



POWER CORPORATION  
OF CANADA

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# **Investor Presentation**

## **Q2 2020 Quarterly Results**

August 10<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 PCC/PFC reorganization, the expected completion of the Personal Capital, GLC Asset Management and Pargesa/GBL transactions, as well as timing and anticipated impact thereof and the proposed redemption by the Corporation and Power Financial of certain classes of their First Preferred Shares. 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, and the Corporation's and its subsidiaries' success in anticipating and managing the foregoing factors.

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 Personal Capital, GLC Asset Management and Pargesa/GBL transactions, the availability of cash to redeem First Preferred Shares of the Corporation and Power Financial and that the list of factors in the previous paragraph, collectively, are not expected to have a material impact on the Corporation and its subsidiaries. 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 followed by recoveries during the second quarter of 2020.

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 in the second half of 2020 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, IFRS 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 has been derived from publicly disclosed information, as issued by Pargesa in its second quarter press release, and further information on Pargesa's results is available on its website at [www.pargesa.ch](http://www.pargesa.ch).

## IFRS Measures

Contributions from IGM and Pargesa reflect adjustments in accordance with IAS 39. For a reconciliation of Power Financial's adjusted net earnings per share to their net earnings per share, refer to the "Contribution to net earnings and adjusted net earnings" section of the Corporation's most recent MD&A.

## 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 and non-consolidated statement of cash flows 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. Pargesa'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



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

Executive Vice-President and Chief Financial Officer

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# Q2 2020 Highlights

## Publicly traded operating companies

- 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
 <a href="http://www.greatwestlifeco.com">www.greatwestlifeco.com</a>	<ul style="list-style-type: none"> <li>▪ Q2 2020 Conference Call</li> <li>▪ Q2 2020 Earnings Release</li> </ul>	<p>August 5, 2020</p> <p>August 4, 2020</p>	<p><a href="mailto:deirdre.neary@canadalife.com">deirdre.neary@canadalife.com</a></p>
 <a href="http://www.igmfinancial.com">www.igmfinancial.com</a>	<ul style="list-style-type: none"> <li>▪ Q2 2020 Conference Call</li> <li>▪ Q2 2020 Earnings Release</li> </ul>	<p>August 6, 2020</p> <p>August 6, 2020</p>	<p><a href="mailto:investor.relations@igmfinancial.com">investor.relations@igmfinancial.com</a></p>
 <a href="http://www.pargesa.ch">www.pargesa.ch</a>	<ul style="list-style-type: none"> <li>▪ Half-Year 2020 Earnings Release</li> </ul>	<p>July 30, 2020</p>	<p><a href="mailto:info@pargesa.ch">info@pargesa.ch</a></p>
 <a href="http://www.gbl.be">www.gbl.be</a>	<ul style="list-style-type: none"> <li>▪ Half-Year 2020 Earnings Release</li> </ul>	<p>July 30, 2020</p>	<p><a href="mailto:sgallaire@gbl.be">sgallaire@gbl.be</a></p>

## Power Corporation Q2 2020 highlights

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- June 25                      Power Corporation included in Corporate Knights 2020 ranking of Best 50 Corporate Citizens in Canada
- June 29                      As part of the Pargesa / GBL reorganization, Parjointco's public exchange offer accepted by 94.3% of minority shareholders
- June 29                      Empower Retirement announces agreement to acquire Personal Capital
- August 4                     Great-West Lifeco and IGM announce the sale of GLC Asset Management to Mackenzie

# Power Corporation financial highlights – Q2 2020

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- Net earnings per share of \$0.99, compared with \$0.64 in Q2 2019
- Adjusted net earnings per share<sup>1</sup> of \$0.79, compared with \$0.83 in Q2 2019
- The Board of Directors declared a quarterly dividend of 44.75¢ per share, up 10.5% from the 2019 rate
- NAV per share<sup>2</sup> of \$32.96 at June 30, 2020, compared with \$30.79 at March 31, 2020
  - NAV per share increased to \$35.53 on August 7, 2020<sup>3</sup>

*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> 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 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 comparative periods have been restated to reflect the introduction of this modified measure. For additional information, please refer to PCC’s second quarter 2020 MD&A

<sup>2</sup> As part of the Pargesa reorganization, Parjointco holds 89% of Pargesa’s shares at June 30, 2020; the fair value of Parjointco at June 30, 2020 is based on the market value of GBL

