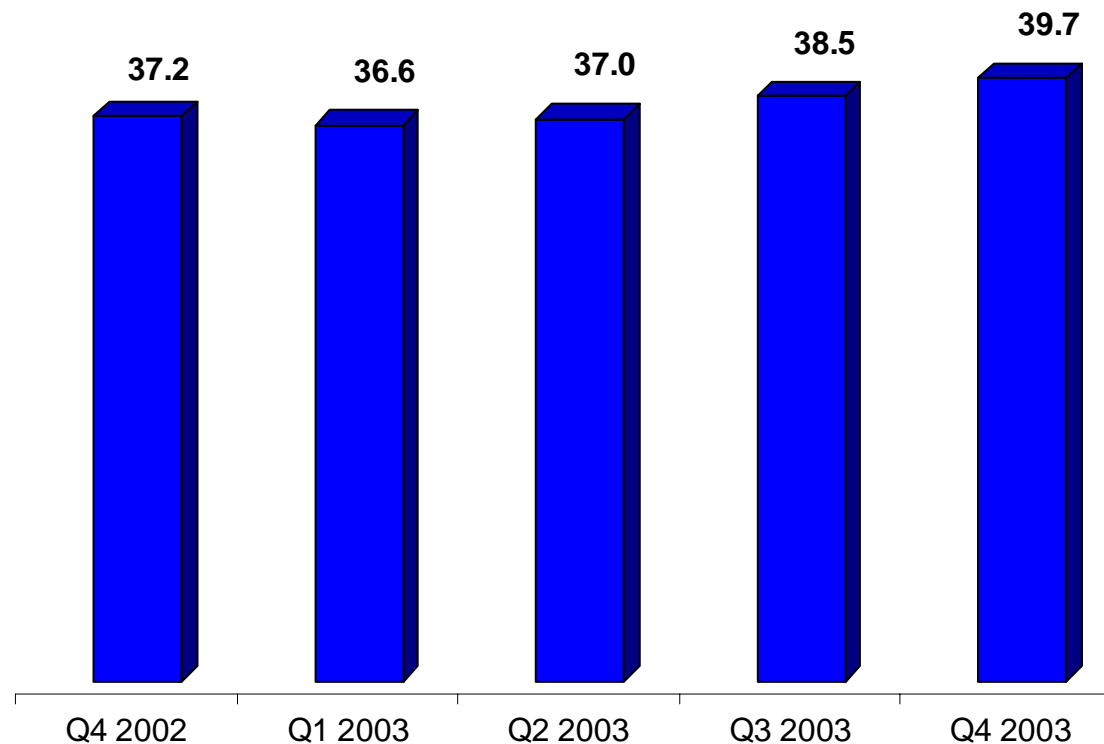


Q3, 2003 excludes the impact of the dilution gain on the investment in GWL of 14.8 million.

Consultant Network Assets Under Management

- ♦ *The average balance of mutual fund assets under management was 6.6% higher in Q4, 2003 compared with Q4, 2002, and increased by 3.0% relative to Q3, 2003.*

Average Consultant Network Mutual Fund Assets Under Management
(\$ Billions)



Consultant Network Assets Under Management

- ◆ *Consultant Network mutual fund assets increased by 6.3% during the fourth quarter due to appreciation.*

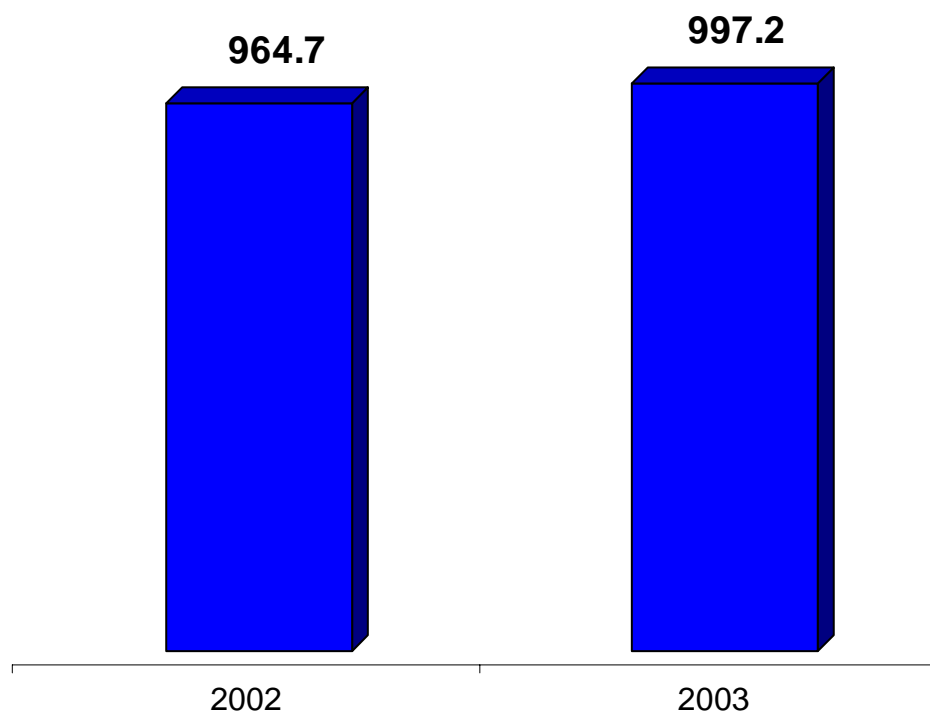
Change in Mutual Fund Assets Under Management
Distributed through the IG Consultant Network (\$ Billions)



