



# IGM FINANCIAL

## Q3, 2011 Results

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November 10, 2011

STRENGTH | FOCUS | GROWTH



# IGM Financial – Conference Call Participants

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**Charles R. Sims**

President & CEO,  
Mackenzie

Co - President & CEO,  
IGM Financial

**Murray J. Taylor**

President & CEO,  
Investors Group

Co - President & CEO,  
IGM Financial

**Gregory D. Tretiak**

Executive Vice President  
& CFO,  
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 for the purposes of assisting 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 and 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.

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 success in anticipating and managing the foregoing factors.

The reader is cautioned that the foregoing list of factors 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 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 is provided in its disclosure materials filed with the securities regulatory authorities in Canada, available at [www.sedar.com](http://www.sedar.com).

# IFRS Adoption

1. IGM Financial Inc. commenced reporting in accordance with International Financial Reporting Standards (“IFRS”) for the quarter ended March 31, 2011.
  - Unaudited Interim Condensed Consolidated Financial Statements, for the three and nine months ended September 30, 2011, were prepared in accordance with IAS 34, *Interim Financial Statements*.
  - First full year financial statements under IFRS will be prepared for the year ended December 31, 2011.
2. 2010 comparative periods are also prepared in accordance with IFRS, and have been presented in accordance with IFRS within this presentation and within 2011 interim period financial statements and related disclosures.
3. Additional information on the Company’s transition to IFRS is available in:
  - The notes to the Interim Financial Statements and in the MD&A for the three and nine month periods ended September 30, 2011,
  - The Company’s 2010 Annual Report, and
  - The Company’s press release dated April 21, 2011 related to the restatement of 2010 financial information under IFRS.

# Non-IFRS Financial Measures

- Net earnings available to common shareholders, which is a financial measure in accordance with IFRS, may be divided into two components consisting of:
  - Operating 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 “Operating Earnings”, “Operating Earnings per Share” and “Earnings before Interest and Taxes”.
- 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.
- “Operating Earnings” and “Operating Earnings Per Share” for the three and nine months ended September 30, 2011 exclude the net earnings for M.R.S. Trust Company and M.R.S. Inc. (MRS), which have been classified as discontinued operations. Net earnings for MRS, excluding a one-time tax adjustment, totaled \$2.3 million and \$4.3 million for the three and nine months ended September 30, 2011. During the third quarter of 2011, a reduction in income taxes of \$28.7 million was recorded to reflect a change in estimate related to tax filing positions. As a result, net earnings from discontinued operations were \$31.0 million and \$33.0 million for the three and nine months ended September 30, 2011. On September 2, 2011, Mackenzie announced that it had entered into an agreement to sell MRS.
- “Operating Earnings” and “Operating Earnings Per Share” for the three and nine months ended September 30, 2010 exclude the net earnings for MRS of \$0.5 million and \$0.3 million, respectively, which have been classified as discontinued operations.
- “Operating Earnings” and “Operating Earnings Per Share” for the three and nine month periods ended September 30, 2010 exclude a one-time after-tax charge of \$8.2 million representing the Company’s proportionate share of an incremental litigation provision established by its affiliate Great West Lifeco Inc.

# 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 Q3, 2011 results issued November 10, 2011:
  - IGM Financial Q3, 2011 financial results press release. This press release includes financial highlights as well as a summary earnings statement.
  - IGM Financial Q3, 2011 Unaudited Interim Condensed Consolidated Financial Statements and Notes.
  - IGM Financial Q3, 2011 Management's Discussion and Analysis ("MD&A").
  - IGM Financial Q3, 2011 Supplemental Information.
2. IGM Financial October, 2011 Assets Under Management press release issued November 2, 2011.
3. Mackenzie press release announcing the sale of the MRS Group of Companies to Laurentian Bank subsidiary B2B Trust issued September 2, 2011.
4. IGM Financial Adoption of International Financial Reporting Standards (IFRS) press release issued April 21, 2011.
5. IGM Financial Q2, 2011 Interim Report which was issued on August 4, 2011.
6. IGM Financial Q1, 2011 Interim Report which was issued on May 6, 2011.
7. IGM Financial 2010 Annual Report which was issued on March 23, 2011.

Each of these documents are available on the Company's website at [www.igmfinancial.com](http://www.igmfinancial.com) and also at [www.sedar.com](http://www.sedar.com).

- 1. Highlights**

2. Mackenzie

3. Investors Group

# IGM Financial Highlights – Earnings

- IGM Financial's Operating Earnings Per Share increased by 18.8% during the third quarter of 2011 relative to the third quarter of 2010, and increased by 18.3% year to date.*

	<u>Three months ended Sept. 30</u>			<u>Nine months ended Sept. 30</u>		
	<u>2010</u>	<u>2011</u>	<u>Change</u>	<u>2010</u>	<u>2011</u>	<u>Change</u>
Operating Earnings (millions) <sup>1</sup>	\$ 181.1	\$ 213.0	17.6%	\$ 548.7	\$ 637.0	16.1%
Net Earnings (millions)	173.4	244.0	40.7%	540.8	670.0	23.9%
Operating Earnings per share (diluted) <sup>1</sup>	0.69	0.82	18.8%	2.08	2.46	18.3%
Net Earnings per share (diluted)	0.66	0.94	42.4%	2.05	2.58	25.9%
Dividends per share	0.5125	0.5375	4.9%	1.5375	1.5625	1.6%

1. Please refer to slide 5 for a discussion of adjustments.

# IGM Financial Highlights – Gross Sales

- *IGM Financial had gross sales of \$3.4 billion during Q3, 2011 and \$13.0 billion year to date.*

## IGM Financial Investment Product Gross Sales (\$ Millions)

	Three Months Ended September 30, 2011				Nine Months Ended September 30, 2011			
	Investors Group	Mackenzie	Counsel	IGM Financial	Investors Group	Mackenzie	Counsel	IGM Financial
Long term mutual funds	1,113	1,143	98	<b>2,354</b>	4,193	4,172	366	<b>8,730</b>
Short term mutual funds	172	93	15	<b>280</b>	543	384	49	<b>976</b>
Total mutual funds	1,285	1,236	113	<b>2,634</b>	4,736	4,556	415	<b>9,706</b>
Institutional		809		<b>796</b>		3,659		<b>3,261</b>
Total	<u>1,285</u>	<u>2,045<sup>1</sup></u>	<u>113</u>	<u><b>3,430<sup>1</sup></b></u>	<u>4,736</u>	<u>8,215<sup>1</sup></u>	<u>415</u>	<u><b>12,967<sup>1</sup></b></u>

1. Total gross sales exclude sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel. These mandates had gross sales of \$13 million during Q3, 2011 and \$399 million year to date.

# IGM Financial Highlights – Net Sales

- *IGM Financial had net redemptions of \$1.3 billion during Q3, 2011 and \$1.2 billion year to date.*

## IGM Financial Investment Product Net Sales (\$ Millions)

	Three Months Ended September 30, 2011				Nine Months Ended September 30, 2011			
	Investors Group	Mackenzie	Counsel	IGM Financial	Investors Group	Mackenzie	Counsel	IGM Financial
Long term mutual funds	(149)	(539)	34	<b>(655)</b>	205	(855)	134	<b>(517)</b>
Short term mutual funds	(13)	(37)	10	<b>(40)</b>	(8)	(109)	35	<b>(82)</b>
Total mutual funds	(162)	(576)	44	<b>(695)</b>	197	(964)	169	<b>(599)</b>
Institutional		(625)		<b>(589)</b>		(289)		<b>(552)</b>
Total	(162)	(1,201) <sup>1</sup>	44	<b>(1,284)<sup>1</sup></b>	197	(1,253) <sup>1</sup>	169	<b>(1,151)<sup>1</sup></b>

1. Total net sales exclude sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel. These mandates had net redemptions of \$35 during Q3, 2011 and net sales of \$264 million year to date.

# IGM Financial Highlights – Assets Under Management

- IGM Financial's average assets under management declined by 6.1% during Q3, 2011 relative to Q2, 2011.

(\$ Billions)	Sep 30, 2010	Dec 31, 2010	Mar 31, 2011	Jun 30, 2011	Sep 30, 2011	Change	
						Last Quarter	Last Year
<b>Average Assets Under Management (for the period ended)</b>							
<b>IGM Financial</b>	<b>119.2</b>	<b>125.9</b>	<b>131.9</b>	<b>132.0</b>	<b>124.0</b>	<b>(6.1%)</b>	<b>4.1%</b>
Investors Group	57.2	60.2	63.0	62.8	59.4	(5.5%)	3.9%
Mackenzie <sup>1</sup>	62.7	66.4	69.5	69.9	65.4	(6.5%)	4.4%
Counsel <sup>2</sup>	2.3	2.5	2.8	2.8	2.8	(2.5%)	21.4%
<b>Ending Assets Under Management (as at end of period)</b>							
<b>IGM Financial</b>	<b>122.7</b>	<b>129.5</b>	<b>134.1</b>	<b>130.2</b>	<b>116.7</b>	<b>(10.3%)</b>	<b>(4.8%)</b>
Investors Group	58.8	61.8	64.0	62.2	56.5	(9.1%)	(4.0%)
Mackenzie <sup>1</sup>	64.5	68.3	70.7	68.8	60.9	(11.5%)	(5.6%)
Counsel <sup>2</sup>	2.4	2.7	2.8	2.8	2.7	(6.0%)	12.5%

1. Includes sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group or Counsel. These mandates had assets under management of \$3.3 billion at September 30, 2011.

2. Includes \$128 million acquired through the acquisition of Partners in Planning, which closed November 1, 2010. Excluding this acquisition, Counsel assets under management increased by 7.0% during the twelve months ended September 30, 2011.

