

## **Mackenzie Investments and Great-West Lifeco Establish Strategic Relationship with Northleaf Capital Partners for Private Markets Investments**

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*Mackenzie and Great-West Lifeco to acquire strategic interest in Northleaf.*

*Relationship will enhance private equity, private credit and infrastructure product suite across IGM Financial and Great-West Lifeco distribution channels while accelerating Northleaf's growth and distribution reach.*

**Winnipeg (MB), September 17, 2020** – Mackenzie Financial Corporation (“Mackenzie Investments”), an IGM Financial Inc. (“IGM”) subsidiary, Great-West Lifeco Inc. (“Lifeco”), and Northleaf Capital Partners Ltd. (“Northleaf”) today announced that they have entered into a strategic relationship to expand and enhance the private markets product capabilities across IGM’s and Lifeco’s distribution channels.

Highlights include:

- Mackenzie and Lifeco will jointly acquire a non-controlling interest in Northleaf through an acquisition vehicle 80% owned by Mackenzie and 20% owned by Lifeco, providing a significant presence in the large and rapidly growing private markets investment industry.
- Expands Mackenzie’s capabilities to offer global private equity, private credit and infrastructure investment solutions through its retail advisory channels and financial institution distribution partners.
- Enhances portfolio construction at IG Wealth Management<sup>1</sup>, building on long-standing capabilities of incorporating private asset classes into client portfolios, with emphasis on high-net worth and mass affluent client segments.
- Advances Lifeco’s strategy to expand alternative investments for its balance sheet and increase client/customer access to private markets solutions across Lifeco’s global distribution channels.
- Accelerates Northleaf’s growth strategy by providing additional access to balance sheet capital, global relationships and best-in-class retail product development and distribution.

Northleaf is a premier global private equity, private credit and infrastructure fund manager, with more than 150 employees across seven offices in Canada, the U.S., UK and Australia. Headquartered in Toronto, the firm has CAD\$17 billion in assets under management<sup>2</sup> on behalf of leading institutional investors and high-net worth individuals around the world.

“This transaction broadens the scope of our investment offering and enhances our asset management capabilities, particularly as our clients’ appetite for diversification continues to grow,” said Barry McInerney, President & CEO, Mackenzie Investments. “There are many growth opportunities that Mackenzie and Northleaf are uniquely positioned to execute on, and we are looking forward to working together to develop new innovative investment products while continuing to champion the democratization of alternative investments.”

IGM and Lifeco together have committed to invest a minimum of CAD\$700 million in the next 18 to 24 months across a number of Northleaf’s product offerings. This includes Lifeco balance sheet commitments as well as allocations to client portfolios within managed solutions of IG Wealth Management. The strategic relationship is expected to result in additional commitments over time, providing long-term and fully aligned capital alongside Northleaf’s institutional investors.

“The transaction builds on our strategic relationship with Mackenzie while also advancing our efforts to add alternative investments to the general account and increasing access to private market solutions across our businesses globally,” said Paul Mahon, President and Chief Executive Officer, Great-West Lifeco. “Northleaf’s leading capabilities in mid-market private equity, private credit and infrastructure equity will complement our existing investment teams, increase our invested asset diversification and provide opportunities for higher returns in our general account, while offering a broader opportunity set of investments for our clients. We look forward to working closely with the Northleaf team on bespoke portfolio construction and private markets investment solutions.”

“Today’s announcement represents a significant milestone for our firm, investors and team members,” said Stuart Waugh, Managing Partner, Northleaf. “The strategic organizational support, wealth management distribution resources and significant fund commitments that IGM and Lifeco are providing will enable us to remain focused on generating best-in-class mid-market private equity, private credit and infrastructure returns. We now have a partner with whom we can participate in the rapidly growing demand for private alternatives from wealth management and high net worth clients. It is a clear vote of confidence in our investment capabilities, team and track record and brings together organizations with shared values and strong cultural alignment.”

Under the agreement Northleaf’s senior leadership will maintain a 50.1% voting interest in the firm, which will remain employee-controlled and operationally independent and there will be no change in Northleaf’s investment decision making or investor relations activities.

The acquisition vehicle owned by Mackenzie and Lifeco will acquire a 49.9% non-controlling voting interest and a 70% economic interest in Northleaf for consideration that includes a payment on closing of CAD\$245 million as well as contingent consideration at the end of five years should the business achieve exceptional growth in performance measures over the period. Mackenzie and Lifeco will have an obligation and right to purchase an additional equity and voting interest in the firm commencing in approximately five years and extending into future periods.

The transaction is expected to be accretive to IGM’s earnings in 2021.

Closing of the transaction remains subject to certain closing conditions and customary purchase price adjustments, including regulatory approvals, and is expected to occur during the fourth quarter of 2020.

IGM and Lifeco are associated, being members of the Power Group of Companies; IGM’s Related Party and Conduct Review Committee and Lifeco’s Conduct Review Committee, each comprised of independent directors, reviewed and approved the terms of the transaction.