Consultant Network Mutual Fund Sales

- ◆ *Sales of mutual funds distributed through the Investors Group Consultant Network increased by 3.4% during Q4, 2003 relative to Q4, 2002.*

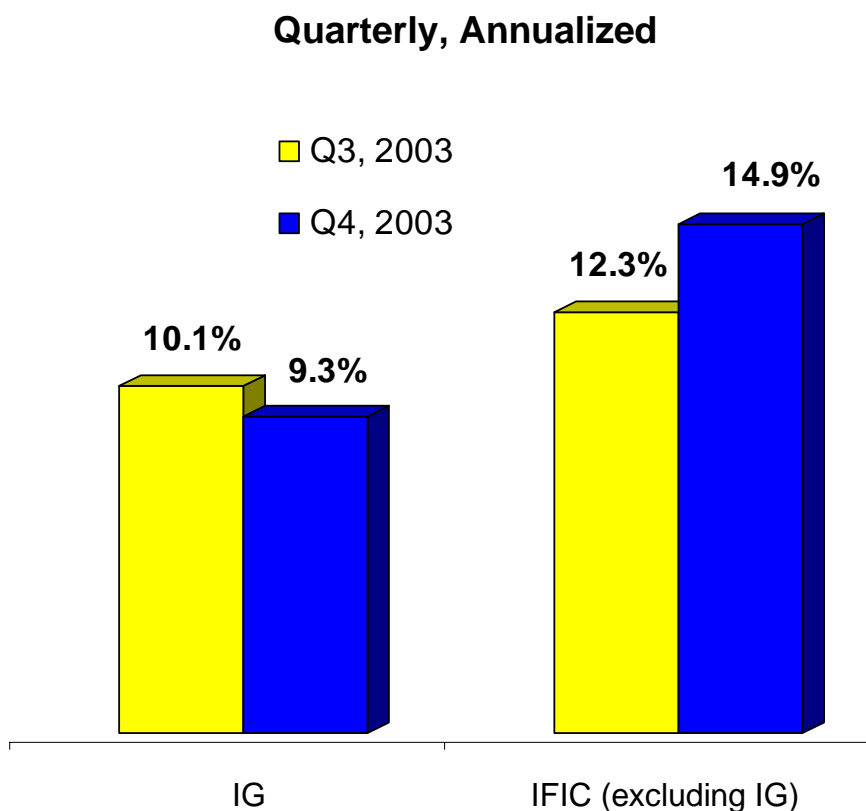
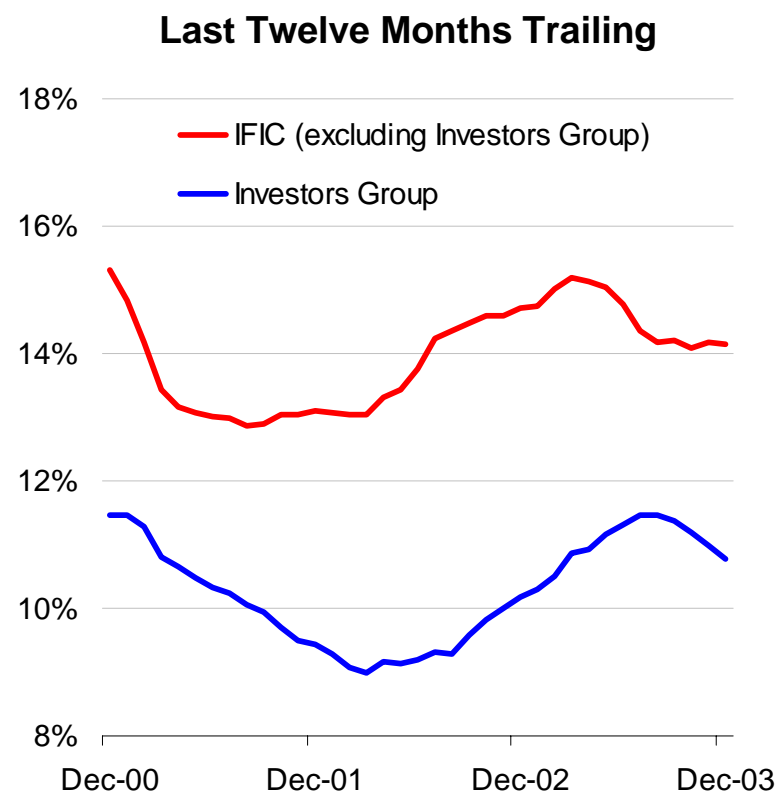
Quarters Ended December 31 (\$ Millions)