# Operating Environment – Industry Sales Mix

- *The industry experienced similar gross sales during Q3, 2011 relative to Q3, 2010 and slight reductions in net sales.*

## Industry Mutual Fund Net Sales by Primary Distribution Emphasis (\$ Billions) Three months ended September 30

	Long Term Funds			Total Funds		
	2010	2011	Change	2010	2011	Change
<b>Gross Sales</b>						
Advice	11.7	12.7	8.5%	12.6	13.5	7.3%
Deposit takers	15.1	14.2	(5.8%)	21.1	19.8	(6.3%)
Direct & other	1.4	2.2	48.7%	1.6	2.3	44.1%
<b>Total</b>	<b>28.3</b>	<b>29.1</b>	<b>2.9%</b>	<b>35.3</b>	<b>35.5</b>	<b>0.8%</b>
<b>Net Sales</b>						
Advice	(1.3)	(1.2)	N/M	(1.5)	(1.3)	N/M
Deposit takers	3.7	1.4	(60.9%)	1.5	0.5	N/M
Direct & other	0.3	(0.1)	N/M	0.3	(0.1)	N/M
<b>Total</b>	<b>2.7</b>	<b>0.1</b>	<b>(95.1%)</b>	<b>0.2</b>	<b>(1.0)</b>	<b>N/M</b>

Source: Investor Economics, Insight Advisory Service, April 2011 pages 55 and 56, July 2011 pages 47 and 48 and October, 2011 pages 46 and 47. "Advice" reflects the aggregation of "Independents" and "Life Insurers" as presented by Investor Economics.

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

Deposit takers includes RBC (including Phillips, Hager and North), TD, CIBC (including CM/Talvest funds), BMO (including Guardian) Scotia, HSBC, Desjardins, National Bank, ATB Financial and NEI Investments.

# Operating Environment – Industry Sales Mix

- During the third quarter of 2011, there was approximately \$100 million in net sales of long term funds, with all product types experiencing limited net sales.

## Industry Mutual Fund Net Sales (\$ Billions)

	Q1, 2009	Q2, 2009	Q3, 2009	Q4, 2009	Q1, 2010	Q2, 2010	Q3, 2010	Q4, 2010	Q1, 2011	Q2, 2011	Q3, 2011
Fixed income	(0.2)	2.1	3.5	10.1	6.6	1.5	<b>5.4</b>	7.5	4.6	2.4	<b>0.7</b>
Balanced	(0.1)	0.7	1.1	1.7	3.3	1.1	<b>0.3</b>	2.0	4.8	2.6	<b>(0.0)</b>
Domestic Equity	0.5	(0.2)	0.1	0.0	2.0	(0.7)	<b>(0.9)</b>	(0.5)	2.6	0.9	<b>(0.7)</b>
Global & International Equity	(0.2)	(0.7)	(1.6)	(0.8)	(0.1)	(0.0)	<b>(2.1)</b>	(1.1)	2.3	(0.1)	<b>0.2</b>
Long term	0.1	2.0	3.2	11.0	11.9	1.9	<b>2.7</b>	7.9	14.2	5.9	<b>0.1</b>
Money market	3.6	(1.5)	(3.9)	(9.8)	(5.0)	(4.0)	<b>(2.5)</b>	(3.4)	(1.5)	(1.0)	<b>(1.1)</b>
Total	3.7	0.5	(0.8)	1.2	6.9	(2.1)	<b>0.2</b>	4.6	12.7	4.9	<b>(1.0)</b>

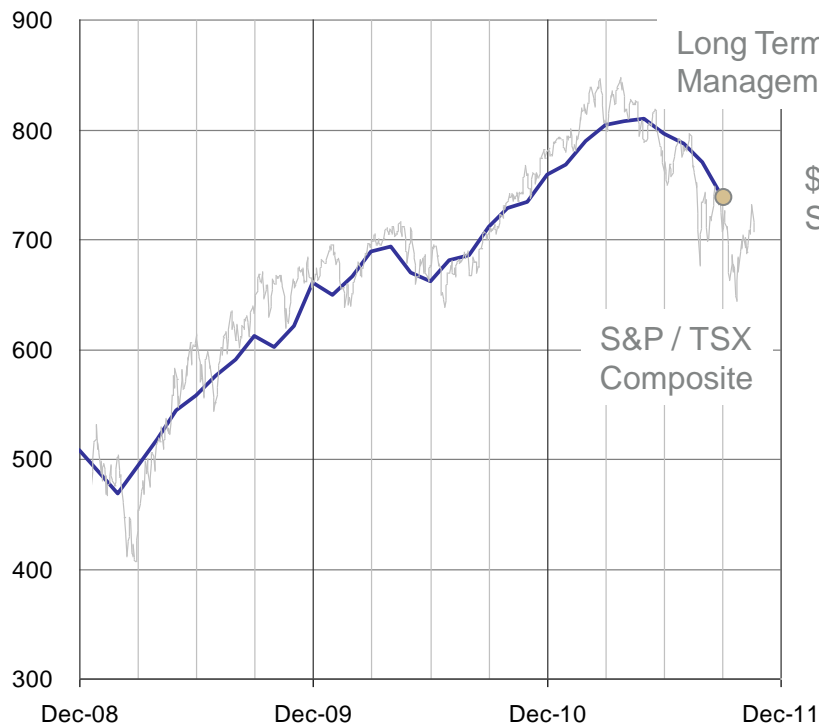
Source: Investor Economics, Insight Advisory Service

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

# Operating Environment – Financial Markets

- During Q3, 2011, industry long term mutual fund assets under management declined by 7.2% as a result of declines in global equity markets.

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

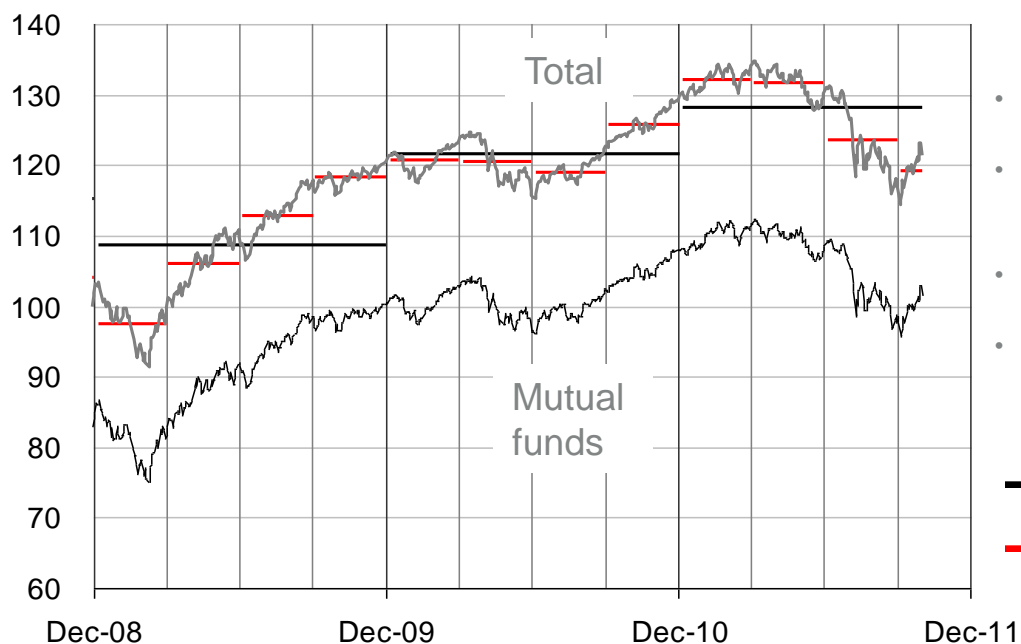


	Q3, 2011	Q4, 2011 at Nov 9
Mutual Fund Long Term Assets	(7.2%)	
S&P / TSX Composite	(12.6%)	4.6%
S&P 500	(14.3%)	8.6%
Dow Jones Industrial	(12.1%)	7.9%
Nasdaq Composite	(12.9%)	8.5%
FTSE 100	(13.7%)	6.5%
DAX	(25.4%)	6.0%
Nikkei 225	(11.4%)	0.6%
US dollar relative to CAD	9.0%	(2.6%)
Euro relative to CAD	0.6%	(1.4%)

# IGM Financial Highlights – Assets Under Management

- *Average total assets under management increased by 4.1% during Q3, 2011 relative to Q3, 2010 and declined by 6.1% relative to Q2, 2011.*
- *Average mutual fund assets under management increased by 4.1% during Q3, 2011 relative to Q3, 2010 and declined by 5.8% relative to Q2, 2011.*

Assets Under Management (\$ Billions) <sup>1</sup>



Average Assets Under Management (\$ Billions)

- \$116.7 at Sep. 30
- \$121.3 at Oct. 31
- \$97.7 at Sep. 30
- \$101.5 at Oct. 31

	Total	Mutual funds
Q3, 2011	124.0	103.5
Q3, 2011 versus Q3, 2010	4.1%	4.1%
Q3, 2011 versus Q2, 2011	(6.1%)	(5.8%)
Q3, 2010	119.2	99.4
Q2, 2011	132.0	109.9

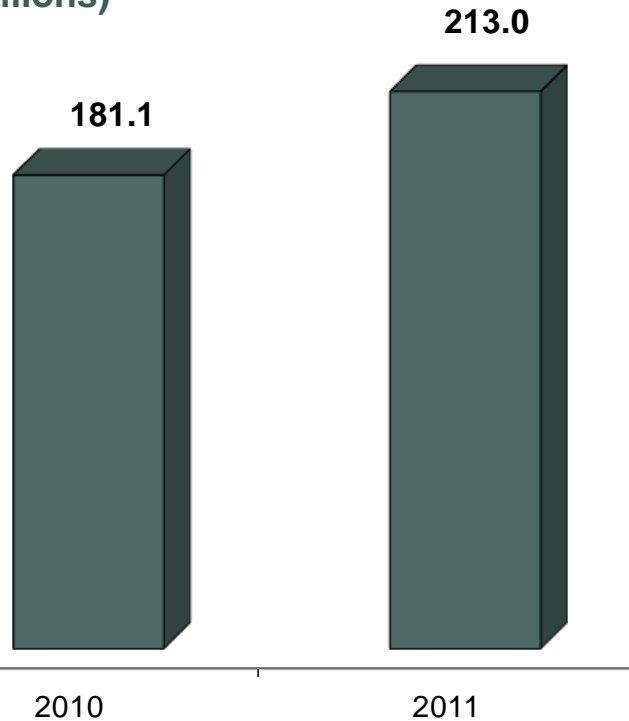
Annual Average  
 Quarterly Average

1. Includes mutual fund assets of Titan Funds effective November 1, 2010 (\$128 million at time of acquisition)

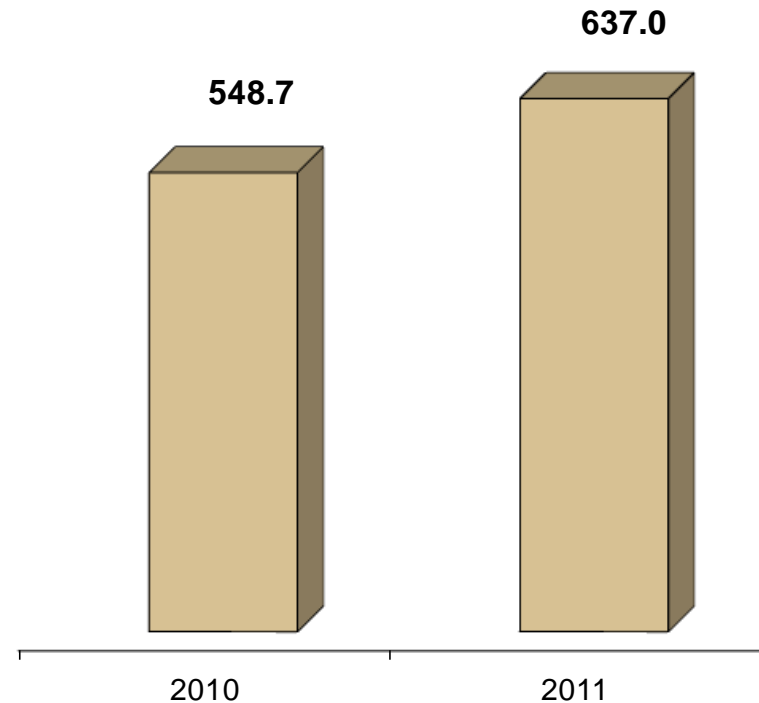
# IGM Financial Highlights – Operating Earnings

