



POWER CORPORATION  
OF CANADA

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# Investor Presentation

## Q3 2020 Quarterly Results

November 12<sup>th</sup>, 2020

# Forward looking statements and COVID-19

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## Forward Looking Statements

In the course of today's meeting, representatives of the Corporation may make, in their remarks or in response to questions, and the accompanying materials may include, statements containing forward-looking information.

Certain statements, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect the Corporation's current expectations, or with respect to disclosure regarding the Corporation's public subsidiaries, reflect such subsidiaries' disclosed current expectations. Forward-looking statements are provided for the purposes of assisting the reader in understanding the Corporation's financial performance, financial position and cash flows 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 the reader is 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 Corporation and its subsidiaries including the fintech strategy, the expected impact of the COVID-19 pandemic on the Corporation and its subsidiaries' operations, results and dividends, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, the intended effects of the Reorganization (as defined herein), the NCIB (as defined herein), the proposed redemption by the Corporation and Power Financial of certain classes of their First Preferred Shares and the Corporation's subsidiaries' disclosed expectations, including the acquisition of the retirement services business of MassMutual, Personal Capital, Northleaf and related synergies, impacts and timing thereof. 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".

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 factors, many of which are beyond the Corporation's and its subsidiaries' control, affect the operations, performance and results of the Corporation 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, fluctuations in interest rates, inflation and foreign exchange rates, monetary policies, business investment and the health of local and global equity and capital markets, management of market liquidity and funding risks, risks related to investments in private companies and illiquid securities, risks associated with financial instruments, changes in accounting policies and methods used to report financial condition (including uncertainties associated with significant judgments, estimates and assumptions), the effect of applying future accounting changes, business competition, operational and reputational risks, technological changes, cybersecurity risks, changes in government regulation and legislation, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, man-made disasters, terrorist attacks, wars and other conflicts, or an outbreak of a public health pandemic or other public health crises (such as COVID-19), the Corporation's and its subsidiaries' ability to complete strategic transactions, integrate acquisitions and implement other growth strategies, the Corporation's and its subsidiaries' success in anticipating and managing the foregoing factors and with respect to forward-looking statements of the Corporation's subsidiaries, the factors identified by such subsidiaries in their respective Management's Discussion and Analysis filed with the securities regulatory authorities in Canada and available at [www.sedar.com](http://www.sedar.com).

The listener/reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. Information contained in forward-looking statements is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management's perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances, including the timely satisfaction or waiver of the conditions to completion of the MassMutual retirement business transaction, the availability of cash to redeem First Preferred Shares of the Corporation and Power Financial, that the list of factors in the previous paragraph, collectively, are not expected to have a material impact on the Corporation and its subsidiaries and with respect to forward-looking statements of the Corporation's subsidiaries, the risks identified by such subsidiaries in their respective annual and interim Management's Discussion and Analysis and Annual Information Form most recently filed with the securities regulatory authorities in Canada and available at [www.sedar.com](http://www.sedar.com). While the Corporation considers these assumptions to be reasonable based on information currently available to management, they may prove to be incorrect.

Other than as specifically required by applicable Canadian law, the Corporation undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is 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 Corporation's business and material factors or assumptions on which information contained in forward-looking statements is based is provided in its disclosure materials, including its most recent annual and (subsequent) interim Management's Discussion and Analysis and Annual Information Form, filed with the securities regulatory authorities in Canada and available at [www.sedar.com](http://www.sedar.com).

## COVID-19

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have responded with significant monetary and fiscal interventions designed to stabilize economic conditions. Equity markets in particular have been volatile, experiencing material and rapid declines in the first quarter of 2020; however, following March 31, 2020, the markets have experienced recoveries.

The duration and impact of the COVID-19 pandemic is unknown at this time. Economic damage and market weakness are being felt across the global economy. Significant economic headwinds are expected to continue into the fourth quarter of 2020 and beyond as a result of anticipated negative credit experiences, impairment of valuations in certain sectors of the economy and asset classes, and uncertainties in the durability and effectiveness of government and central bank interventions, among others. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods. See the Corporation's most recent interim Management's Discussion and Analysis, filed with the securities regulatory authorities in Canada and available at [www.sedar.com](http://www.sedar.com).

# Disclosures concerning public investees and non-IFRS measures

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## Disclosures Concerning Public Investees

Information in this presentation and any accompanying oral statements, including in response to questions, (i) concerning Great-West Lifeco and IGM, as applicable, has been derived from Great-West Lifeco and IGM's interim MD&A, as prepared and disclosed by the respective companies in accordance with applicable securities legislation, and which is also available either directly from SEDAR ([www.sedar.com](http://www.sedar.com)) or from their websites, [www.greatwestlifeco.com](http://www.greatwestlifeco.com) and [www.igmfinancial.com](http://www.igmfinancial.com) and (ii) concerning Pargesa / GBL has been derived from publicly disclosed information, as issued by Pargesa / GBL in its third quarter press release, and further information on Pargesa / GBL's results is available on its websites at [www.pargesa.ch](http://www.pargesa.ch) and [www.gbl.be](http://www.gbl.be).

## Non-IFRS Measures

In the second quarter of 2020, the Corporation modified the presentation of the asset management companies held by the investment platforms. Previously, the asset management activities were consolidated and included as corporate activities within the non-consolidated balance sheet of the Corporation. Pursuant to the Corporation's recently announced strategy, the activities of each asset management company are now presented within their operations. The comparatives in the non-consolidated balance sheets, non-consolidated statements of cash flows and net asset values have been restated to reflect this change.

Effective the first quarter of 2020, the Corporation introduced a modified definition of its non-IFRS earnings measure, Adjusted net earnings. This change is consistent with the introduction of base earnings (loss) by Great-West Lifeco which was introduced in the first quarter of 2020 to reflect management's view of the operating performance of Great-West Lifeco. Great-West Lifeco defines base earnings (loss) as net earnings excluding the impact of actuarial assumption changes and management actions, direct equity and interest rate market impacts on insurance contract liabilities net of hedging, and items that management believes are not indicative of the company's underlying business results. The definition of Adjustments includes what the Corporation previously presented as other items and also includes Great-West Lifeco's impact of actuarial assumption changes and management actions, and direct equity and interest rate market impacts on insurance contract liabilities net of hedging. The definition of Adjustments used in Adjusted net earnings is being adopted to enhance comparability of results between reporting periods and in anticipation of Great-West Lifeco's implementation of accounting changes related to IFRS 17, Insurance Contracts, on January 1, 2023. The comparative periods have been restated to reflect the introduction of this modified measure.