Consultant Network Mutual Fund Redemption Rate

- ◆ *Investors Group's redemption rate continued to decline during Q4, 2003.*

Redemption Rate on Long Term Mutual Funds (% of Average Assets Under Management)

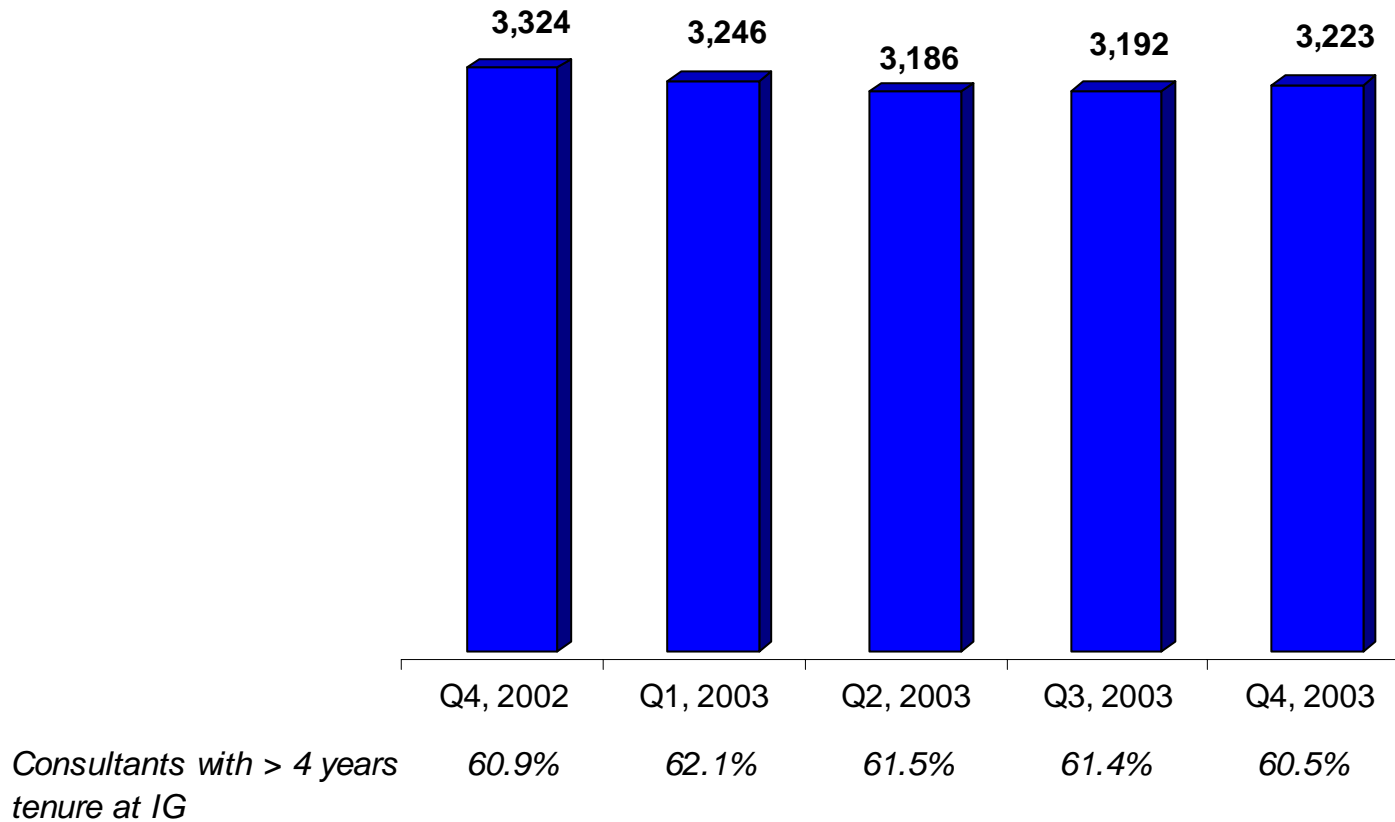


Numbers have been retroactively restated to exclude Maxxum redemptions (Maxxum operations were transferred to Mackenzie October 5, 2001)