<sup>3</sup> Net asset value per share based on June 30, 2020 net asset value updated for market values of publicly listed investments as at August 7, 2020



# PCC earnings per share

- Net EPS increased from \$0.64 in Q2 2019 to \$0.99 in Q2 2020
- Adjusted net EPS<sup>1</sup> decreased from \$0.83 in Q2 2019 to \$0.79 in Q2 2020

	Q2'20	Q1'20	Q2'19	% vs. Q1'20	% vs. Q2'19
Power Financial					
Great-West Lifeco	0.70	0.52	0.62	34.6%	12.9%
IGM	0.16	0.14	0.17	14.3%	(5.9%)
Pargesa	0.06	0.08	0.14	(25.0%)	(57.1%)
Corporate operations of Power Financial	(0.08)	(0.11)	(0.09)	27.3%	11.1%
	0.84	0.63	0.84	33.3%	-
Other investments <sup>(2)</sup>	-	0.05	0.10		
China AMC	0.01	0.02	0.01		
Corporate operations and dividends on non-participating shares	(0.06)	(0.08)	(0.12)		
<b>Adjusted net earnings per share <sup>(1)(3)</sup></b>	<b>0.79</b>	<b>0.62</b>	<b>0.83</b>	27.4%	(4.8%)
Adjustments					
Power Financial	0.16	(0.26)	(0.19)		
Other investments	0.04	-	-		
	0.20	(0.26)	(0.19)		
<b>Net earnings per share <sup>(3)</sup></b>	<b>0.99</b>	<b>0.36</b>	<b>0.64</b>	175.0%	54.7%
Weighted average number of participating shares outstanding (M) <sup>(4)</sup>	676.3	560.2	432.7		

<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> Includes earnings of the Corporation's investment platforms, Sagard Holdings and Power Sustainable Capital, and standalone businesses

<sup>3</sup> Attributable to participating shareholders

<sup>4</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

## COVID-19 – PCC group of companies' businesses performing well

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- We continue to prioritize the health and safety of our employees, provide uninterrupted service to our clients and remain committed to supporting our communities
- The performance of our companies in Q2 2020 reflects the strength of our companies and investments
  - Strong balance sheets and resilient business models
  - Leading market positions
  - Extending and enhancing client engagement in the new environment
- The group continued to invest and grow during this period
  - Empower Retirement's acquisition of Personal Capital
  - Mackenzie's acquisition of GLC Asset Management
  - Ongoing investments by operating companies to enhance client offerings, digital capabilities and profitability
  - Execution of strategy at Power Corporation, including momentum at Sagard Holdings and Power Sustainable Capital

# 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

## Continued investment in digital capabilities across the group elevating the effectiveness of client interactions

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### GREAT-WEST LIFECO INC.



- *SimpleProtect* digital solution for participating life, term and critical illness insurance products allowing clients to complete an application in as little as 10 minutes
- Ongoing investment enabling Group Customer members to submit all claims digitally

### IGM Financial

Advisor  
Portal



- New Advisor Portal launched in Q4 2019 with roll-out now complete



- Starting in Q4 2020, IG to introduce a new best-in-class financial planning collaboration tool that will help further tailor financial planning strategies to a client's unique needs

## Recent transactions delivering on PCC's value creation strategy

Size	Date	Overview
<b>US\$1.2 billion</b> <i>C\$1.6 billion</i>	<i>January 2019</i>	<ul style="list-style-type: none"> <li>Great-West Lifeco announced sale of U.S. individual life insurance and annuity business</li> <li>Exit lower return business and enhance focus on the retirement and asset management markets in the U.S.</li> </ul>
<b>\$5.0 billion</b> <i>\$2.0 billion Great-West \$1.65 billion PFC \$1.35 billion PCC</i>	<i>April 2019</i>	<ul style="list-style-type: none"> <li>\$2.0 billion, \$1.65 billion and \$1.35 billion simultaneous SIBs at Great-West Lifeco, PFC, PCC, respectively</li> <li>Great-West Lifeco returns excess capital from sale of U.S. individual life and annuity business</li> <li>PFC and PCC repurchase shares at a discount to NAV</li> </ul>
<b>\$8.7 billion</b>	<i>December 2019</i>	<ul style="list-style-type: none"> <li>Announced reorganization of PFC and PCC to eliminate dual holding company structure</li> <li>Implemented more focused strategy, cost initiative and launched NCIB</li> </ul>
<b>€2.7 billion<sup>1</sup></b> <i>C\$4.1 billion</i>	<i>March 2020</i>	<ul style="list-style-type: none"> <li>Announced reorganization of Pargesa and GBL to eliminate dual holding company structure</li> <li>Simplify organizational structure</li> </ul>
<b>US\$1.0 billion<sup>2</sup></b> <i>C\$1.4 billion</i>	<i>June 2020</i>	<ul style="list-style-type: none"> <li>Empower announces acquisition of Personal Capital, a U.S. hybrid wealth manager</li> </ul>
<b>\$205 million</b> <i>\$175 million sale of GLC \$30 million sale of QGOF</i>	<i>August 2020</i>	<ul style="list-style-type: none"> <li>Mackenzie announces acquisition of GLC Asset Management from Great-West Lifeco</li> <li>Canada Life to acquire fund management contracts related to private label Quadrus Group of Funds from Mackenzie</li> </ul>