Net earnings attributable to participating shareholders are comprised of:

-Adjusted net earnings attributable to participating shareholders; and

-Adjustments, which include the after-tax impact of any item that in management's judgment would make the period-over-period comparison of results from operations less meaningful. Adjustments include the Corporation's share of Great-West Lifeco's impact of actuarial assumption changes and management actions, direct equity and interest rate market impacts on insurance contract liabilities net of hedging, as well as items that management believes are not indicative of the underlying business results which include those identified by a subsidiary or a jointly controlled corporation.

Management uses these financial measures in its presentation and analysis of the financial performance of Power Corporation and believes that they provide additional meaningful information to readers in their analysis of the results of the Corporation. Adjusted net earnings, as defined by the Corporation, assist the reader in comparing the current period's results to those of previous periods as it reflects management's view of the operating performance of the Corporation and its subsidiaries and excludes items that are not considered to be part of the underlying business results from this non-IFRS financial measure.

Adjusted net earnings attributable to participating shareholders and adjusted net earnings per share are non-IFRS financial measures that do not have a standard meaning and may not be comparable to similar measures used by other entities.

The Corporation also uses a non-consolidated basis of presentation to present and analyze its results whereby the Corporation's interests in Power Financial and other subsidiaries are accounted for using the equity method. Presentation on a non-consolidated basis is a non-IFRS presentation. However, it is useful to the reader as it presents the holding company's (parent) results separately from the results of its operating subsidiaries.

Net asset value is commonly used by holding companies to determine their value. Net asset value is the fair value of Power Corporation's non-consolidated assets less its net debt and preferred shares. The investments held in public entities (including Great-West Lifeco, IGM and GBL (through Parjointco)) are measured at their market value and investments in private entities and investment funds are measured at management's estimate of fair value. GBL's net asset value is determined on the basis of current market values for listed shareholdings, plus the fair value of private equity activities and GBL treasury shares, less net debt. This measure presents the fair value of the net assets of the holding company to management and investors and assists the reader in determining the value of the holding company.

This presentation may also contain other non-IFRS financial measures which are publicly disclosed by the Corporation's subsidiaries such as sales, assets under management and assets under administration. Refer to the "Non-IFRS Financial Measures and Presentation" section of the Corporation's most recent Management's Discussion and Analysis for the definition of non-IFRS financial measures and their reconciliation with IFRS financial measures.

## Conference call participants

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**R. Jeffrey Orr**

President and Chief Executive Officer

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**Gregory D. Tretiak, FCPA, FCA**

Executive Vice-President and Chief Financial Officer

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# Q3 2020 Highlights

## Publicly traded operating companies

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- This call follows a number of recent events held by our publicly traded operating companies
- Investors are encouraged to contact the companies directly for specific inquiries

	Event / Date		Contact
 <p>www.greatwestlifeco.com</p>	<ul style="list-style-type: none"> <li>▪ Q3 2020 Conference Call</li> <li>▪ Q3 2020 Earnings Release</li> </ul>	<p>November 5, 2020 November 4, 2020</p>	<p>deirdre.neary@canadalife.com</p>
 <p>www.igmfinancial.com</p>	<ul style="list-style-type: none"> <li>▪ Q3 2020 Conference Call</li> <li>▪ Q3 2020 Earnings Release</li> </ul>	<p>November 6, 2020 November 5, 2020</p>	<p>investor.relations@igmfinancial.com</p>
 <p>www.gbl.be</p>	<ul style="list-style-type: none"> <li>▪ Q3 2020 Earnings Release</li> </ul>	<p>November 4, 2020</p>	<p>sgallaire@gbl.be</p>

## Power Corporation – Recent business highlights

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- August 4            Great-West Lifeco and IGM announce the sale of GLC Asset Management to Mackenzie and Quadrus fund management contracts to Canada Life
- August 17           Empower Retirement closes its acquisition of Personal Capital
- September 8        Empower Retirement announces agreement to acquire retirement services business of MassMutual
- September 14      IGM Financial announces leadership changes
- September 17      Mackenzie Investments and Great-West Lifeco establish strategic relationship with Northleaf Capital Partners (closed October 29)
- October 7            IGM announces disclosure enhancements
- October 14          Wealthsimple announces \$114 million investment led by TCV on a pre-money valuation of \$1.4 billion
- October 23          Sagard Holdings completes a US\$450 million first close of Sagard Credit Partners II

# Power Corporation financial highlights – Q3 2020

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- NAV per share<sup>1</sup> of \$34.94 at September 30, 2020, compared with \$32.96 at June 30, 2020, a 6% increase
  - NAV per share increased an additional 9% to \$37.97 at November 9, 2020<sup>2</sup>
- Net earnings per share of \$0.75, compared with \$0.84 in Q3 2019
- Adjusted net earnings per share<sup>3</sup> of \$0.65, compared with \$0.72 in Q3 2019
- The Board of Directors declared a quarterly dividend of 44.75¢ per share, up 10.5% from the 2019 rate

<sup>1</sup>NAV and NAV per share are non-IFRS measures. Refer to the “Non-IFRS Financial Measures and Presentation” section of the Corporation’s most recent MD&A for definitions of non-IFRS financial measures and their reconciliation with IFRS financial measures; <sup>2</sup>Net asset value per share based on September 30, 2020 net asset value updated for market values of publicly listed operating companies at November 9, 2020; <sup>3</sup>Effective the first quarter of 2020, the Corporation introduced a modified definition of its non-IFRS earnings measure, Adjusted net earnings. Refer to the “Non-IFRS Financial Measures and Presentation” section of the Corporation’s most recent MD&A for definitions of non-IFRS financial measures and their reconciliation with IFRS financial measures

## Net asset value

- Net asset value per share has grown since the beginning of the pandemic from \$30.79 per share at March 31, 2020 to \$34.94 per share at Sep. 30, 2020, a 13.5% increase driven by publicly traded OpCos, Power Pacific and Wealthsimple