Consultant Network

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

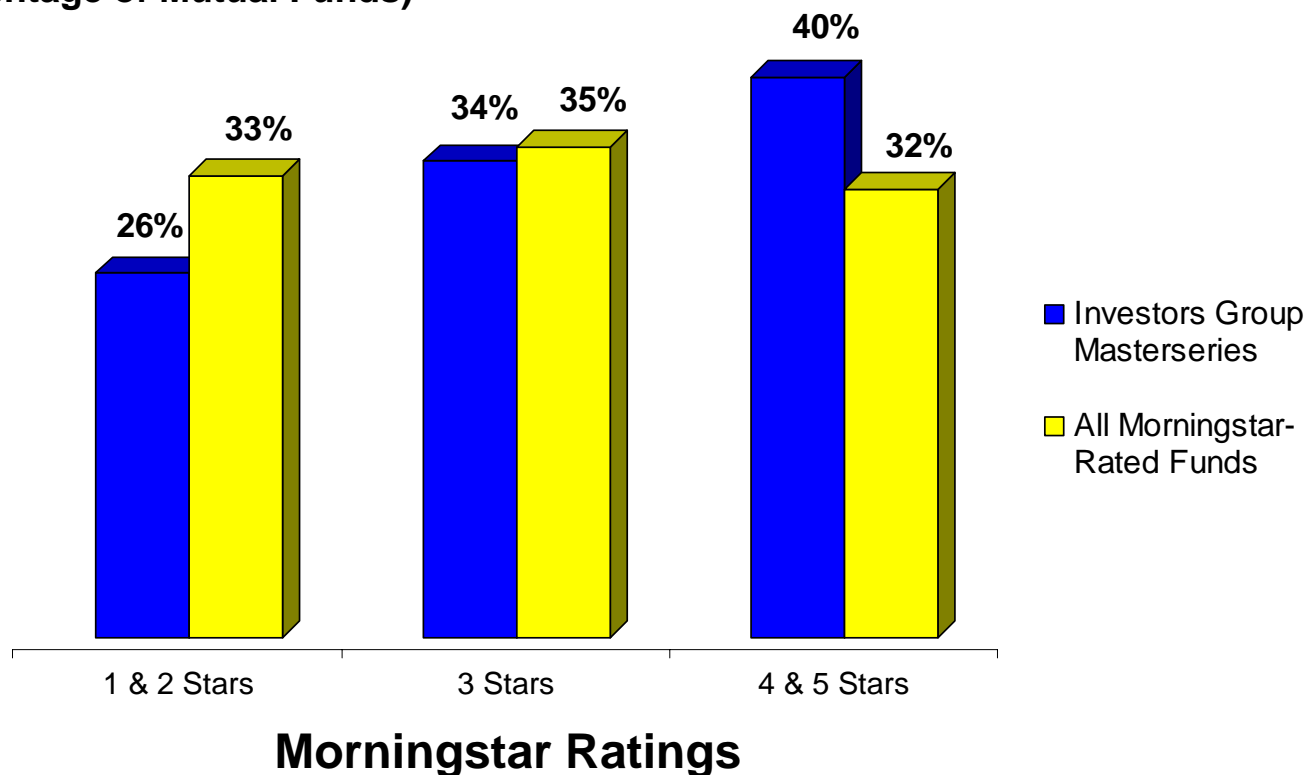
Number of Investors Group Consultants



Consultant Network Mutual Fund Product Offering

- ◆ **74%* of Investors Group Masterseries mutual funds enjoy a three-star Morningstar rating or higher. 40% of Masterseries funds have a four or five-star rating.**

Distribution of Morningstar Ratings at December, 2003
(Percentage of Mutual Funds)



* of IG Masterseries funds rated by Morningstar. 83% of assets under management residing in IG Masterseries funds rated by Morningstar are currently rated three-star or higher.

Source - Bell Charts, Morningstar

2003 - Repositioning for Growth

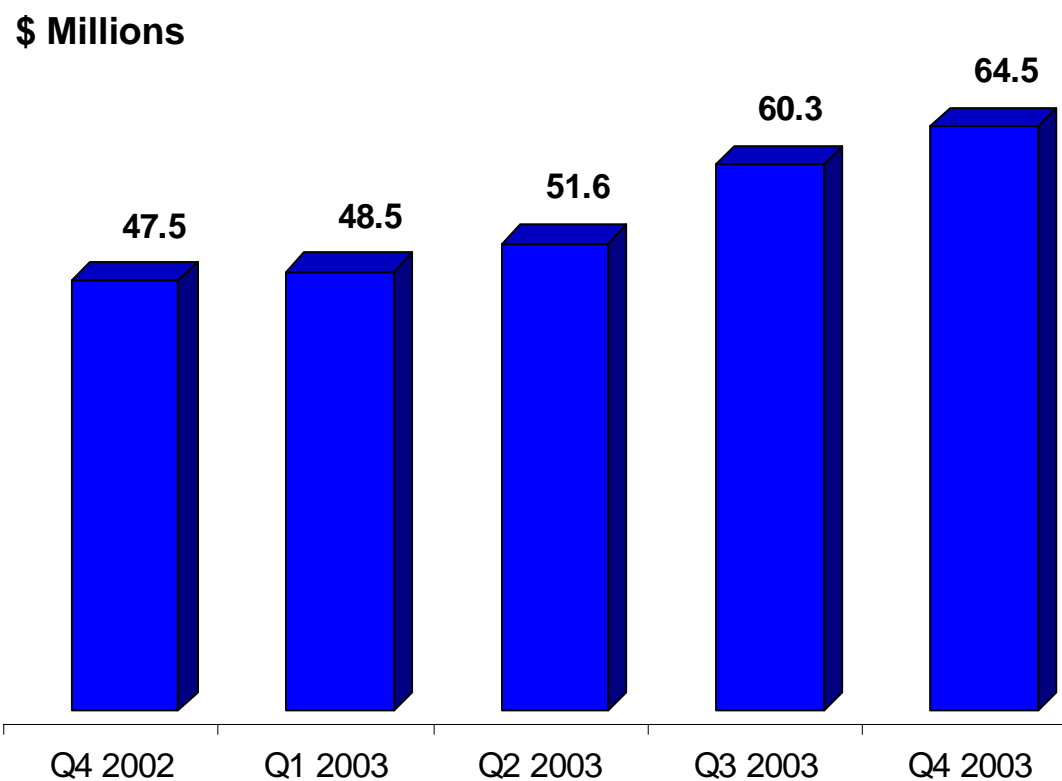
- ◆ Product pricing
- ◆ Consultant compensation and support
- ◆ Planning model - Symphony™
- ◆ Achieved synergy target
- ◆ Systems conversion
- ◆ Banking launch
- ◆ Consultant retention