- ♦ *IGM Financial's Operating Earnings increased by 17.6% during Q3, 2011 relative to Q3, 2010 and increased by 16.1% year to date.*

Operating Earnings<sup>1</sup>  
Three Months ended September 30  
(\$ Millions)



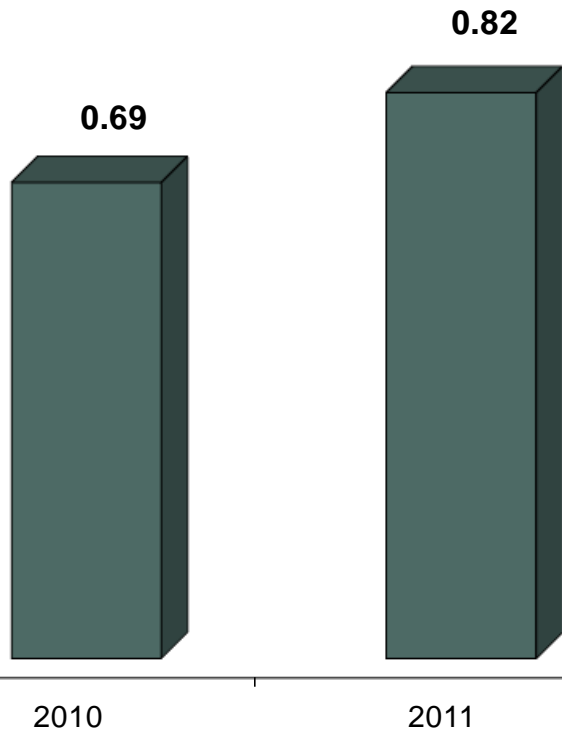
Operating Earnings<sup>1</sup>  
Nine Months ended September 30  
(\$ Millions)



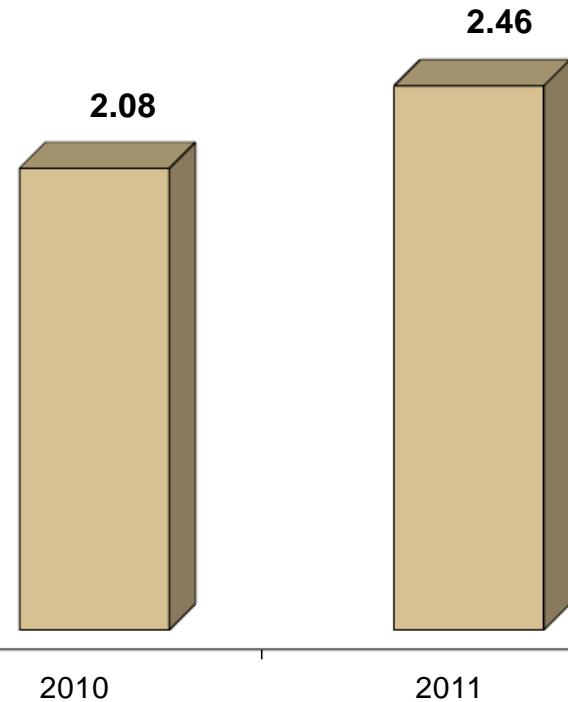
# IGM Financial Highlights – Operating Earnings Per Share

- ◆ *IGM Financial's Operating Earnings Per Share increased by 18.8% during Q3, 2011 relative to Q3, 2010 and increased by 18.3% year to date.*

Operating Earnings Per Share (Diluted)<sup>1</sup>  
Three Months ended September 30  
(\$)



Operating Earnings Per Share (Diluted)<sup>1</sup>  
Nine Months ended September 30  
(\$)



1. Please refer to slide 5 for a discussion of adjustments.

1. Highlights

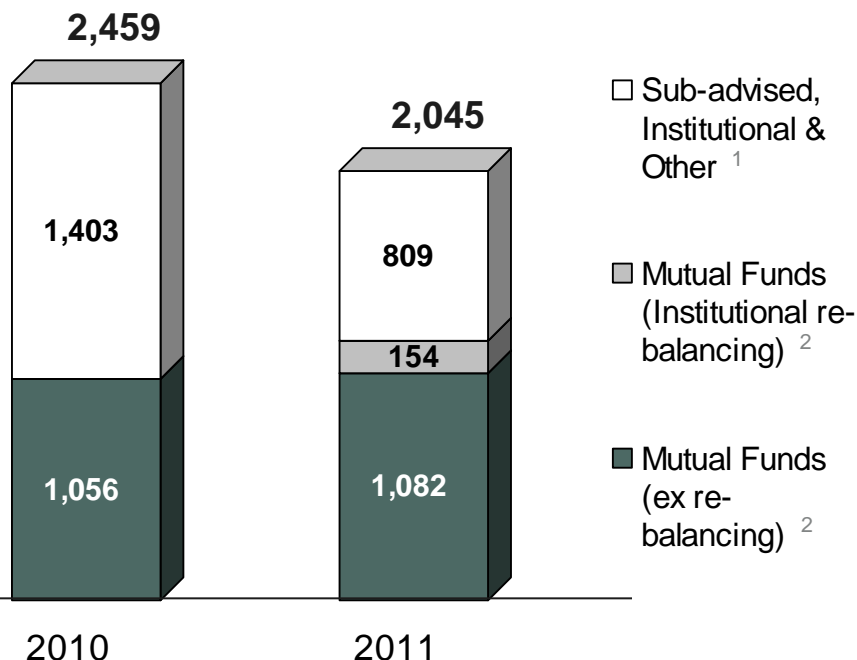
**2. Mackenzie**

3. Investors Group

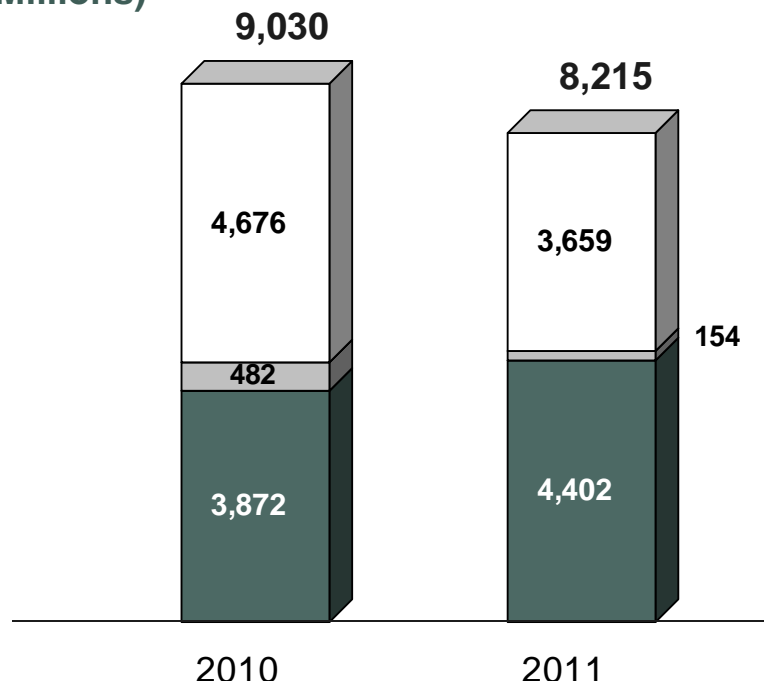
# Mackenzie Gross Sales

- *Mackenzie had gross sales of investment products of \$2.0 billion during the third quarter of 2011 and \$8.2 billion year to date.*