	(\$ millions)	Sep. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Δ Mar. to Sept.
<b>Publicly Traded</b>	Great-West Lifeco	\$16,139	\$14,762	\$15,078	7.0%
	IGM Financial	4,516	4,880	3,454	30.7%
	Pargesa / GBL <sup>(1)</sup>	2,678	2,540	2,218	20.7%
		<b>23,333</b>	22,182	20,750	12.4%
<b>Alternative Investment Platforms</b>	Sagard Holdings				
	Asset management companies <sup>(2)</sup>	177	164	193	(8.3%)
	Investments <sup>(3)</sup>	709	686	639	11.0%
	Power Sustainable Capital				
	Power Pacific	977	850	711	37.4%
	Power Energy Corporation	735	733	682	7.8%
		<b>2,598</b>	2,433	2,225	16.8%
<b>Other</b>	Fintech Investments	406	222	227	78.9%
	China AMC <sup>(4)</sup>	709	687	703	0.9%
	Standalone Businesses <sup>(5)</sup>	625	660	669	(6.6%)
	Other Assets and Investments	624	641	637	(2.0%)
	Cash & Cash Equivalents	1,216	1,362	1,365	(10.9%)
	<b>Gross Asset Value</b>	<b>\$29,511</b>	<b>\$28,187</b>	<b>\$26,576</b>	<b>11.0%</b>
	Liabilities and Preferred Shares <sup>(6)</sup>	(5,884)	(5,898)	(5,759)	2.2%
	<b>Net Asset Value</b>	<b>\$23,627</b>	<b>\$22,289</b>	<b>\$20,817</b>	<b>13.5%</b>
	Shares Outstanding (millions)	676.3	676.3	676.3	
	<b>Net Asset Value per Share (\$)</b>	<b>\$34.94</b>	<b>\$32.96</b>	<b>\$30.79</b>	<b>13.5%</b>

Note: NAV and NAV per share are non-IFRS measures. Refer to the "Non-IFRS Financial Measures and Presentation" section of the Corporation's most recent MD&A for definitions of non-IFRS financial measures and their reconciliation with IFRS financial measures; <sup>1</sup>As part of the Pargesa reorganization, Parjointco held approximately 90% of Pargesa's shares at June 30, 2020 and 97% at September 30, 2020; the fair values of Parjointco at June 30, 2020 and September 30, 2020 are based on the market value of GBL; At March 31, 2020, the fair value of Parjointco based on the market value of GBL was \$2,455 million; <sup>2</sup>The management companies of the investment funds are presented at their carrying value in accordance with IFRS; <sup>3</sup>Includes investments in European private equity, formerly Sagard Europe; <sup>4</sup>Valued at carrying value in accordance with IFRS; <sup>5</sup>Includes Lumenpulse, Peak Achievement Athletics, Lion, GP Strategies; <sup>6</sup>In accordance with IAS 12, Income taxes, no deferred tax liability is recognized with respect to temporary differences associated with investments in subsidiaries and jointly controlled corporations as the Corporation is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. If the Corporation were to dispose of an investment in a subsidiary or a jointly controlled corporation, income taxes payable on such disposition would be minimized through careful and prudent tax planning and structuring, as well as with the use of available tax attributes not otherwise recognized on the balance sheet, including tax losses, tax basis, safe income and foreign tax surplus associated with the subsidiary or jointly controlled corporation

## PCC earnings per share

- Net earnings per share of \$0.75, compared with \$0.84 in Q3 2019
- Adjusted net earnings per share<sup>1</sup> of \$0.65, compared with \$0.72 in Q3 2019
  - Remeasurement of the put right liability of the non-controlling interests in Wealthsimple and Webhelp and the carried interests payable at Wealthsimple resulted in a combined charge of \$0.16 per share in the third quarter

(\$ per share)	Q3'20	Q3'19	% vs. Q3'19
Great-West Lifeco	0.67	0.67	-
IGM	0.20	0.19	5.3%
Pargesa	(0.02)	0.06	
	0.85	0.92	(7.6%)
Consolidation entries <sup>(2)</sup>	(0.09)	(0.02)	
	0.76	0.90	(15.6%)
Alternative and other investments <sup>(3)</sup>	0.03	(0.01)	
China AMC	0.02	0.02	
Corporate operations <sup>(4)</sup>	(0.09)	(0.11)	
Dividends on non-participating shares <sup>(5)</sup>	(0.07)	(0.08)	
<b>Adjusted net earnings per share <sup>(1)(6)</sup></b>	<b>0.65</b>	<b>0.72</b>	<b>(9.7%)</b>
Adjustments	0.10	0.12	
<b>Net earnings per share <sup>(6)</sup></b>	<b>0.75</b>	<b>0.84</b>	<b>(10.7%)</b>
Weighted average number of participating shares outstanding (M) <sup>(7)</sup>	676.3	425.6	

Note: OpCo contributions as reported by Great-West, IGM and Pargesa; <sup>1</sup> Non-IFRS measure. Refer to the "Non-IFRS Financial Measures and Presentation" section of the Corporation's most recent MD&A for definitions of non-IFRS financial measures and their reconciliation with IFRS financial measures; <sup>2</sup> The consolidation entries include an attribution of the results of Wealthsimple, Koho, Portag3 I and Portag3 II, to the contributions from Lifeco and IGM based on their respective interest. The third quarter of 2020 includes a charge of \$36 million or \$0.05 per share related to the allocation of the remeasurement of the put right liability of the non-controlling interests in Wealthsimple to fair value and carried interests payable. Also reflects IGM's gain on Personal Capital which the Corporation has not included as an Adjustment. The consolidation entries also reflect adjustments in accordance with IAS 39 for IGM and Pargesa; <sup>3</sup> Includes earnings of the Corporation's investment platforms, Sagard Holdings and Power Sustainable Capital, and standalone businesses; <sup>4</sup> Represents the corporate operations of PCC and PFC. The third quarter of 2020 includes a charge of \$33 million or \$0.05 per share related to the impact of the remeasurement of the put right liability of the non-controlling interests in Wealthsimple to fair value and an increase in carried interests payable; <sup>5</sup> Represents dividends on perpetual preferred shares of PFC and dividends on non-participating shares of PCC; <sup>6</sup> Attributable to participating shareholders; <sup>7</sup> PCC issued 250.6M Subordinate Voting Shares and 6.0M Participating Preferred Shares pursuant to the PCC / PFC reorganization transaction which was completed on February 13, 2020

# Power Corporation is pursuing a focused strategy emphasizing financial services

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- Based on Power Corporation's existing core principles
- Focused upon financial services, not diversification
- Public operating companies will continue to pursue organic and inorganic strategies
- At the Power Corporation level, we will:
  - Build alternative asset management businesses, creating value as asset managers and earning attractive returns on Power's seed capital
  - Continue to manage standalone businesses to realize value over time
  - Follow disciplined cost management practices
  - Manage our financial structure prudently but efficiently, including returning capital to shareholders when appropriate
  - Clearly communicate our strategies, our objectives and our performance to all market participants