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Income before Interest & Taxes

- ◆ *During the Q4, 2003, Mackenzie's Income before Interest and Taxes increased by \$17.0 million relative to Q4, 2002.*



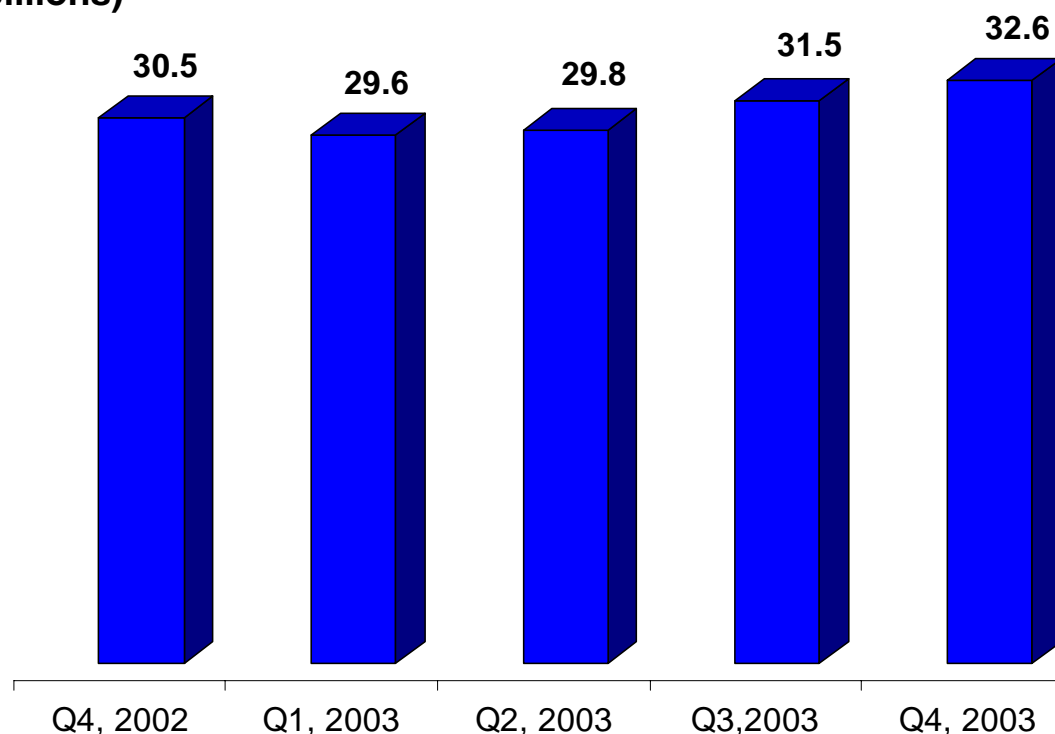
All periods exclude discontinued operations (Mackenzie Investment Management Inc.)



Mackenzie Mutual Fund Assets Under Management

- ♦ *The average balance of mutual fund assets under management was 7.2% higher during Q4, 2003 than in Q4, 2002, and increased by 3.8% relative to Q3, 2003.*

Average Mackenzie Mutual Fund Assets Under Management
(\$ Billions)