**Mackenzie Gross Sales of Investment Products  
Three months ended September 30  
(\$ Millions)**



**Mackenzie Gross Sales of Investment Products  
Nine months ended September 30  
(\$ Millions)**

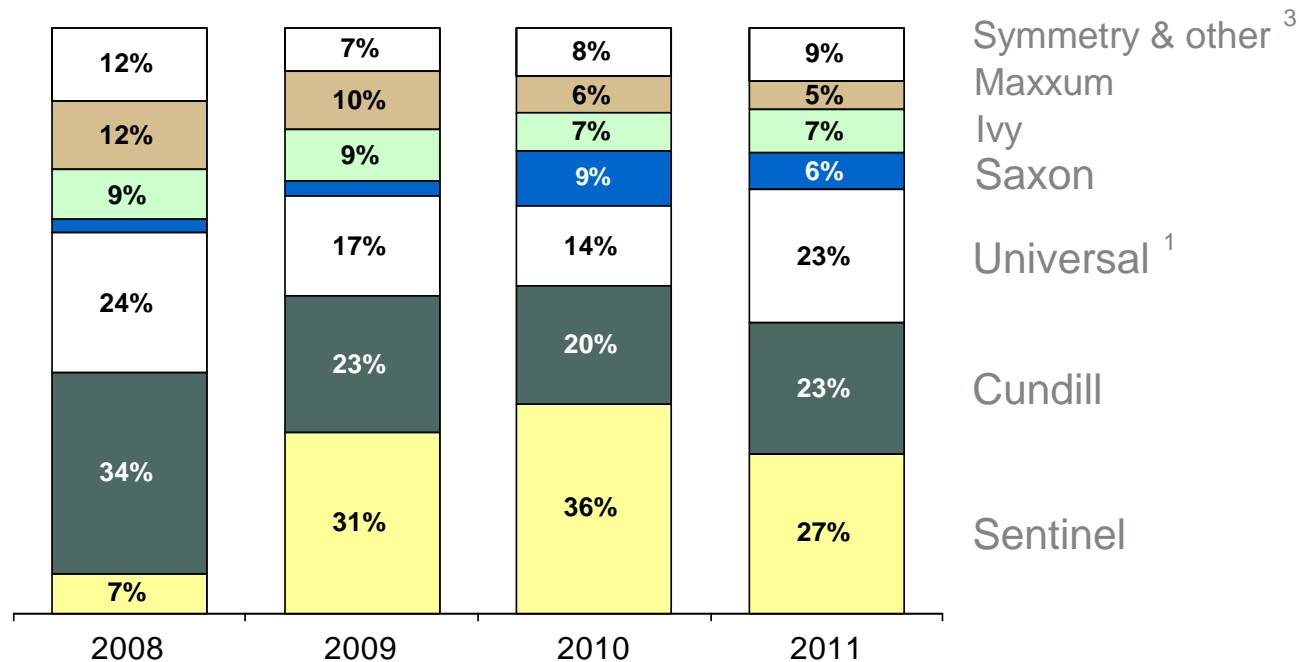


1. Includes sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel.
2. Q3, 2011 includes \$154 million in mutual fund gross sales related to the conversion of the Canadian Shield Fund to an open-ended mutual fund. Q2, 2010 includes \$482 million in mutual fund gross sales related to an institutional re-balancing.

# Mackenzie Mutual Fund Gross Sales

- ◆ *Mackenzie's Sentinel sub-brand continued to experience strong flows during Q3, 2011 and sales momentum in the Saxon sub-brand continued.*

Gross Sales Mix of Long Term Mutual Funds by Mackenzie Sub-Brand <sup>1,2</sup>  
Three month periods ended September 30

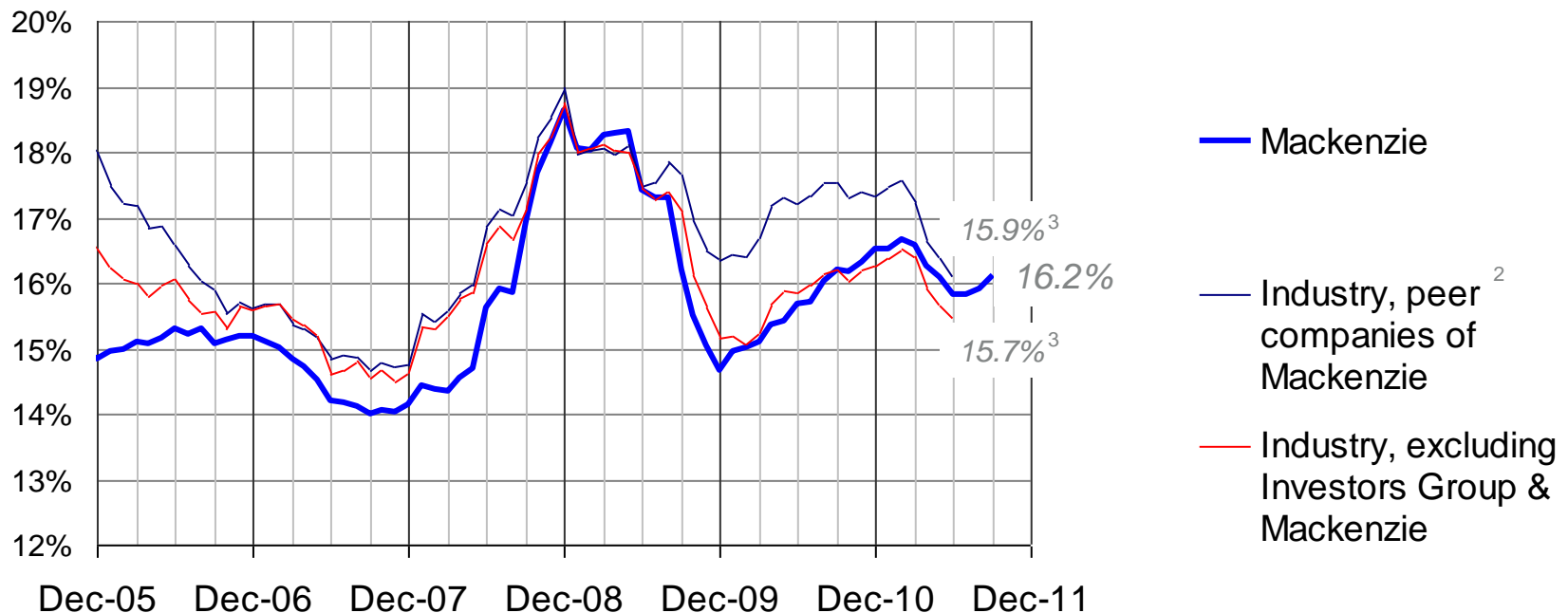


1. Q3, 2011 excludes \$154 million in gross sales related to the conversion of the Universal Canadian Shield Fund to an open-ended mutual fund
2. Excludes Quadrus Funds
3. Includes Symmetry, Destination Funds, Founders Funds and other funds

# Mackenzie Mutual Fund Redemption Rate

- *Mackenzie's twelve month trailing redemption rate on long term mutual funds was 16.2% at September 30, 2011.*

**Redemption Rate on Long Term Mutual Funds <sup>1</sup>**  
**(Last Twelve Month Trailing % of Average Assets Under Management)**

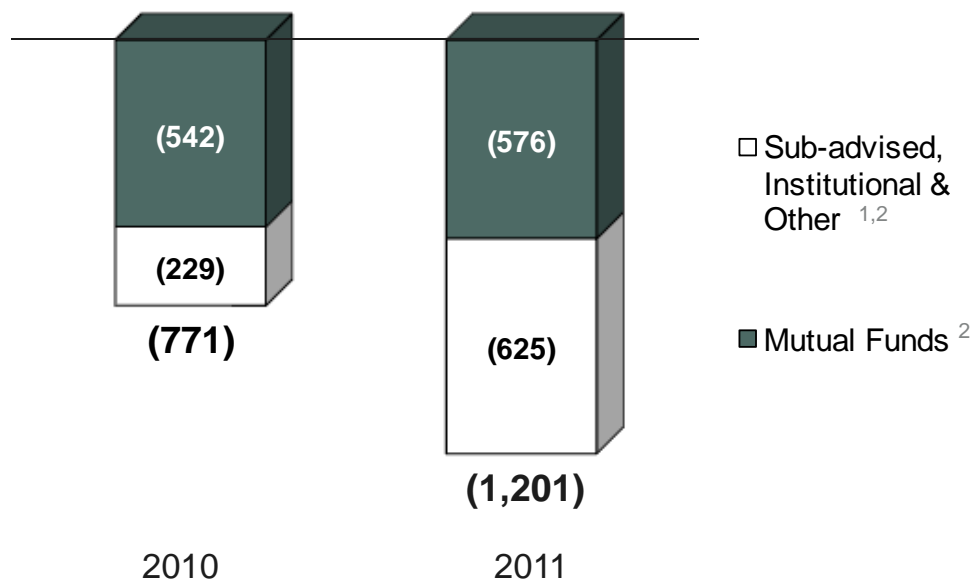


1. All numbers have been restated to exclude CI Investments and Invesco at the time that they discontinued reporting to IFIC. CI discontinued reporting to IFIC during December, 2008 and Invesco discontinued reporting to IFIC October, 2010.
2. Excludes Mackenzie, Investors Group, deposit takers and direct distributors.
3. Twelve month trailing redemption rate as of June 30, 2011.

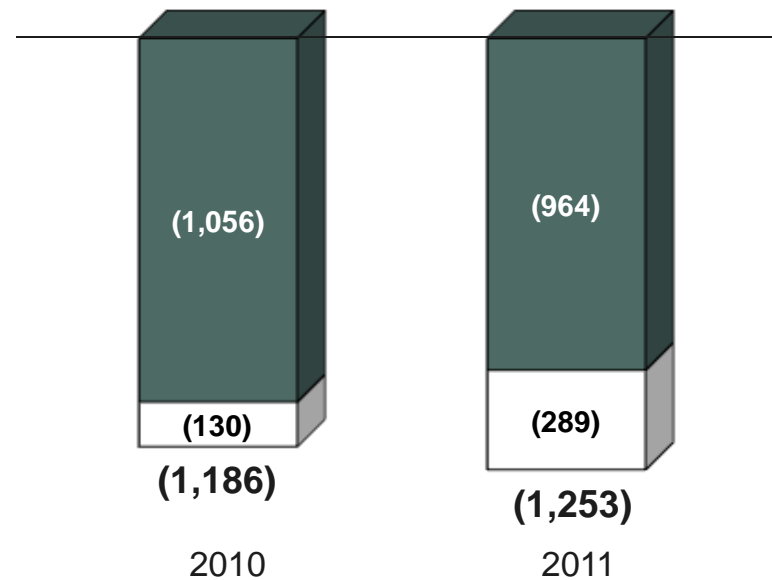
# Mackenzie Net Sales

- *Mackenzie had net redemptions of \$1.2 billion during the third quarter of 2011 and \$1.3 billion year to date.*