# The Power Group's ongoing value creation strategy is focused on 3 key levers

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## 1 OpCo Organic Levers

Organic growth strategies at each of our public operating companies<sup>1</sup>

## 2 OpCo M&A Levers

Deployment and redeployment of capital

## 3 Holding Company Levers

Actions we can take at the Power level and between Power and its operating companies<sup>1</sup>

<sup>1</sup> Refers to PCC operating companies such as Great-West Lifeco, IGM Financial and Pargesa / GBL

# GLC Asset Management and Quadrus fund management contracts

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On August 4, Great-West Lifeco and IGM announced the sale of GLC Asset Management to Mackenzie for \$175 million; Canada Life will acquire the fund management contracts relating to the Quadrus Group of Funds for \$30 million



- Solidifies Mackenzie as one of Canada's largest investment managers with \$172B of AUM
- Expands Mackenzie's distribution reach to the fast-growing group channel and enhances its investment capabilities
- Expected to be accretive to Mackenzie's earnings during 2021



- Continues Canada Life's path to evolving its wealth business
- Ownership of Quadrus Group of Funds gives Canada Life control of fund manufacturing
- Long-term partnership agreement provides access to best-in-class investment management capabilities

- Transaction expected to close in the fourth quarter of 2020

# Empower Retirement's acquisition of Personal Capital



On June 29, Empower Retirement announced an agreement to acquire Personal Capital for US\$825 million and deferred consideration of up to US\$175 million

- Personal Capital is a hybrid wealth manager that combines a leading-edge digital experience with personalized advice delivered by human advisors
  
- Acquisition to accelerate Empower's long-term growth
  - Add best-in-class digital wealth management platform
  - Significantly accelerate the growth of Empower's existing DC-focused retail wealth management platform by integrating Personal Capital's technology and capabilities
  - Enhance Empower's successful Defined Contribution business with the addition of leading financial planning and financial wellness capabilities
  
- Transaction closed on August 17, 2020

# Empower Retirement's acquisition of the Retirement Services Business of MassMutual

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On September 8, Empower Retirement announced an agreement to acquire the retirement services business of MassMutual for a total transaction value of approximately US\$3.35 billion



**Solidifies Empower's leadership position in the U.S. retirement industry and creates meaningful value**

- Strengthens Empower's #2 position in the growing U.S. retirement industry, with combined assets of US\$834 billion and 12.2 million participants
- Establishes a clear #1 leadership position in highly attractive small-medium corporate market segment
- Increases synergy potential of the Personal Capital acquisition across a larger combined business
- Increases scale advantages and capitalizes on expertise, technology excellence and deep product capabilities within the Empower platform
- Highly cash generative transaction that positions Empower as a significant contributor to Great-West's earnings profile and growth

# Mackenzie Investments and Great-West establish strategic relationship with Northleaf Capital Partners

On September 17, IGM (80%) and Great-West Lifeco (20%) announced the acquisition of a 70% economic interest<sup>1</sup> in Northleaf Capital Partners

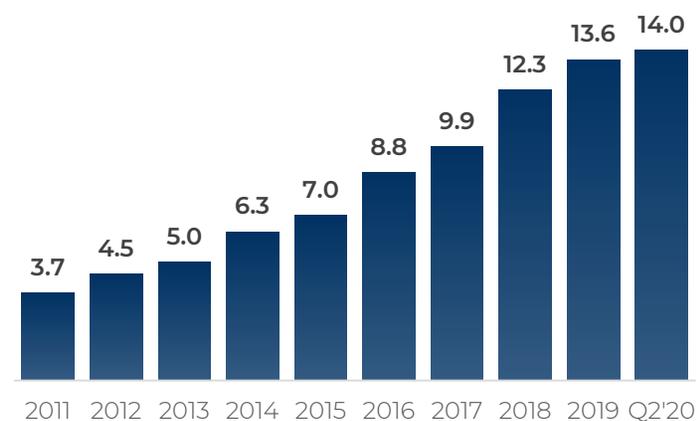
- **Expands Mackenzie's capabilities** to offer global private equity, private credit and infrastructure investment solutions; Mackenzie product launches imminent
- **Enhances offering at IG Wealth Management**, with emphasis on high-net worth and mass affluent client segments; IG managed solutions allocation to Northleaf products in Q3
- **Advances Great-West's strategy** to expand alternative investments for its balance sheet and 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; no change to investment processes
- **Provides financial benefit** from vertical integration and expected to be accretive in 2021
- Transaction closed October 29, 2020

**Northleaf**  
Capital Partners

*3<sup>rd</sup> largest private markets firm in Canada offering mid-market private equity, private credit and infrastructure strategies*

## Capital Raised Since Inception

(US\$ billions)



<sup>1</sup> 49.9% voting interest

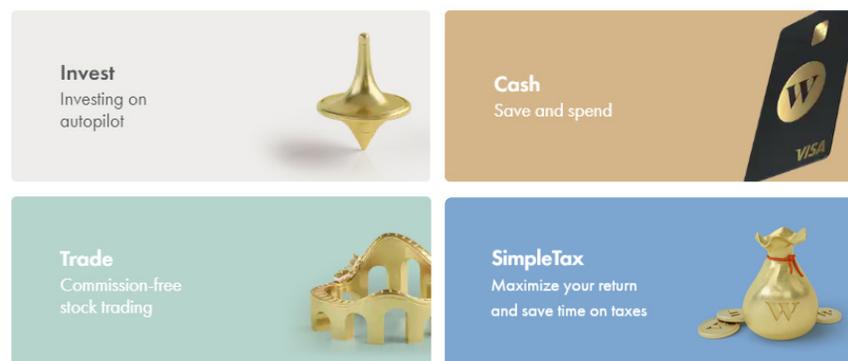
# Wealthsimple external financing announced at a \$1.4 billion pre-money valuation

On October 14, Wealthsimple announced a \$114 million investment led by TCV

- The \$114 million investment, for a 7.5% fully diluted interest, was led by TCV, one of the largest growth equity investors focused on technology, along with Greylock Partners, Meritech Capital, Allianz X and Two Sigma Ventures, leading technology investors
- The transaction values the PCC Group's fully diluted interest at \$934 million, an increase of \$619 million representing a 44% IRR<sup>1</sup> on an aggregate investment of \$315 million
- Post-investment, the PCC Group will own 61.7% of Wealthsimple on a fully diluted basis, of which PCC's interest will be 23.1%<sup>2</sup>