Blake, Cassels & Graydon LLP served as external legal counsel and Broadhaven Capital Partners, LLC acted as financial advisor to IGM. Davies Ward Phillips & Vineberg LLP served as external legal counsel, Colchester Partners LLC acted as financial advisor and Provident Communications acted as communications advisor to Northleaf.

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<sup>1</sup>an IGM subsidiary

<sup>2</sup>reflects commitments since inception

## **IGM Financial**

IGM Financial Inc. (TSX:IGM) is one of Canada's leading diversified wealth and asset management companies with approximately \$173 billion in total assets under management at August 31, 2020. The company provides a broad range of financial and investment planning services to help more than two million Canadians meet their financial goals. Its activities are carried out principally through IG Wealth Management, Mackenzie Investments and Investment Planning Counsel. For more information, visit [igmfinancial.com](http://igmfinancial.com).

## **Mackenzie Investments**

Mackenzie Investments ("Mackenzie") is a leading investment management firm with \$147 billion in assets under management as of August 31, 2020. Mackenzie provides investment solutions and related services to more than one million retail and institutional clients through multiple distribution channels. Founded in 1967, Mackenzie is a global asset manager with offices across Canada as well as in Boston, Dublin, London, Hong Kong and Beijing. Mackenzie is a member of IGM Financial Inc. (TSX: IGM), one of Canada's premier financial services companies with approximately \$173 billion in total assets under management as of August 31, 2020. For more information, visit [mackenzieinvestments.com](http://mackenzieinvestments.com)

## **Great-West Lifeco Inc.**

Great-West Lifeco is an international financial services holding company with interests in life insurance, health insurance, retirement and investment services, asset management and reinsurance businesses. Great-West Lifeco operates in Canada, the United States and Europe under the brands Canada Life, Empower Retirement, Putnam Investments, and Irish Life. At the end of 2019, Great-West Lifeco's companies had approximately 24,000 employees, 197,000 advisor relationships, and thousands of distribution partners – all serving its more than 31 million customer relationships across these regions. Great-West Lifeco and its companies have approximately \$1.7 trillion in consolidated assets under administration as at June 30, 2020 and are members of the Power Corporation group of companies. Great-West Lifeco trades on the Toronto Stock Exchange (TSX) under the ticker symbol GWO. To learn more, visit [greatwestlifeco.com](http://greatwestlifeco.com).

## **Northleaf Capital Partners**

Northleaf Capital Partners is an independent global private markets investment firm with CAD\$17 billion (US\$14 billion) in private equity, private credit and infrastructure commitments under management on behalf of public, corporate and multi-employer pension plans, endowments, foundations, financial institutions, family offices and high net worth individuals. Northleaf's 150-person team, located in Toronto, Montreal, London, New York, Chicago, Menlo Park and Melbourne, is focused exclusively on sourcing, evaluating and managing private markets investments globally. Northleaf's portfolio includes more than 400 active investments in 35 countries, with a focus on mid-market companies and assets. For more information on Northleaf, please visit [northleafcapital.com](http://northleafcapital.com).

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## Forward-Looking Statements

*Certain statements in this Release, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect IGM's and Lifeco's current expectations. Forward-looking statements are provided to assist the reader in understanding management's current expectations regarding the Transaction and its effect on IGM and Lifeco and their respective management's 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 anticipated benefits of the transaction to each of Mackenzie and Lifeco (including the acceleration of Northleaf's growth strategy, the creation of value for IGM/Mackenzie and Lifeco and their respective clients and investors and the complementing of Lifeco's existing investment teams, increasing of its invested asset diversification and providing of opportunities for higher returns in its general account), the provision of additional commitments from the operating subsidiaries of IGM and Lifeco, the expected accretion to IGM's earnings, and the timing of the completion of the transaction. 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 IGM and Lifeco consider 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 IGM's, Lifeco's and their respective subsidiaries' control, affect the operations, performance and results of IGM, Lifeco and their respective subsidiaries, and their respective businesses, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, management of market liquidity and funding risks, changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates), the effect of applying future accounting changes, operational and reputational risks, business competition, technological change,*

*changes in government regulations and legislation, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, outbreaks of disease or pandemics (such as COVID-19), IGM's and Lifeco's abilities to complete strategic transactions, integrate acquisitions and implement other growth strategies, the transaction not being completed as expected or at all, including failure of any condition to the transaction, or the failure to achieve the anticipated benefits of the transaction, and IGM's and Lifeco and their respective 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 IGM's or Lifeco'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, IGM and Lifeco undertake 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 IGM's and Lifeco's businesses and material factors or assumptions on which information contained in forward-looking statements is based is provided in its disclosure materials filed with the securities regulatory authorities in Canada, available at [www.sedar.com](http://www.sedar.com).*