**Mackenzie Net Sales of Investment Products**  
**Three months ended September 30**  
**(\$ Millions)**



**Mackenzie Net Sales of Investment Products**  
**Nine months ended September 30**  
**(\$ Millions)**

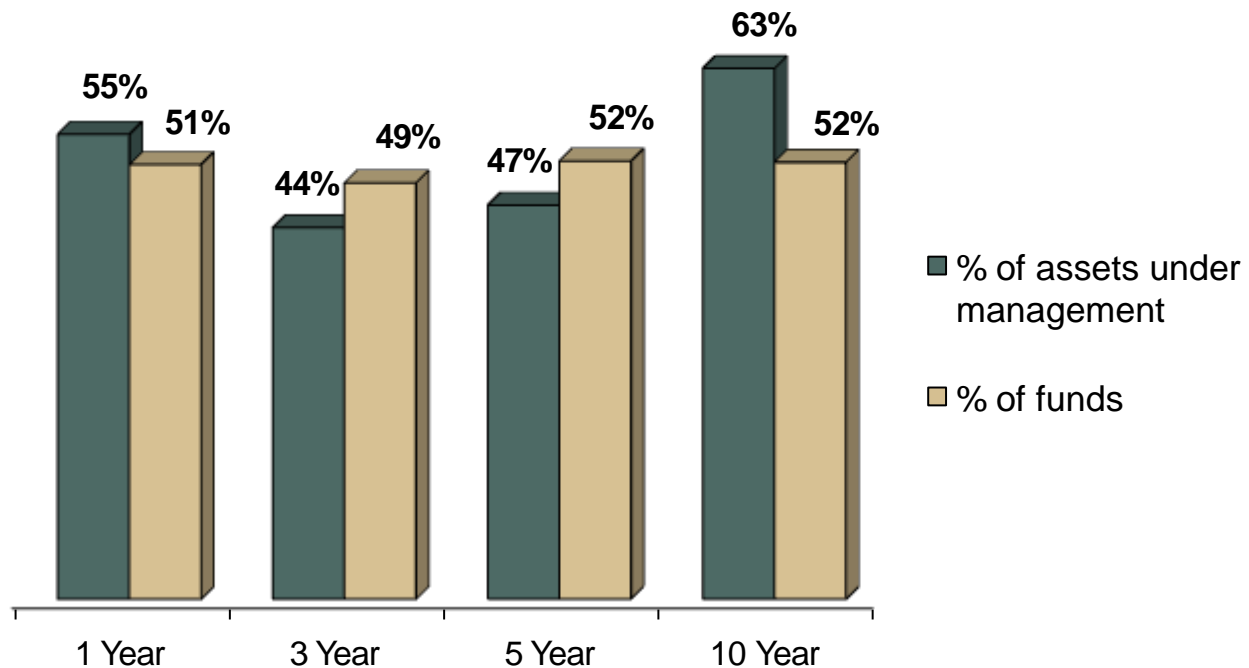


1. Includes sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel.
2. Q3, 2011 includes \$154 million in net mutual fund sales and \$154 million in net institutional redemptions related to the conversion of the Canadian Shield Fund to an open-ended mutual fund. Q2, 2010 includes \$60 million in net sales related to an institutional re-balancing (\$411 million net sales to mutual funds and \$351 million net redemptions from institutional).

# Mackenzie Investment Performance

- ◆ *47% of Mackenzie's assets reside within funds which have had first or second quartile performance over the last five years.*

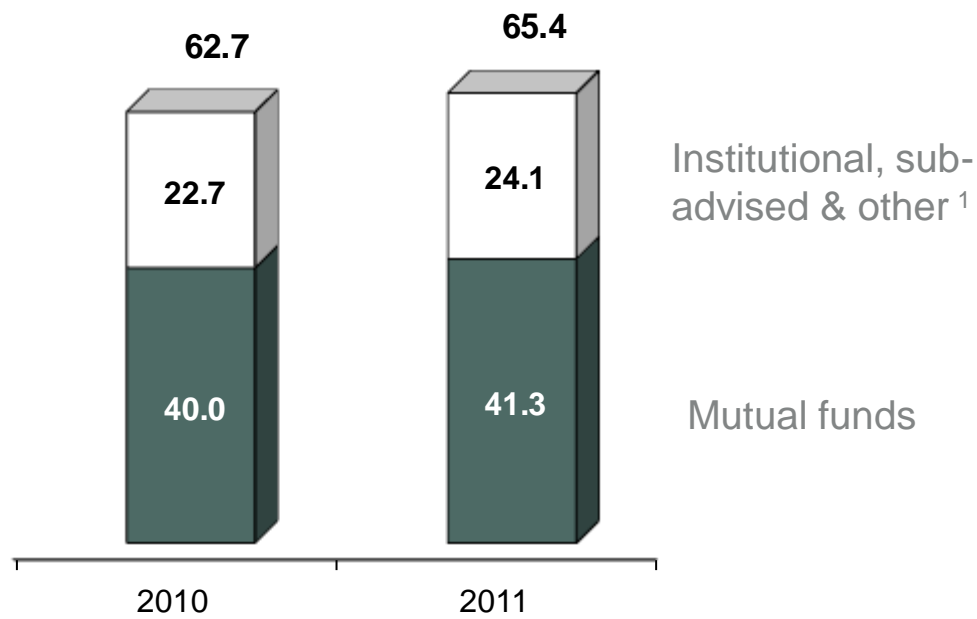
Mackenzie Mutual Funds in First or Second Quartile  
As at September 30, 2011



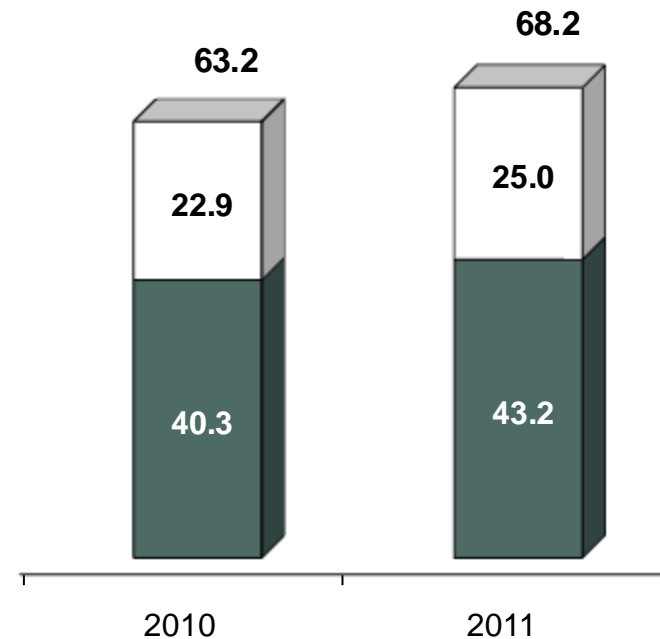
# Mackenzie Assets Under Management

- *The average balance of total assets under management increased by 4.4% during Q3, 2011 relative to Q3, 2010, average mutual fund assets increased by 3.4%.*
- *The average balance of total assets under management increased by 7.8% during 2011 relative to 2010, average mutual fund assets increased by 7.2%.*

Average Assets Under Management (\$ Billions)  
Three months ended September 30



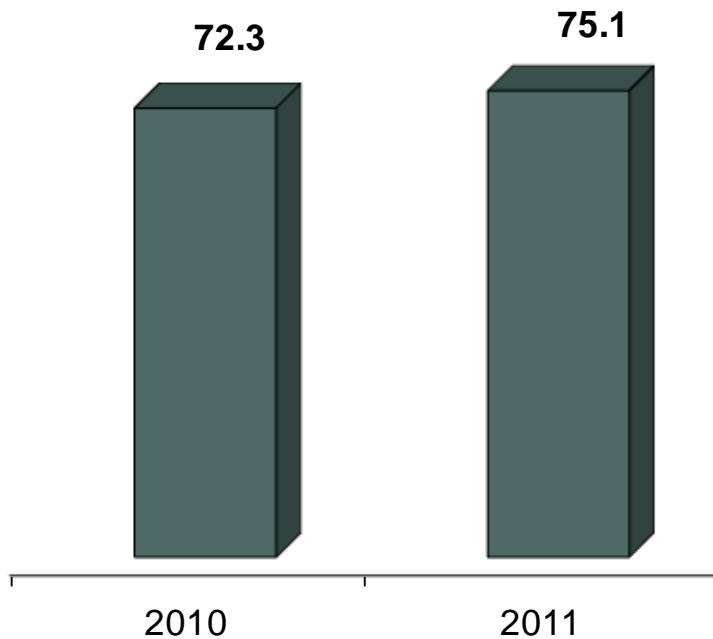
Average Assets Under Management (\$ Billions)  
Nine months ended September 30



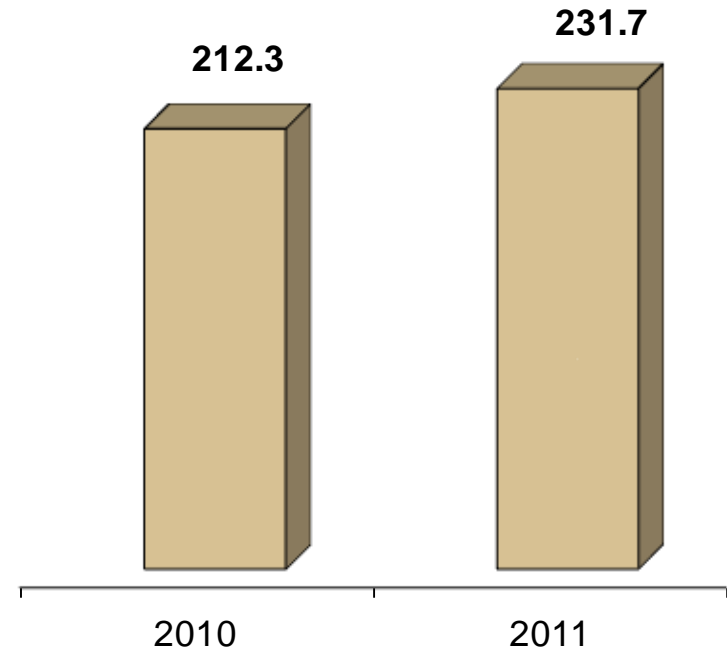
# Mackenzie Earnings before Interest & Taxes

- ◆ *Mackenzie's Earnings before Interest and Taxes increased by 3.9% during Q3, 2011 relative to Q3, 2010, and increased by 9.1% year to date.*

Earnings before Interest & Taxes  
Three months ended September 30  
(\$ Millions)



Earnings before Interest & Taxes  
Nine months ended September 30  
(\$ Millions)



# Mackenzie Earnings before Interest & Taxes

- ◆ *Mackenzie's Earnings before Interest and Taxes were \$75.1 million during Q3, 2011, a 3.9% increase relative to Q3, 2010.*

Three months ended September 30  
\$ Millions, unless otherwise indicated

	<u>2010</u>	<u>2011</u>	<u>Change</u>
Average assets under management (\$ billions)			
Total	62.7	65.4	4.4%
Mutual funds	40.0	41.3	3.4%
Revenues			
Management fees	168.8	170.4	0.9%
Administration fees	27.1	26.9	(0.7%)
Distribution fees	5.0	4.6	(8.0%)
	<u>200.9</u>	<u>201.9</u>	0.5%
Net investment income and other	<u>(0.3)</u>	<u>1.2</u>	N/M
Total	200.6	203.1	1.2%
Expenses			
Commission amortization	25.8	22.8	(11.6%)
Other commission	44.6	46.6	4.5%
Commission	70.4	69.4	(1.4%)
Non-commission	57.9	58.6	1.2%
Total	<u>128.3</u>	<u>128.0</u>	(0.2%)
Earnings before interest and taxes	<u><b>72.3</b></u>	<u><b>75.1</b></u>	3.9%

# Mackenzie Developments

## 1. Sale of MRS Group of Companies to Laurentian Bank subsidiary B2B Trust

- The MRS Companies will be integrated with B2B Trust to create a best-in-class provider of products and services dedicated to the Canadian financial advisor community.
- Expected close during Q4, 2011, subject to applicable regulatory approvals.
- Anticipated purchase consideration of \$219.5 million (including repayment of \$20 million in subordinated debt due to Mackenzie).