## Assets Under Administration<sup>3</sup>

(\$ billions)



<sup>1</sup> Gross of fees, expenses and carried interest

<sup>2</sup> Includes PCC's indirect interest through Portag3 Ventures LP

<sup>3</sup> Excludes assets under administration related to Wealthsimple for Advisors which has been disposed

# Each of Sagard Holdings and Power Sustainable Capital have developed their businesses substantially

- Development of multi-year strategies
- Significant ongoing fundraising at each of Sagard Holdings and Power Sustainable Capital
  - Launch of Sagard NewGen in Sep'20 and US\$450 million first close of Sagard Credit Partners II in Oct'20
- \$5.3 billion of AUM, of which 47% from 3<sup>rd</sup> parties

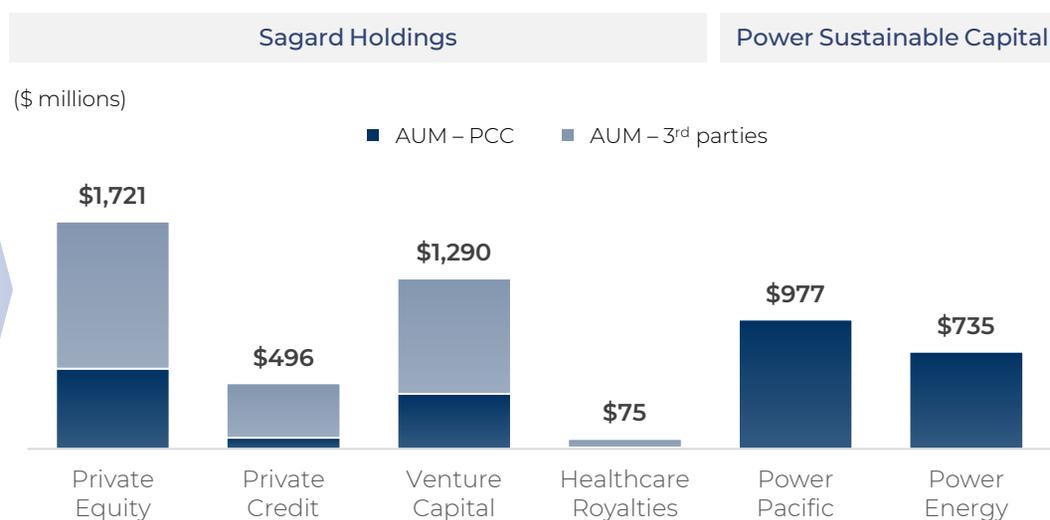
## AUM and Unfunded Commitments

Total: \$7.3 billion



## Total AUM and AUM by Platform

Total: \$5.3 billion



Note: Converted to C\$ based on exchange rates as at Sept. 30, 2020; Included in 3<sup>rd</sup> parties are associated companies including Great-West Lifeco, IGM and Pargesa as well as commitments from management

# Sagard Holdings is a multi-strategy alternative asset manager with a global presence



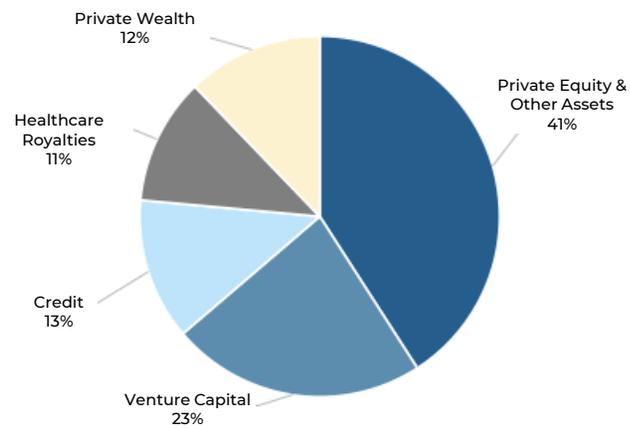
<h2>US\$4.9B</h2> <p>Assets Under Management<sup>1</sup></p>	<h2>4</h2> <p>Asset Classes</p>	<h2>6</h2> <p>Strategies</p>	<h2>100+</h2> <p>Professionals</p>
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- Diversified LP base of leading investors
  - 206 LPs from 10 countries
- Strong backing from the Power Group and other major Canadian institutional investors

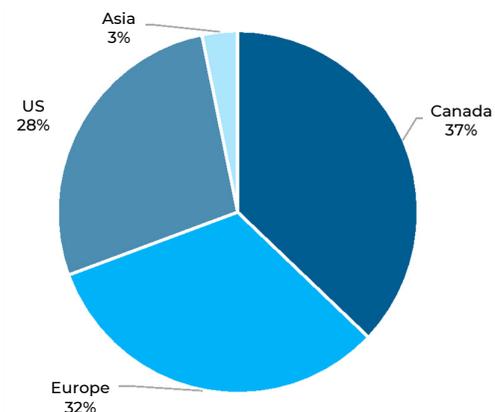
- Multi-strategy alternative asset manager with a wealth management business
  - Private Equity
  - Private Credit
  - Healthcare Royalties
  - Venture Capital
- 60+ current investments in Canada, US, Europe, and Asia

- Canadian base with a global presence
  - 5 offices in Montreal, Toronto, New York, Calgary, and Paris with a presence in San Francisco and Singapore
- Team of talented professionals
  - 100+ employees across all geographies coming from the world's most recognized organizations
  - ~40 seasoned investment professionals
  - 7 members of a dedicated value creation team focused on driving impact in portfolio companies

**Assets Under Management**



**Current Investments by Geography**



<sup>1</sup> Assets Under Management is defined as the sum of the net asset value of the fund as of September 30, 2020 and the fund's unfunded commitment; includes Grayhawk Investment Strategies