<sup>1</sup> Based on GBL's share price at the closing of each respective acceptance period; includes anticipated squeeze-out

<sup>2</sup> US\$825 million consideration and deferred consideration of up to US\$175 million

# Empower Retirement's acquisition of Personal Capital

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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 expected to close in the second half of 2020

# Mackenzie's acquisition of GLC Asset Management



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



MACKENZIE  
Investments

- 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 second half of 2020

# Simplification of the Pargesa and GBL structure

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Public exchange offer to Pargesa's minority shareholders was completed with 94.3% acceptance

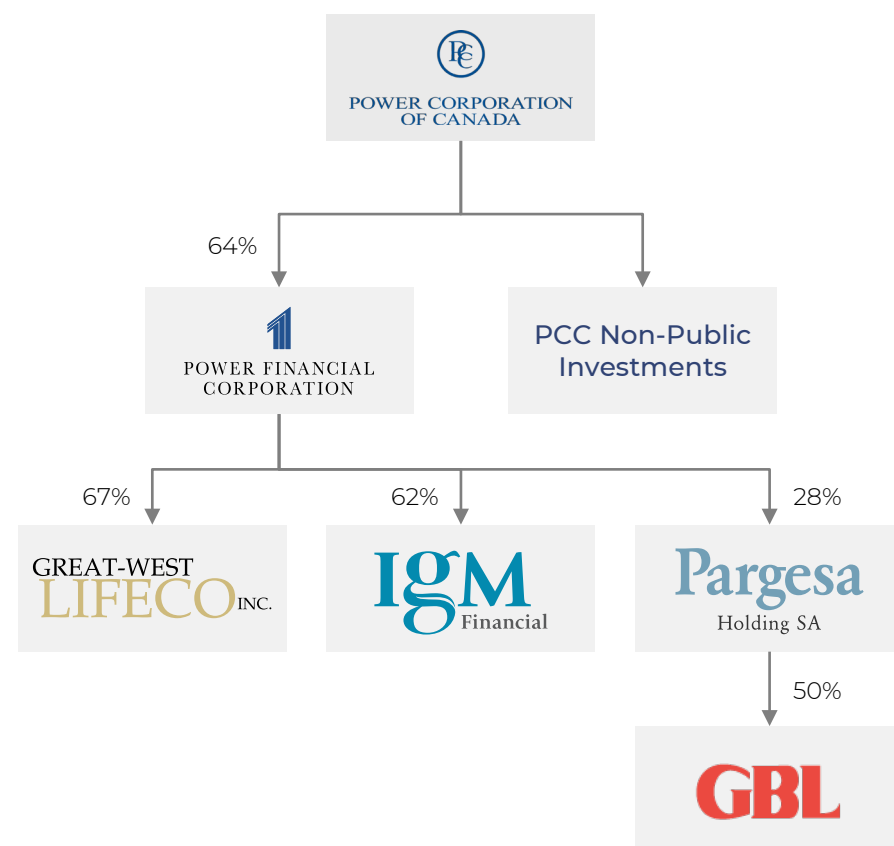
- On March 11, 2020, Parjointco N.V. announced an offer of 0.93 GBL shares for each publicly-held Pargesa bearer share
- Pargesa's assets almost exclusively consisted of its 50% stake owned in GBL
- Sizeable 'double holding' discount at Pargesa relative to its NAV
- Proposed transaction delivers significant benefits and value for Pargesa shareholders, including 16%<sup>1</sup> implied premium received
- Pargesa / GBL exchange transaction expected to close in the second half of 2020