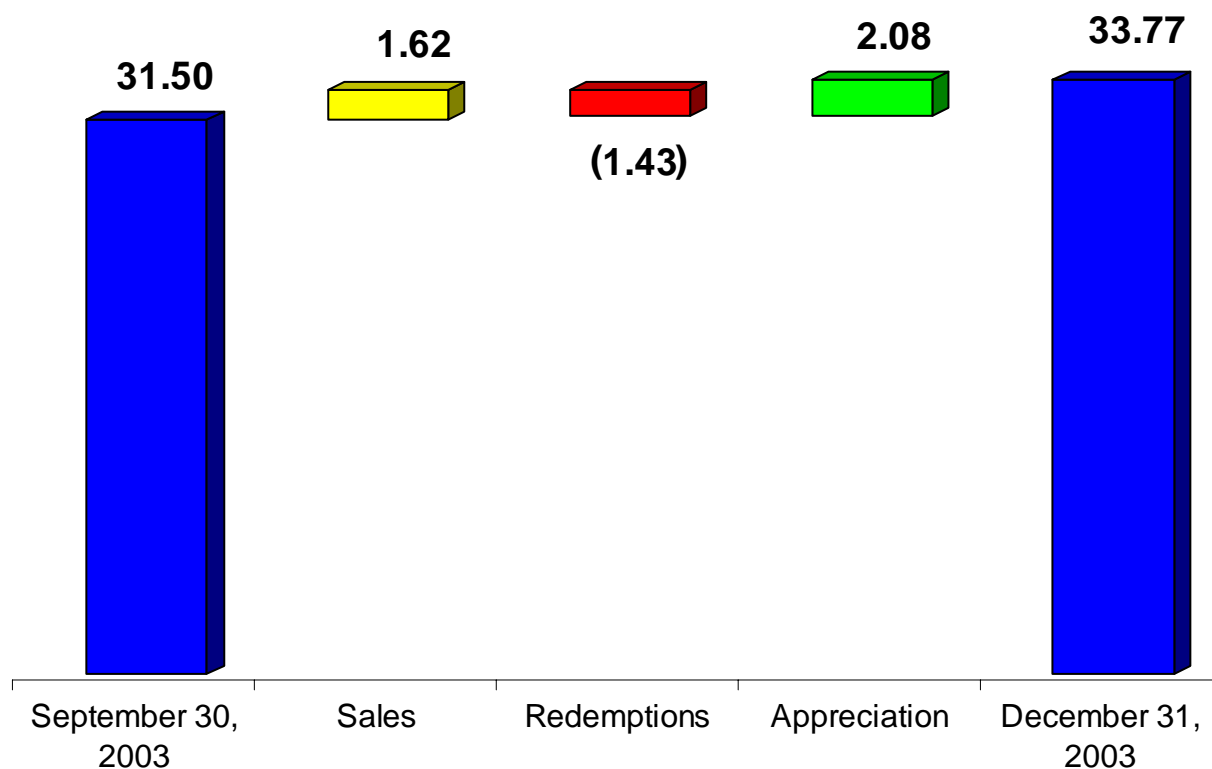
Hedge funds are included in Mutual Fund Assets Under Management (hedge funds are not reported within IFIC data).



Mackenzie Mutual Fund Assets Under Management

- ◆ *Mackenzie's mutual fund assets under management increased by 7.2% during Q4, 2003.*

Mackenzie Mutual Fund Assets Under Management (\$ Billions)



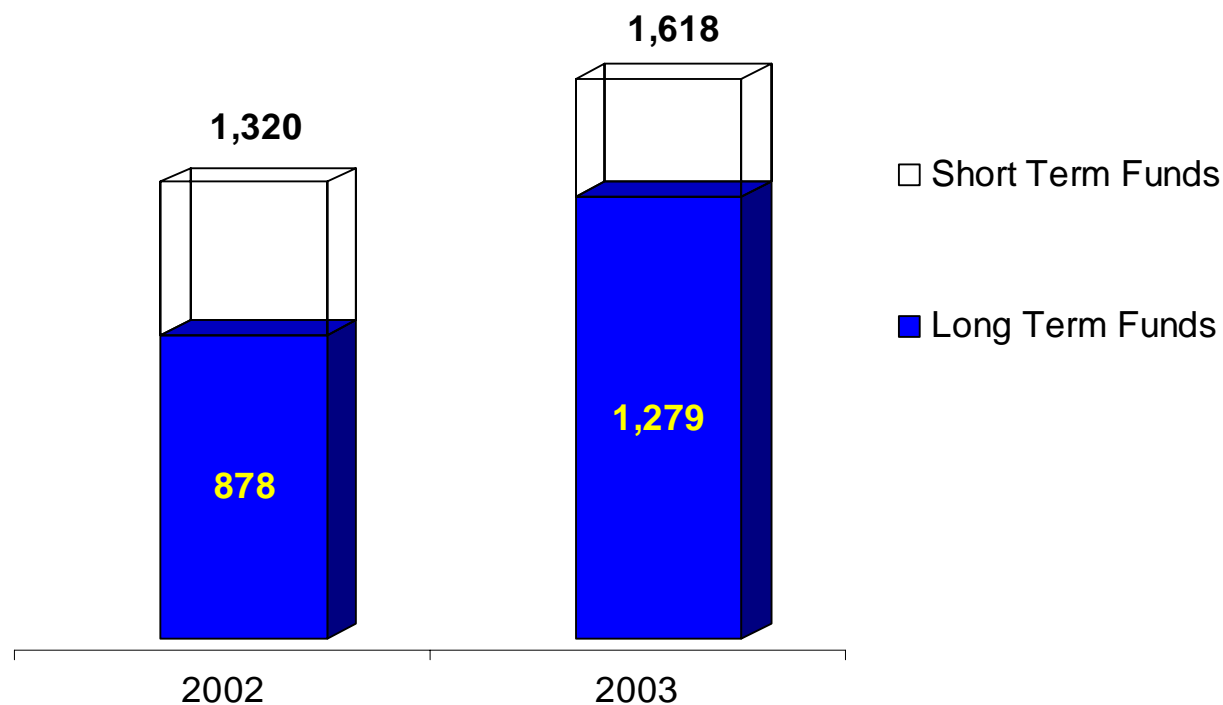
Hedge funds are included in Mutual Fund Assets Under Management (hedge funds are not reported within IFIC data).