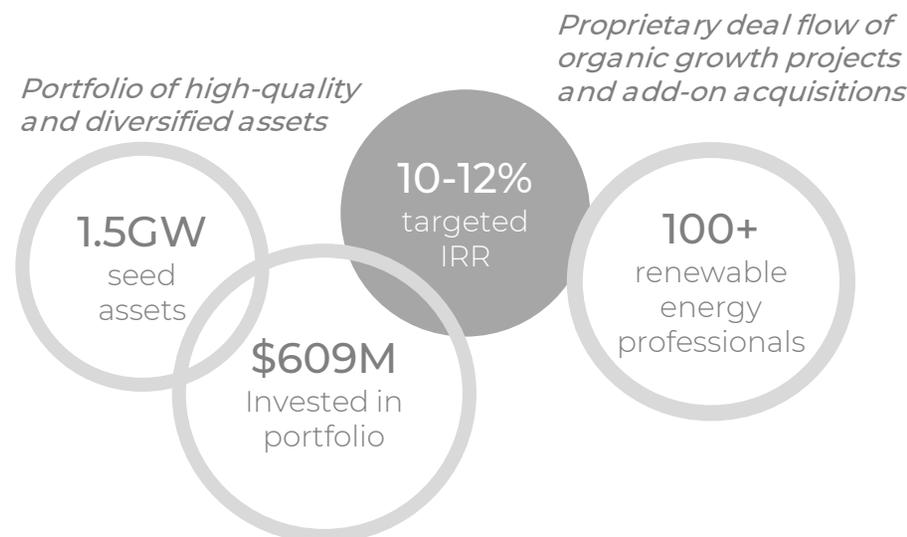
# Power Sustainable Capital invests in sustainable strategies with a focus on long-term profitability

POWER  
SUSTAINABLE  
CAPITAL

- Power Sustainable leverages its investment capabilities and those of its partners to build projects of significance that benefit the planet, assure steady growth and create long-term value
- Teams are located in Montreal, Toronto, Shanghai, Beijing and New Jersey
- Power Sustainable is comprised of two investment platforms

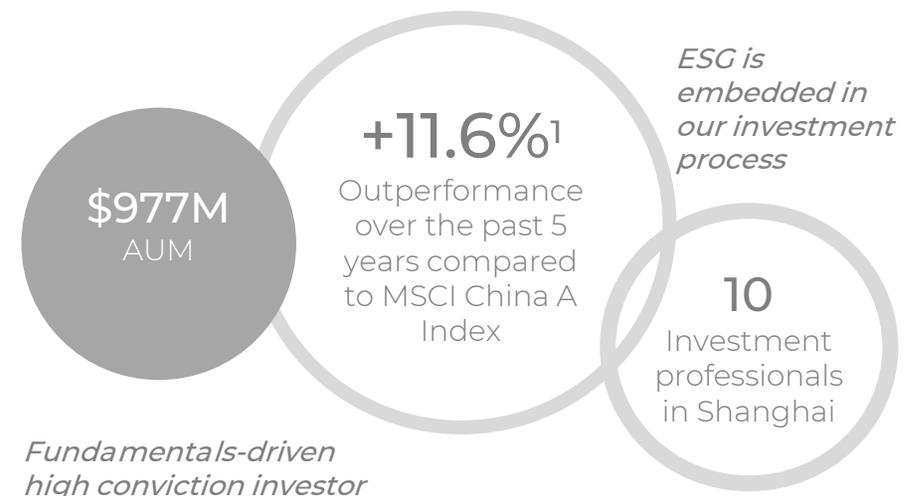
## Power Sustainable Energy Infrastructure

*Develops, owns, and operates solar and wind electricity generating assets in North America.*



## Power Sustainable Pacific

*Invests in the China equity markets, seeking quality, sustainable business models with a fundamentals-based, research-driven investment process.*



<sup>1</sup> As of September 30, 2020; 20.6% outperformance year to date

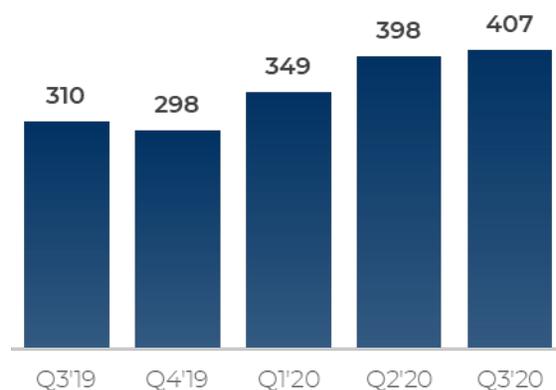
# China AMC's growth has accelerated in 2020



- #1 onshore ETF issuer, #2 Chinese long-term mutual fund manager by market share
- 31% increase in net profit in Q3'20 versus Q3'19
- PCC's share of China AMC income was \$11M in Q3'20, compared to \$8M in Q3'19, a 38% increase
- Chinese equity market returned to pre-COVID-19 pandemic levels sooner than most global markets and continues to significantly outperform

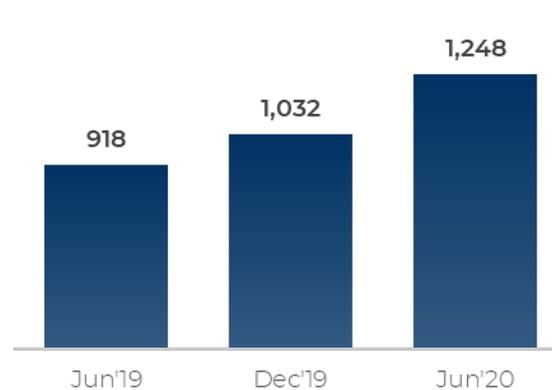
## Net Profit

(RMB¥ millions)



## Assets Under Management<sup>1</sup>

(RMB¥ billions)



## Market Performance



<sup>1</sup> Excluding subsidiary AUM

## Standalone businesses – An additional source of value creation

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PCC will continue to manage standalone businesses to realize value over time

**lumenpulse**

- Strong unfilled order book

Peak Achievement  
Athletics

- Rawlings Sporting Goods has agreed to purchase Easton Diamond Sports, a Peak Achievement Athletics-controlled business



- Agreements reached for 50 vehicles with CN Railway, 27 vehicles with Transdev Canada and 10 vehicles with Amazon