<sup>1</sup> Based on closing prices of Pargesa and GBL shares as of March 11, 2020

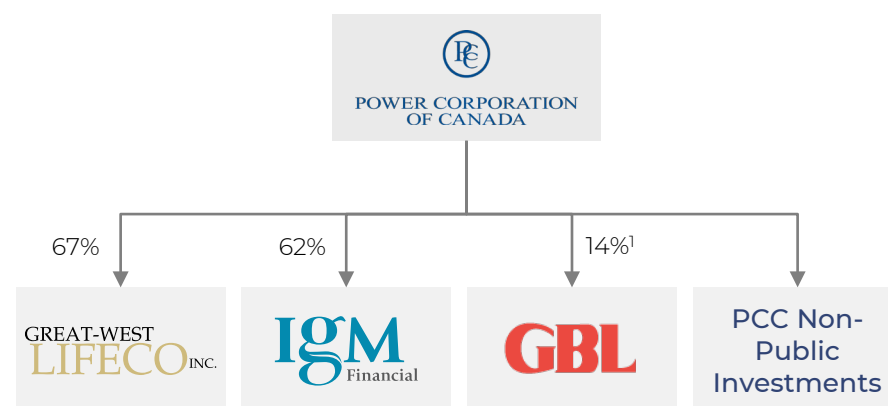


# Simplification of Power group structure over the last few quarters

## Pre-December 2019 Reorganization



## Pro forma



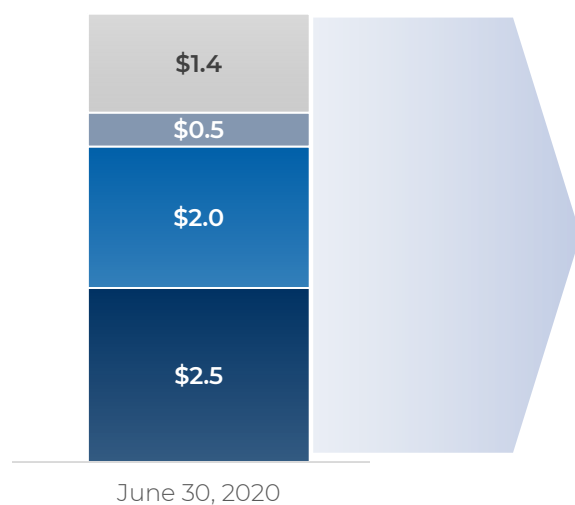
<sup>1</sup> Represents a 15.7% economic interest as at June 30, 2020 as a result of GBL holding 5% treasury shares

# Established investment platforms with focus on growing 3<sup>rd</sup> party capital

- \$4.5B of AUM at June 30, 2020, including \$2.0B from 3<sup>rd</sup> parties
- \$1.9B of additional unfunded commitments, including \$1.4B from 3<sup>rd</sup> parties
  - Sagard NewGen launched in Q2'20 with \$168M of new commitments
- Strong market rebound drove 40% year-to-date performance in Power Pacific portfolio<sup>1</sup>

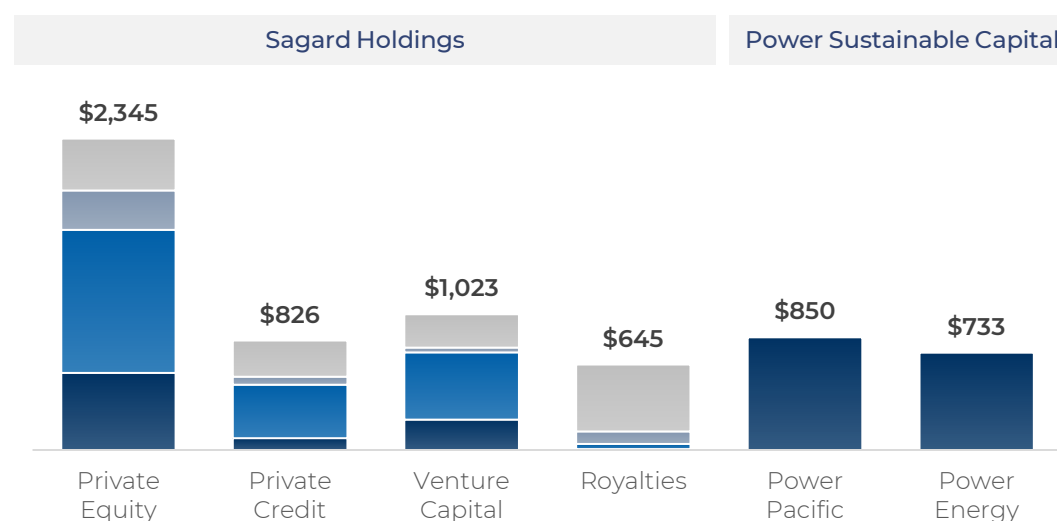
## AUM and Unfunded Commitments (\$B)