## 2. Distribution

- Mackenzie will become the exclusive principal distributor of mutual funds to Laurentian Bank's branch network.

1. Highlights

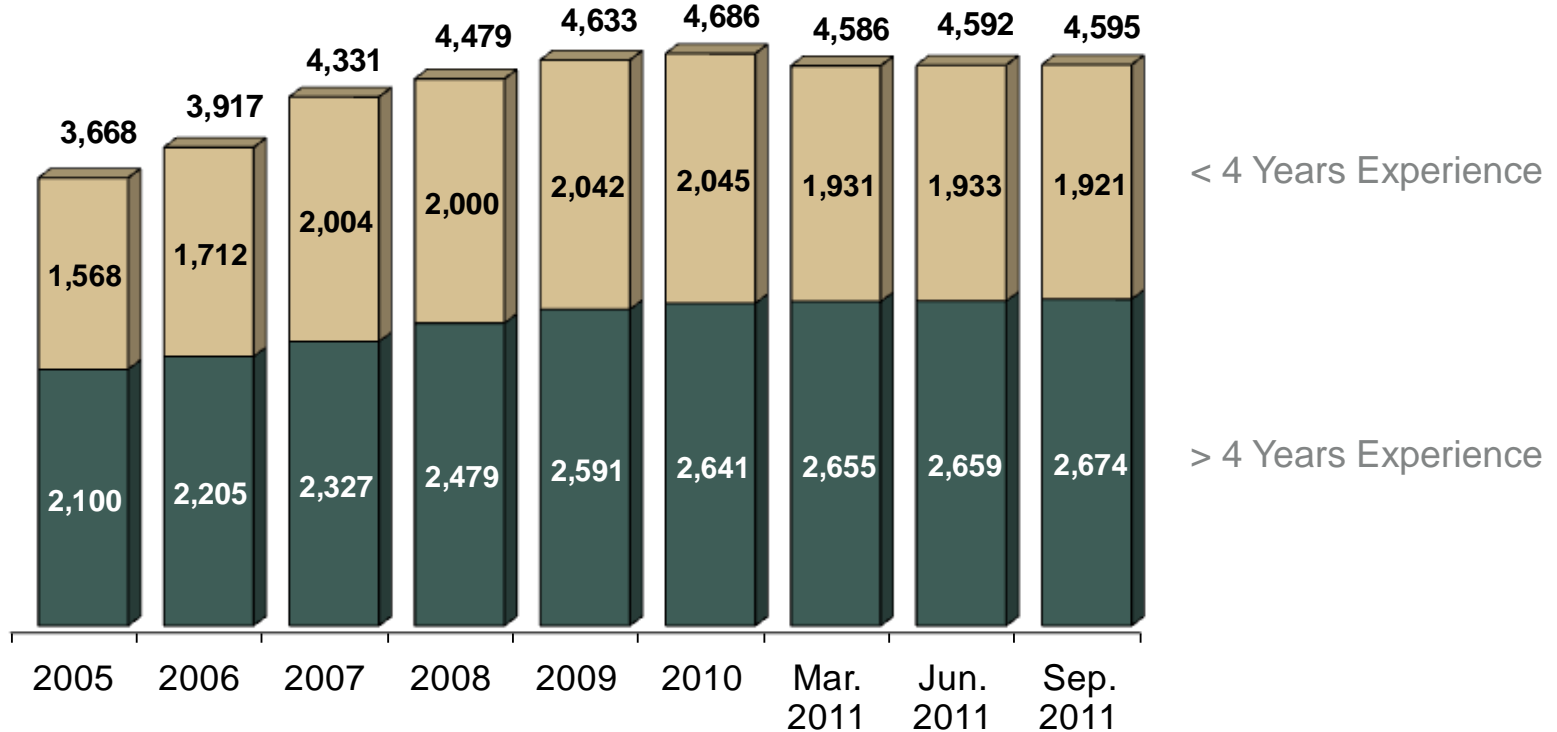
2. Mackenzie

**3. Investors Group**

# Investors Group Consultant Network

- ◆ *The number of Consultants increased to 4,595 during the third quarter of 2011.*

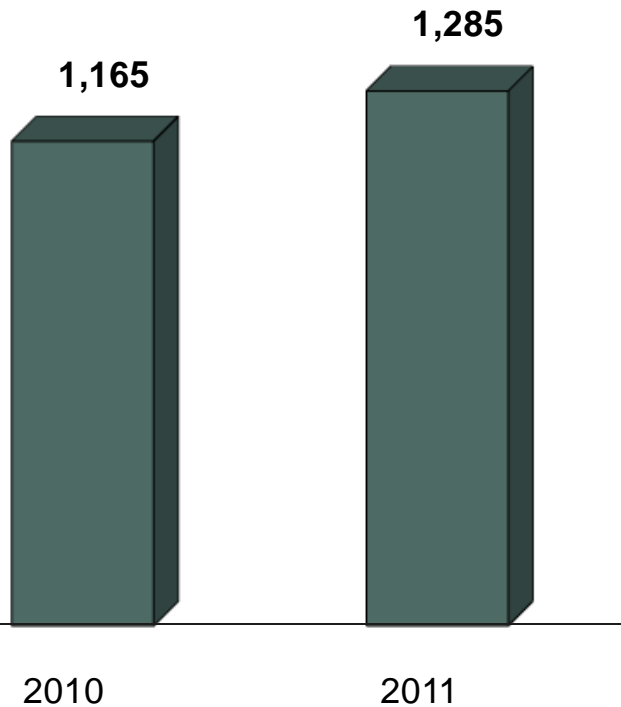
Number of Investors Group Consultants  
As at December 31 (unless otherwise indicated)



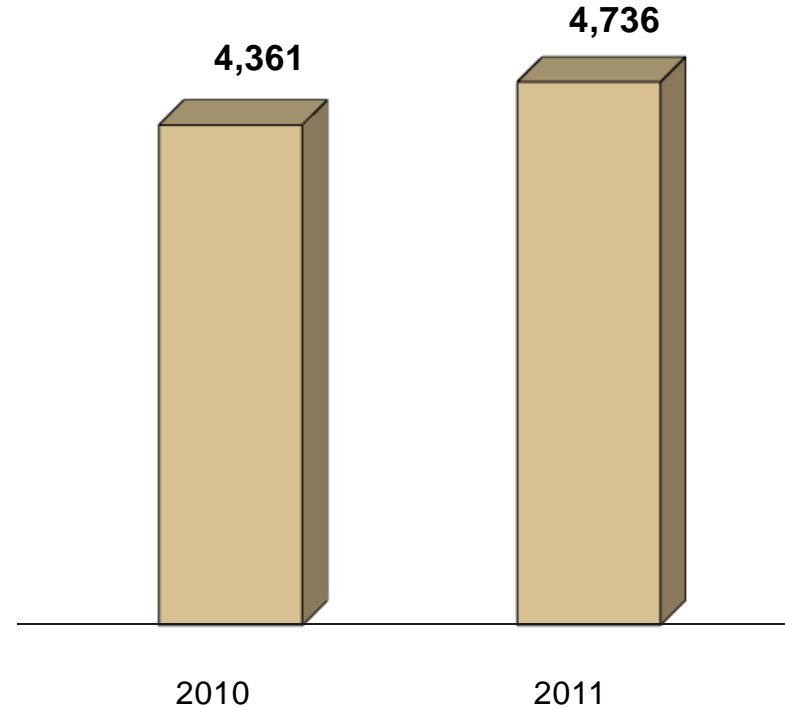
# Investors Group Mutual Fund Gross Sales

- ◆ *Investors Group had gross sales of \$1.3 billion during the Q3, 2011, up 10.4% relative to Q3, 2010.*

Three months ended September 30  
(\$ Millions)