- Share price up +12% during Q3 2020

**\$625 million in PCC NAV at September 30, 2020 in “Standalone Businesses”**

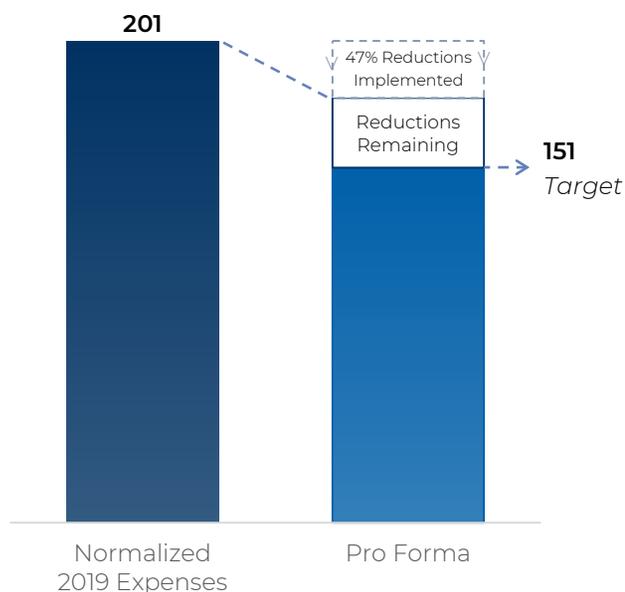
# Operating expense reduction

To date, we have implemented actions to achieve 47% of the targeted expense reductions, or \$23.5M on an annual run-rate basis

- Retirement of Co-CEOs and changes in governance
- Certain PFC public company expenses eliminated
- Restructuring of Group's research and advisory services model

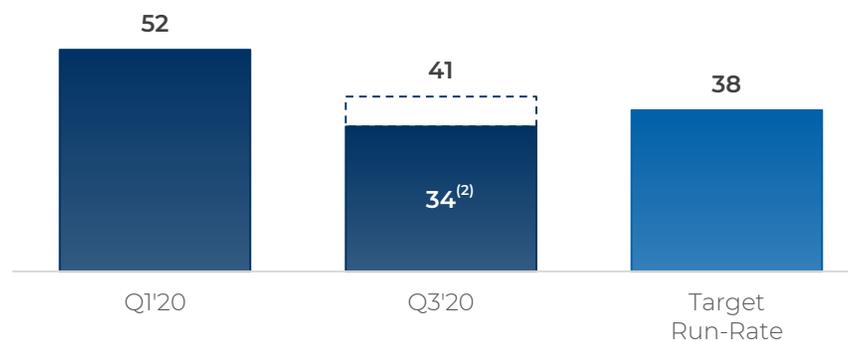
## Progress to Date

(\$ millions)



## Quarterly Operating Expenses<sup>1</sup>

(\$ millions)



<sup>1</sup> Total PCC and PFC operating expenses including depreciation

<sup>2</sup> Includes reductions resulting, in part, from the finalization in the third quarter of certain expense reduction agreements effective Jan 1, 2020

# Each of Power Corporation and its OpCos have made progress in communicating with the investment community in 2020

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- *Base earnings* metric introduced in Q1'20
- New segment disclosure in Q1'20: *Canada, U.S., Europe* and *Capital & Risk Solutions*
- Enhanced Source of Earnings disclosure in Q2'20



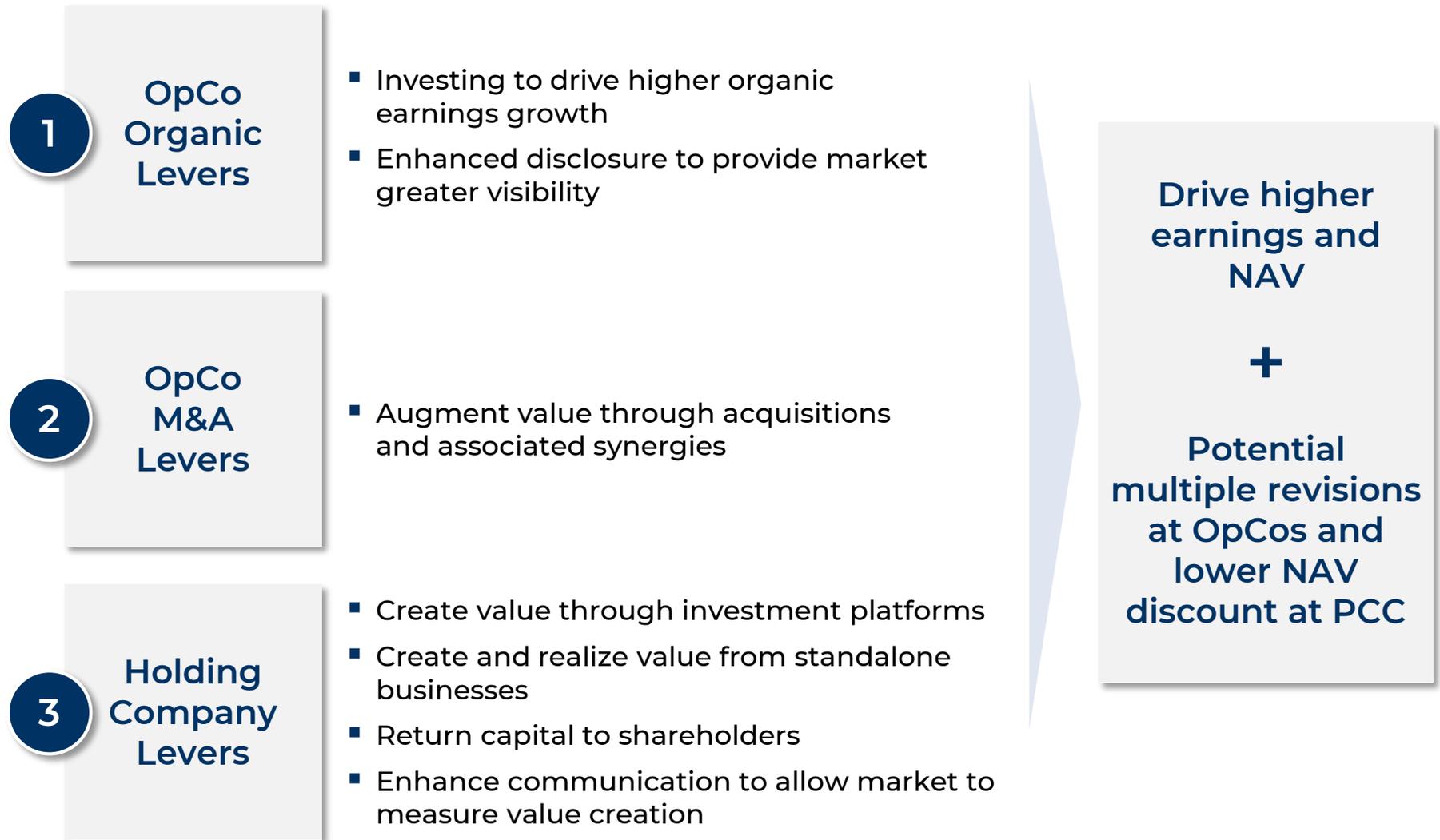
- New segment disclosure introduced in Q3'20: *Wealth Management, Asset Management* and *Strategic Investments & Other*