Mackenzie Mutual Fund Sales

- ◆ **Mackenzie's gross sales increased 22.6% during Q4, 2003 relative to Q4, 2002. Sales of long term funds increased 45.7% relative to last year.**

Mackenzie Canadian Mutual Fund Sales
Quarters ended December 31 (\$ Millions)



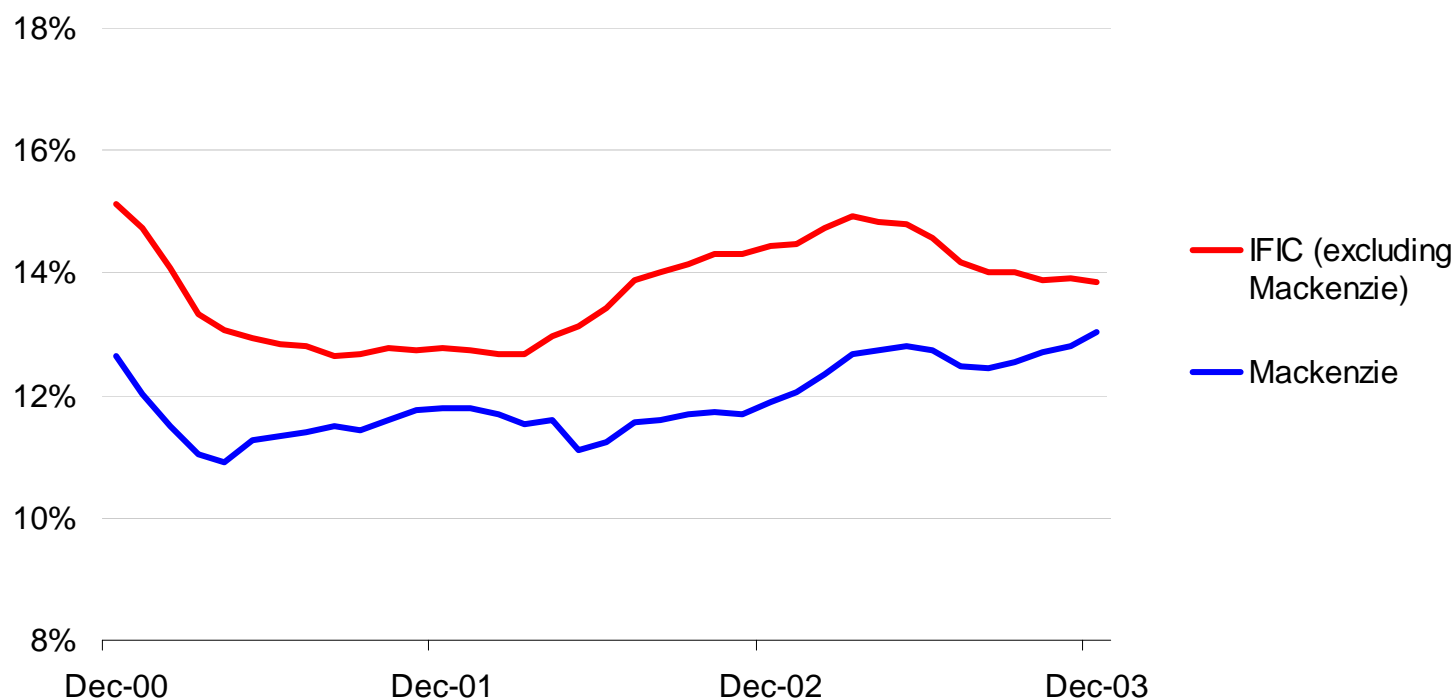
Hedge funds are included in Mutual Fund Sales (hedge funds are not reported within IFIC data).