Total: \$6.4 billion



## AUM and Unfunded Commitments by Platform (\$M)

Total: \$6.4 billion



■ AUM - PCC ■ AUM - 3<sup>rd</sup> parties ■ Unfunded - PCC ■ Unfunded - 3<sup>rd</sup> parties

Note: Converted to C\$ based on exchange rates as at June 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

<sup>1</sup> As at July 31, 2020 for Power Pacific A-Shares Core Strategy, 20% above MSCI China A Onshore benchmark

# Enhanced investment platform financial reporting

- Continued development of [Sagard Holdings](#) and [Power Sustainable](#) organization structures
- Financial results being segmented into asset management and investment activities

(\$ millions)	Q2'20	Q1'20	YTD 2020
<b>Sagard Holdings</b>			
<b>Asset management activities</b>			
Management fees <sup>(1)</sup>	15	13	28
Carried interest	6	(1)	5
Expenses	(20)	(17)	(37)
	1	(5)	(4)
<b>Investment activities (proprietary capital)</b>			
Investments <sup>(2)</sup>	(5)	37	32
	(4)	32	28
<b>Power Sustainable Capital</b>			
<b>Investment activities (proprietary capital)</b>			
Power Pacific <sup>(2)</sup>	3	82	85
Power Energy (share of earnings)	3	(27)	(24)
Expenses	(13)	(5)	(18)
	(7)	50	43
<b>Income (loss) from Investment Platforms</b>	<b>(11)</b>	<b>82</b>	<b>71</b>

<sup>1</sup> Includes management fees charged by the investment platform on proprietary capital. Management fees paid by the Corporation are deducted from income from investment activities

<sup>2</sup> Represents return on proprietary capital less management fees

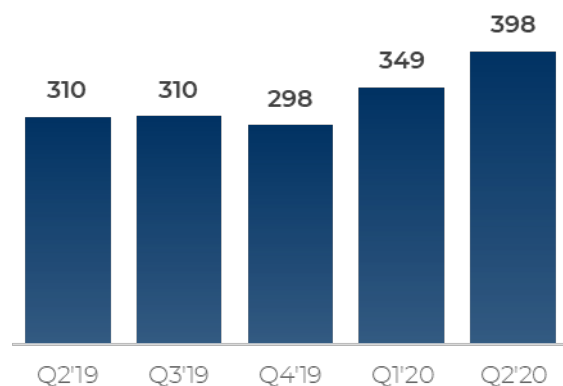
# China AMC's growth has accelerated in 2020



- #1 onshore ETF issuer, #2 Chinese long-term mutual fund manager by market share
- 28% increase in net profit in Q2'20 versus Q2'19
- PCC's share of China AMC income was \$10M in Q2'20, compared to \$8M in Q2'19, a 25% increase
- Chinese equity market has returned to pre-COVID-19 pandemic levels sooner than most global markets and continues to outperform

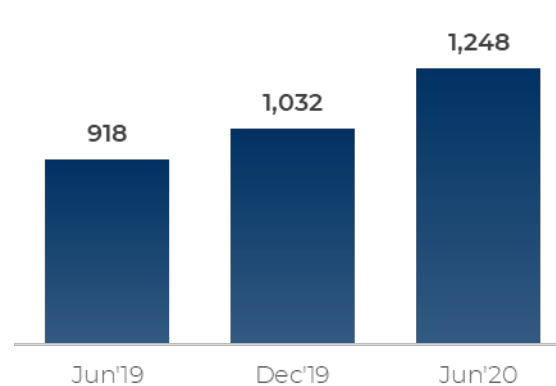
## Net Profit

(RMB¥ millions)