POWER CORPORATION  
OF CANADA

- Launched quarterly earnings call in Q1'20
- New investment platform disclosure aligned with business model in Q2'20
- 89 meetings with investors and analysts in 2020, including 31 one-on-ones since the end of Q2'20

# Value creation roadmap



Note: OpCos refer to PCC operating companies such as Great-West Lifeco, IGM Financial and Pargesa / GBL

# Summary

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- Power group of companies continue to respond well in the COVID-19 pandemic
  - High levels of engagement across group of companies with clients, investors and shareholders
  - Results reflect the strength and resiliency of the group's businesses
  - Momentum on key value levers sustained during this period of uncertainty
- The group of companies maintain significant liquidity and balance sheet strength. Committed to maintaining current credit ratings in the group, and returning debt-to-capital ratios to pre-acquisition levels
- Significant recent progress on value creation initiatives
  - Five value creating transactions for a total of \$6 billion within a 16-week period

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# Questions

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# Appendix

# Abbreviations

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The following abbreviations are used throughout this presentation:

<b>adidas</b>	adidas AG	<b>MassMutual</b>	Massachusetts Mutual Life Insurance Company
<b>AUA</b>	Assets under administration	<b>NAV</b>	Net asset value
<b>AUM</b>	Assets under management	<b>NCIB</b>	Normal course issuer bid
<b>Canada Life</b>	The Canada Life Assurance Company	<b>Northleaf</b>	Northleaf Capital Partners
<b>China AMC or CAMC</b>	China Asset Management Co., Ltd.	<b>Ontex</b>	Ontex N.V.
<b>European private equity</b>	Sagard Europe II, Sagard Europe 3, Sagard Europe 4 and Sagard NewGen	<b>Pargesa</b>	Pargesa Holding SA
<b>GBL</b>	Groupe Bruxelles Lambert	<b>Parjointco</b>	Parjointco N.V.
<b>GEA</b>	GEA Group	<b>Parques Reunidos</b>	Parques Reunidos Servicios Centrales, S.A.
<b>GLC</b>	GLC Asset Management Group Ltd.	<b>Peak Achievement Athletics</b>	Peak Achievement Athletics Inc.
<b>Great-West or Great-West Lifeco</b>	Great-West Lifeco Inc.	<b>Personal Capital</b>	Personal Capital Corporation
<b>Great-West Life &amp; Annuity, Empower Retirement or Empower</b>	Great-West Life & Annuity Insurance Company	<b>Portag3 I or Portag3 I LP</b>	Portag3 Ventures Limited Partnership
<b>IFRS</b>	International Financial Reporting Standards	<b>Portag3 II or Portag3 II LP</b>	Portag3 Ventures II Limited Partnership
<b>IGM or IGM Financial</b>	IGM Financial Inc.	<b>Power Corporation, Power or PCC</b>	Power Corporation of Canada
<b>IG Wealth Management or IG Investment Planning Counsel</b>	Investors Group Inc. Investment Planning Counsel Inc.	<b>Power Energy</b>	Power Energy Corporation
<b>Irish Life</b>	Irish Life Group Limited	<b>Power Financial or PFC</b>	Power Financial Corporation
<b>LafargeHolcim</b>	LafargeHolcim Ltd	<b>Power Pacific</b>	Power Pacific Investment Management Inc.
<b>Lion or Lion Electric</b>	The Lion Electric Co.	<b>Power Sustainable Capital or Power Sustainable</b>	Power Sustainable Capital Inc.
<b>Lumenpulse</b>	Lumenpulse Group Inc.	<b>Sagard Holdings</b>	Sagard Holdings Inc.
<b>Mackenzie or Mackenzie Investments</b>	Mackenzie Financial Corporation	<b>SGS</b>	SGS SA
		<b>TSX</b>	Toronto Stock Exchange
		<b>Umicore</b>	Umicore, NV/SA
		<b>Wealthsimple</b>	Wealthsimple Financial Corp.
		<b>Webhelp</b>	Webhelp Group

# PCC NAV and discount to NAV

- 35% average discount from the end of 2015 to 2018, decreased to 21% immediately after the close of the reorganization in February 2020, shortly before the World Health Organization declared a global pandemic

*Prior to the reorganization, the dual holding company structure traded at a 29% discount to NAV<sup>1</sup>, with PCC and PFC individually trading at a 16% and 18% discount to NAV<sup>1</sup>, respectively*



Note: NAV is a non-IFRS measure. Refer to the "Non-IFRS Financial Measures and Presentation" section of the Corporation's most recent MD&A for definitions of non-IFRS financial measures and their reconciliation with IFRS financial measures  
<sup>1</sup> Trailing 30 trading day average as at December 12, 2019

# Corporate Social Responsibility (CSR) at PCC

CSR is fundamental to the way we, and our group of companies, do business — what we refer to as “responsible management”. It has been at the core of our investment philosophy, enabling us to build a resilient and sustainable business, through our role as an investor, employer and contributor to the communities in which we operate.

<p>As an investor</p>	<ul style="list-style-type: none"> <li>▪ We invest in quality companies with sustainable franchises and attractive growth prospects that demonstrate they are managed in a responsible manner.</li> <li>▪ We also take a prudent approach to risk and incorporate the analysis of ESG factors into our investment process. This, in turn, leads us to invest in companies that have sustainable business models.</li> </ul>
<p>As an employer</p>	<ul style="list-style-type: none"> <li>▪ Responsible management defines the manner in which we recruit and develop our workforce.</li> <li>▪ We provide our employees with challenging and rewarding careers, give them the resources to develop their expertise and leadership skills, and support their volunteer efforts within the communities in which we operate.</li> </ul>
<p>As a contributor to communities</p>	<ul style="list-style-type: none"> <li>▪ An underlying tenet of our responsible management philosophy is to be a good corporate citizen, to be environmentally conscious, to support our communities, and above all else, to behave ethically and act with integrity, enabling us to earn the confidence of all our stakeholders.</li> </ul>

For more information, or to consult our **2019 Data Supplement**, our **2020 CDP report** and our **2020 UNGC Communication on Progress**, visit our recently updated **CSR-dedicated microsite** at

[www.PowerCorporationCSR.com](http://www.PowerCorporationCSR.com)

- Responsible Management
- Investing Responsibly
- Empowering People
- Environment
- Shared Value Creation