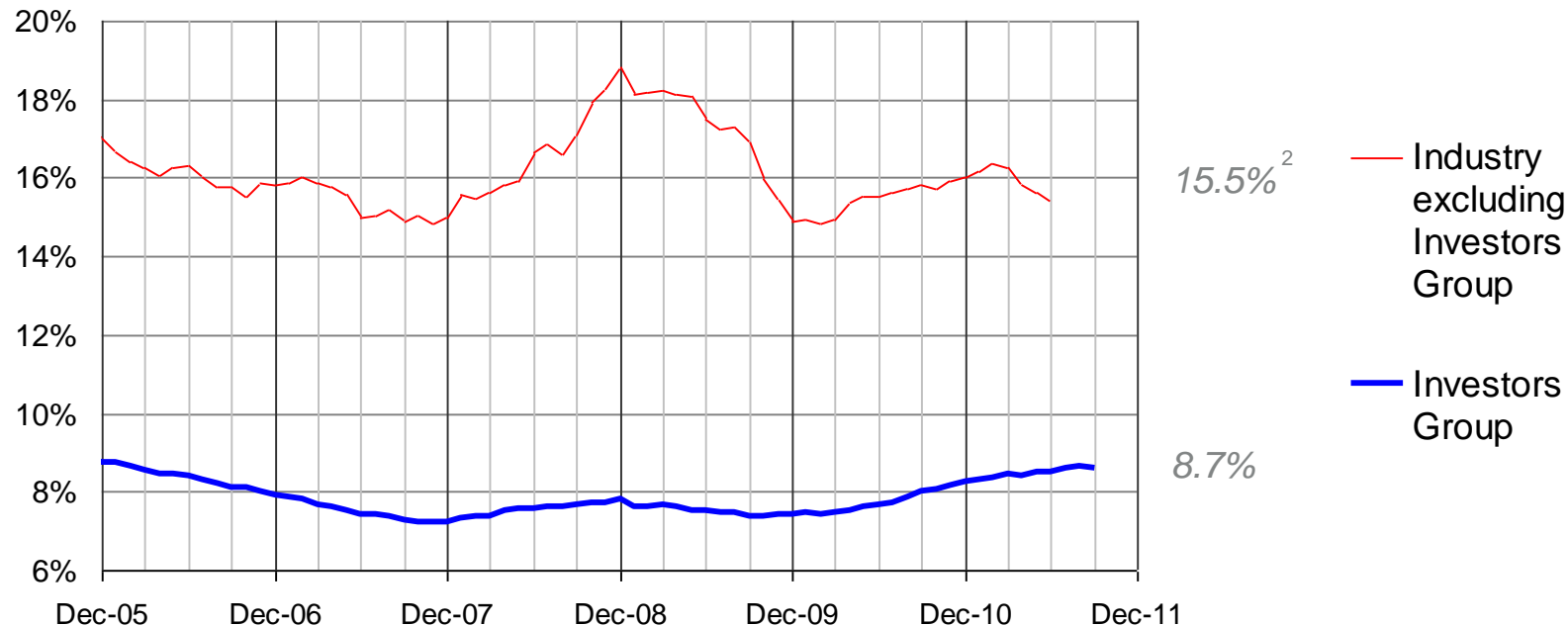
Nine months ended September 30  
(\$ Millions)



# Investors Group Mutual Fund Redemption Rate

- ◆ *Investors Group's twelve month trailing redemption rate on long term mutual funds was 8.7% at September 30, 2011, well below the industry average.*

**Redemption Rate on Long Term Mutual Funds <sup>1</sup>**  
(Last Twelve Month Trailing % of Average Assets Under Management)

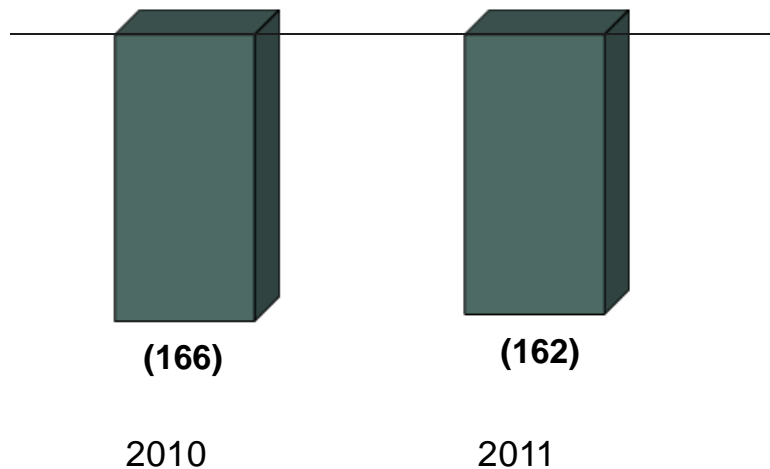


1. All numbers exclude CI Investments and Invesco from the date that they discontinued reporting to IFIC. CI discontinued reporting to IFIC during December, 2008 and Invesco discontinued reporting to IFIC during October, 2010.
2. Twelve month trailing redemption rate as of June 30, 2011.

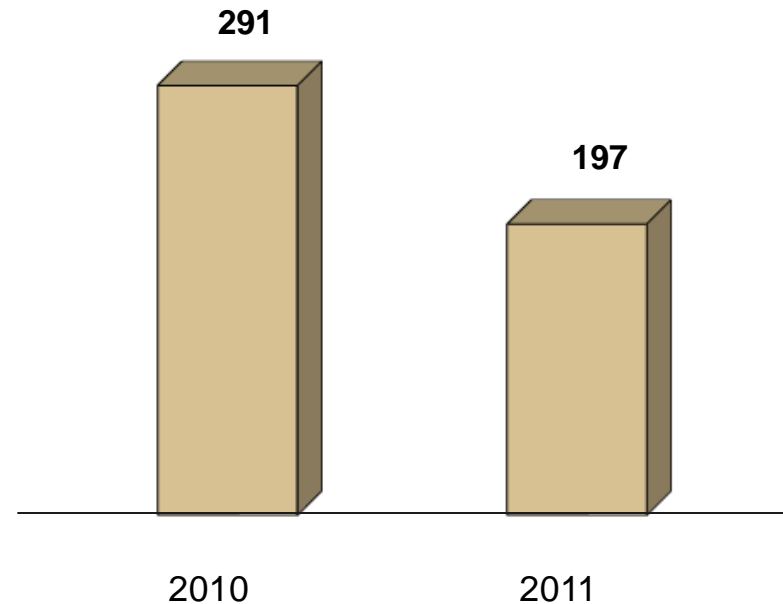
# Investors Group Mutual Fund Net Sales

- Investors Group has had net sales of \$197 million year to date during 2011, compared to \$291 million during 2010.

Three months ended September 30  
(\$ Millions)



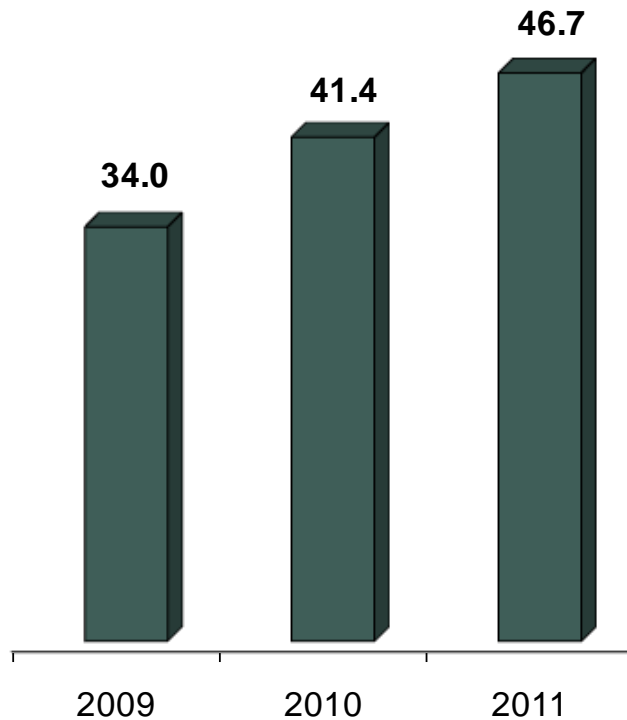
Nine months ended September 30  
(\$ Millions)



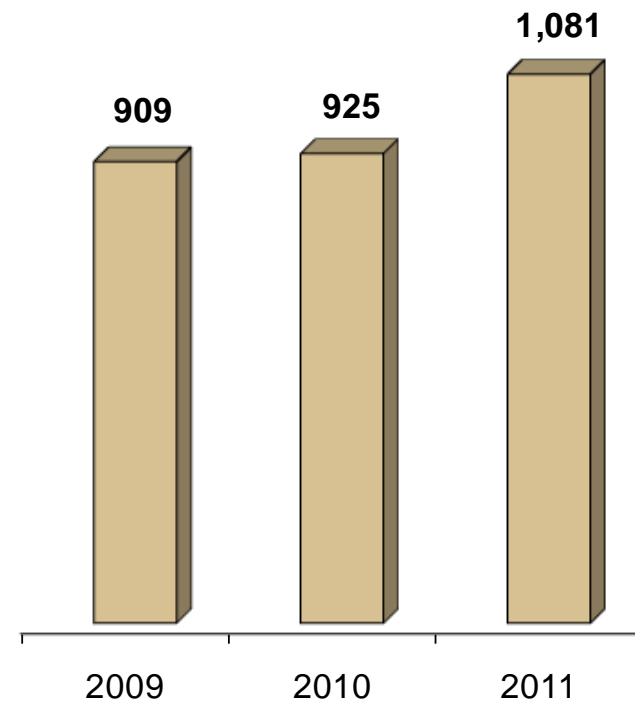
# Insurance and Mortgage Distribution

- ◆ *Investors Group insurance sales increased by 12.7% during the first three quarters of 2011 and mortgage originations were up 16.9%*

**New Annualized Insurance Premiums**  
Nine months ended September 30 (\$ Millions)



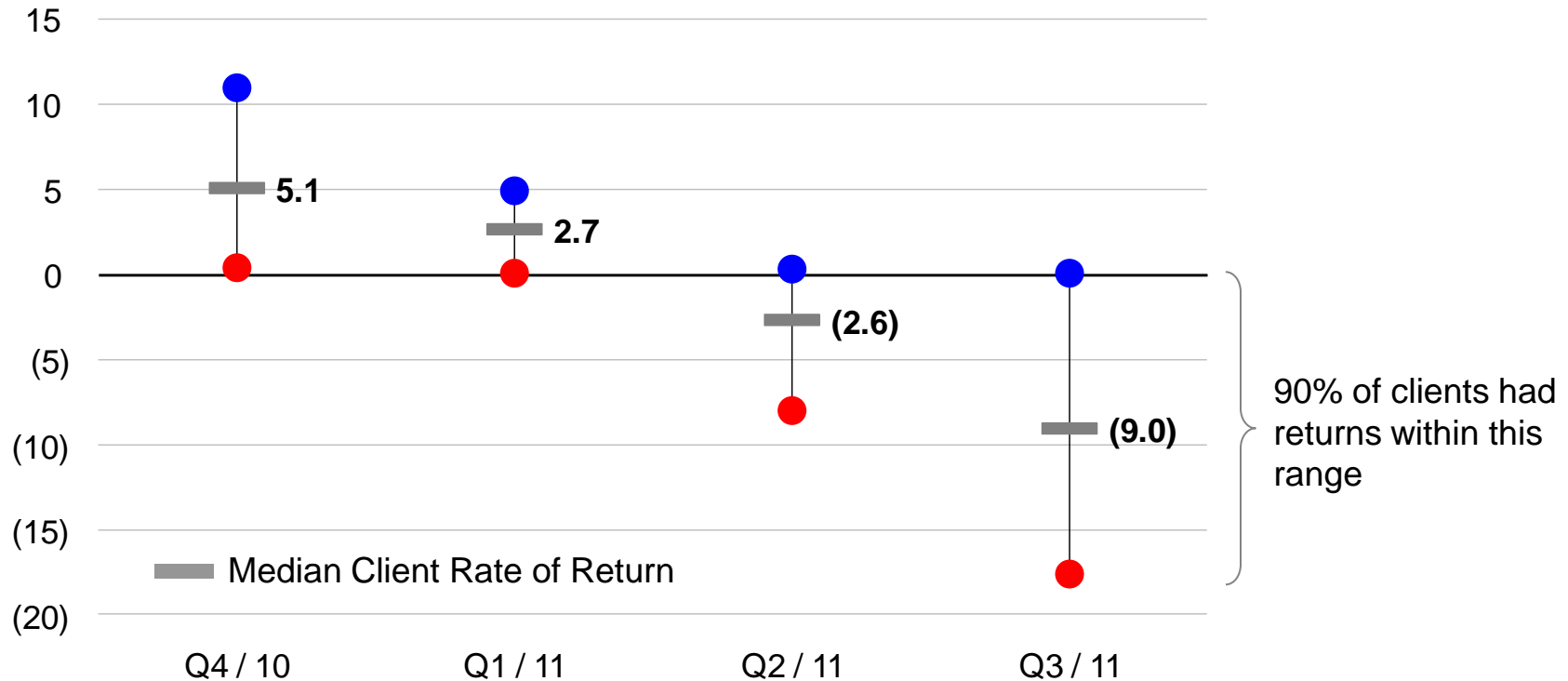
**Mortgages Originations**  
Nine months ended September 30 (\$ Millions)