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 Assets Under Management)**



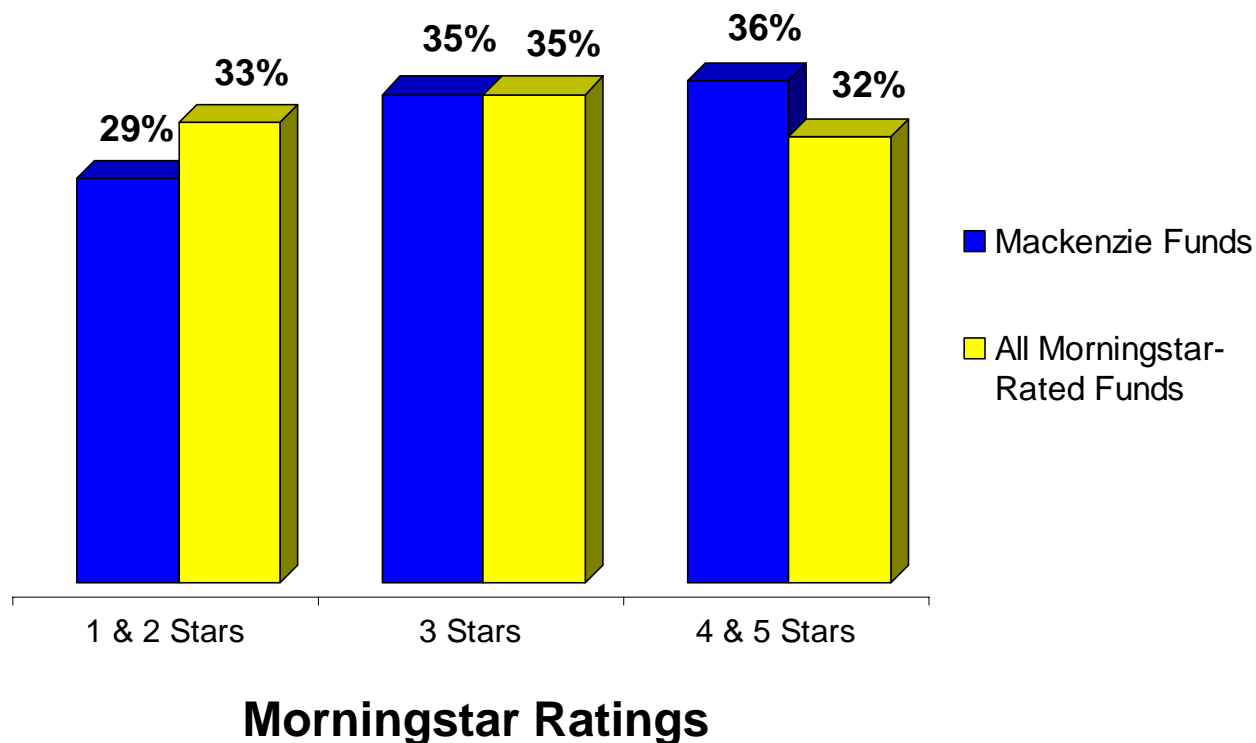
Numbers have been retroactively restated to include Maxxum redemptions (Maxxum operations were transferred to Mackenzie October 5, 2001)
Hedge funds have been excluded from Mackenzie numbers for comparability (Hedge funds are not reported within IFIC data).



Mackenzie Investment Performance

- ◆ *Mackenzie has more five-star Morningstar-rated funds than any other fund manager in Canada.*

Distribution of Morningstar Ratings at December 31, 2003
(Percentage of Funds)



Source - Bell Charts, Morningstar



Q4, 2003 Product Developments

Mackenzie honoured with eight industry awards at the 2003 Canadian Investment Awards

- Peter Cundill named Canada's Fund Manager of the Year.
- Mackenzie is home to three investment teams who have been named Fund Manager of the Year in five of the last six years.

Mackenzie reorganizes fund line-up by introducing two new brands, Mackenzie Select Managers and Mackenzie Sentinel

- Enables investors to more readily identify the investment philosophy and style of the funds in which they're investing.
- Arranges Mackenzie's investment philosophies and styles into seven clearly defined sub-brands.



Q4, 2003 Product Developments

RRSP-eligibility features added to our tax efficient Capital Class Funds

- Broadens appeal to both taxable and registered plan investors.
- Resulted in the **mergers of eleven RRSP Funds** into their underlying Capital Class Funds.
- Achieved through internalizing foreign fund derivatives, which resulted in the saving of fees previously paid to the external institutions.
- Makes Capital Class Funds an ideal vehicle to participate in the increasingly popular arena of tax-efficient structured income products.

Strategic and tactical asset allocation services

- In conjunction with Mercers and our Asset Allocation team, the MRS Group launched **Keystone Asset Allocation Program in an efficient Fund of Funds format** for the first time.
 - Four new fund-of-funds, each comprised of as many as 16 underlying funds managed by seven leading investment advisory firms.



Q4, 2003 Product Developments

Third successful launch during 2003 of CIBC FULPaY™ Guaranteed Notes.

- Note includes three popular Mackenzie Funds and was sold through both IDA and MFDA registrants.
- MRS played a role in marketing and clearing this structured product for MFDA registrants.

New Capital Class Funds

- **Four more funds made available as Capital Class Funds**, Mackenzie's tax-efficient switch funds, increasing the total offering of Capital Class Funds to 40.
- Mackenzie Cundill Canadian Security Fund, Mackenzie Universal U.S. Growth Leaders Fund, Mackenzie Maxxum Dividend Fund and Mackenzie Maxxum Canadian Equity Growth Fund.



Current Innovation Focus

- ◆ *During the next few quarters, we expect to aggressively launch a series of industry-leading innovations to our fund line-up and services.*

Current areas of focus include:

- Mid-tier wrap product
- Fund-based income tax planning solutions and packaging
- Mutual fund dealer administrative services and software
- Closed-end structured products



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