# Investors Group Client Experience

- ◆ *The median client return over the last twelve months was approximately (5.0%).*

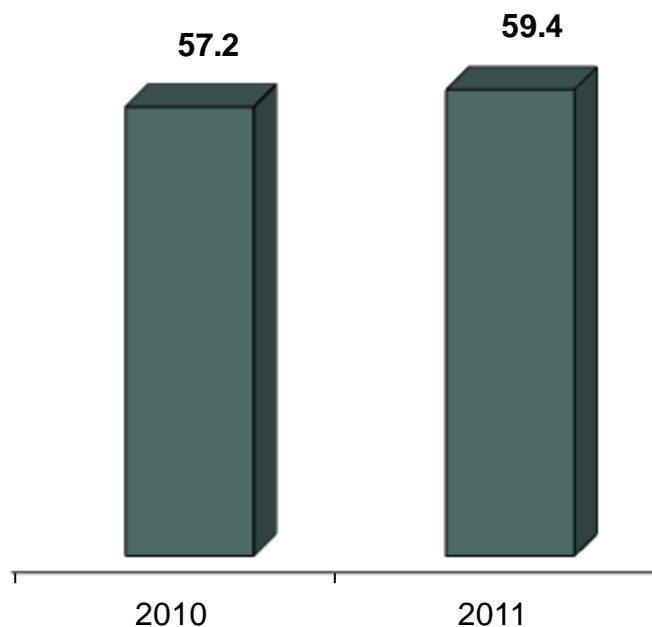
Investors Group Client Rate of Return (%)



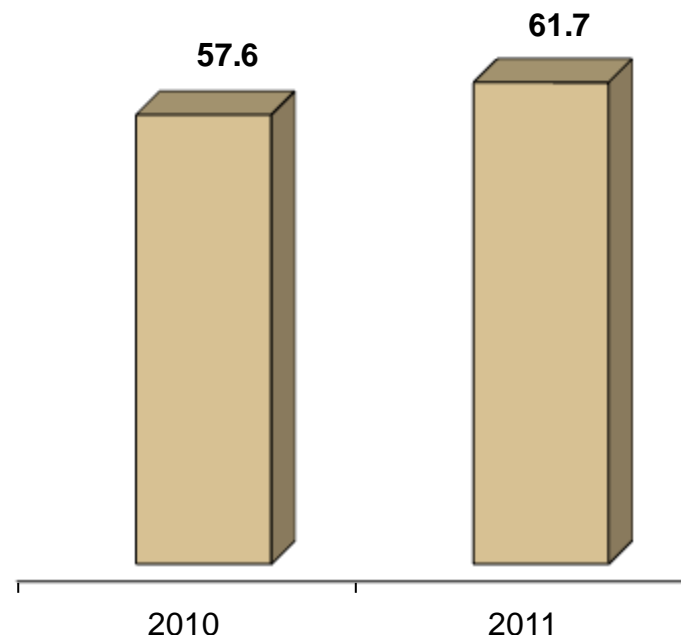
# Investors Group Mutual Fund Assets Under Management

- ◆ *The average balance of mutual fund assets under management increased by 3.9% during Q3, 2011 relative to Q3, 2010 and increased by 7.2% year to date.*

Average Assets Under Management  
Three months ended September 30  
(\$ Billions)



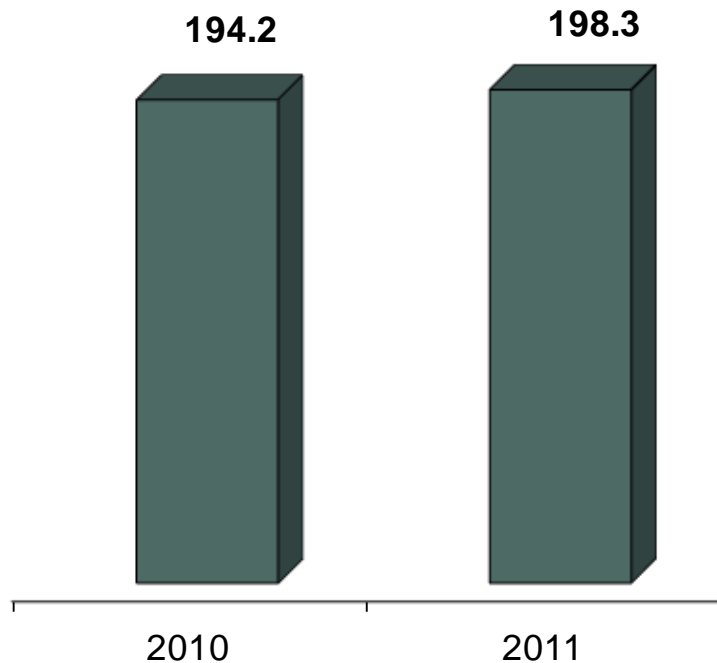
Average Assets Under Management  
Nine months ended September 30  
(\$ Billions)



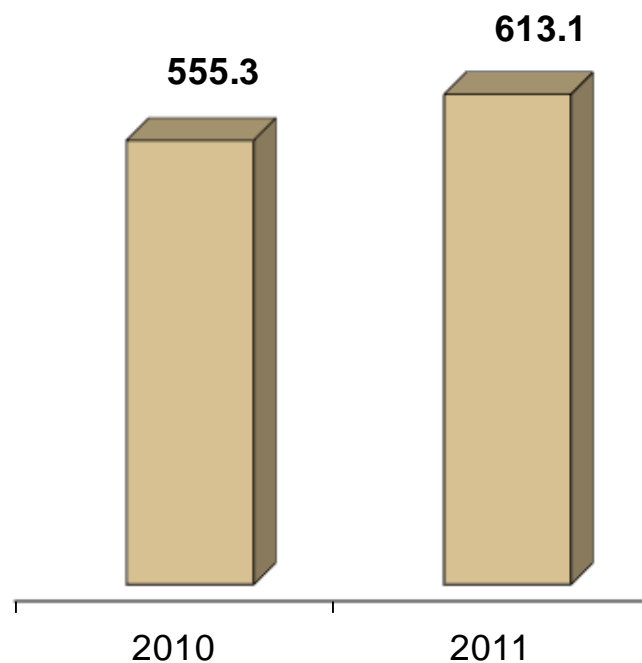
# Investors Group Earnings before Interest & Taxes

- ◆ *Investors Group's Earnings before Interest & Taxes increased by 2.1% during Q3, 2011 relative to Q3, 2010, and increased by 10.4% year to date.*

Earnings before Interest & Taxes  
Three months ended September 30  
(\$ Millions)



Earnings before Interest & Taxes  
Nine months ended September 30  
(\$ Millions)



# Investors Group Earnings before Interest & Taxes

- ◆ *Investors Group's Earnings before Interest & Taxes were \$198.3 million during Q3, 2011, an increase of 2.1% relative to Q3, 2010.*

Three months ended September 30  
(\$ Millions, unless otherwise indicated)

	<u>2010</u>	<u>2011</u>	<u>Change</u>
Average mutual fund assets under management (\$ billions)	57.2	59.4	3.9%
Revenues			
Management fees	274.5	283.0	3.1%
Administration fees	53.3	55.5	4.1%
Distribution fees	43.2	46.8	8.3%
	<u>371.0</u>	<u>385.3</u>	3.9%
Net investment income and other	19.0	20.7	8.9%
Total	<u>390.0</u>	<u>406.0</u>	4.1%
Expenses			
Commission amortization	44.7	45.0	0.6%
Other commission	72.2	76.4	5.9%
Commission	116.9	121.4	3.8%
Non-commission	78.9	86.3	9.4%
Total	<u>195.8</u>	<u>207.7</u>	6.1%
Earnings before interest and taxes	<u><u>194.2</u></u>	<u><u>198.3</u></u>	2.1%
EBIT (excluding net investment income and other)	175.2	177.6	1.4%

# Investors Group Developments

## 1. Consultant Network

- Continued expansion of the Consultant Network with three new offices announced during the quarter and five new region offices announced year-to-date, bringing us to a total of 106.
  - Drummondville (QC), Terrebonne (QC), London (ON), Grande Prairie (AB), South Okanagan (BC).
- Investors Group refined its selection and recruitment practices during the first quarter of 2011 which will be beneficial to the future growth of the Consultant Network.

## 2. Three New Equity Mandates

- Investors Core Canadian Equity, Investors Core U.S. Equity and IG Putnam U.S. Growth launches were announced during Q3, 2011 for launch in mutual fund and corporate class versions during Q4, 2011.

## 3. New Advertisements Launched during October (Television / Print / On-line)

- Highlights the benefits of lifelong financial planning and the role of the Consultant and The Plan™.
- Investors Group ranks among the top three firms in Canada for “top of mind recall” of investment product and service providers among both average and affluent investors.

1. Source: IPSOS Reid “When you think of companies that provide investment products and services, which three firms come to mind first”.