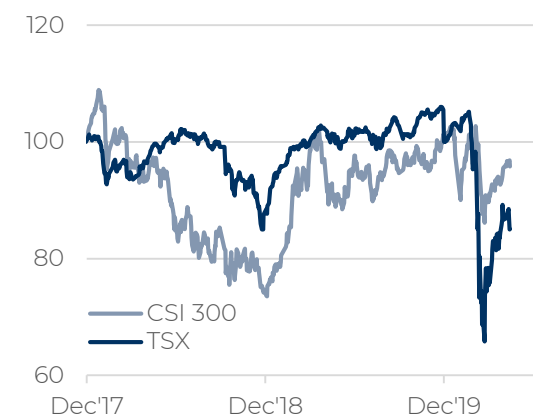


## Assets Under Management<sup>1</sup>

(RMB¥ billions)



## Market Performance

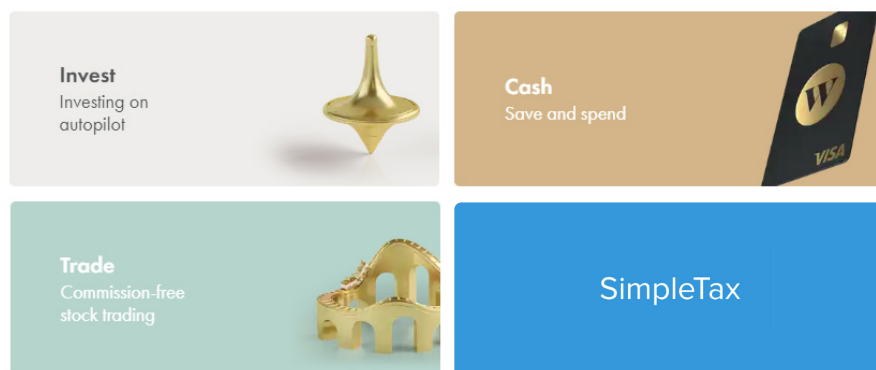


<sup>1</sup> Excluding subsidiary AUM

# Wealthsimple's business is growing rapidly in the current environment

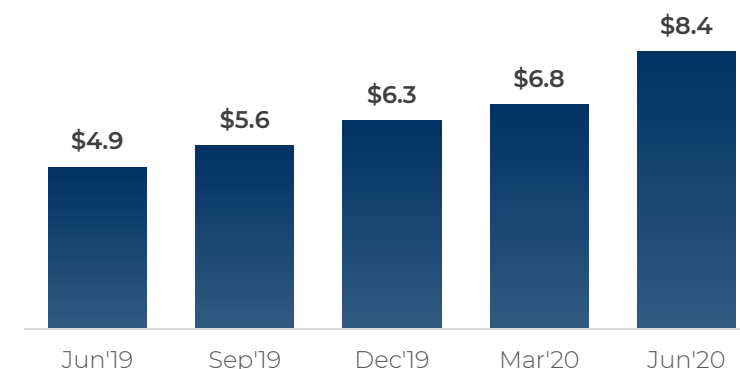
**Wealthsimple**

- PCC group companies currently hold an 83.6% undiluted equity interest in Wealthsimple
- One of Canada's largest and fastest-growing digital investing services
- \$8.4B of assets under administration as at June 30, 2020, demonstrating resilience during the COVID-19 driven market downturn
- Wealthsimple continues to expand its presence and diversify its offerings



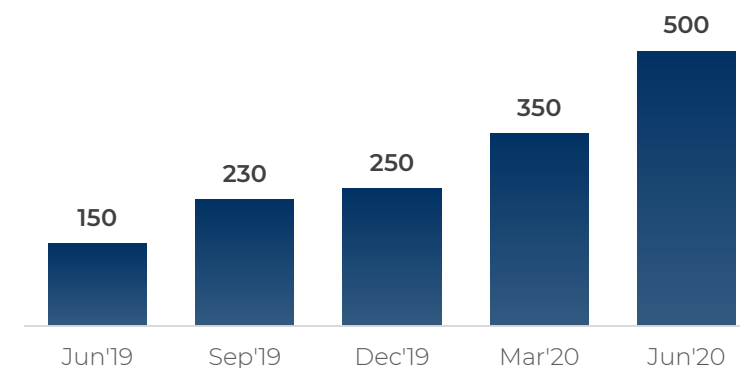
## Assets Under Administration

(\$ billions)



## Clients

(000's)



## Standalone businesses – An additional source of value creation

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



- Strong unfilled order book



- Share price rebounded +58% as at June 30, 2020 from May lows



- Secured deal with major U.S. waste management company for zero-emission trucks
- State of California announced its ZEV-first program in June 2020

**\$660M in PCC NAV at June 30, 2020 in “Other Investments”**

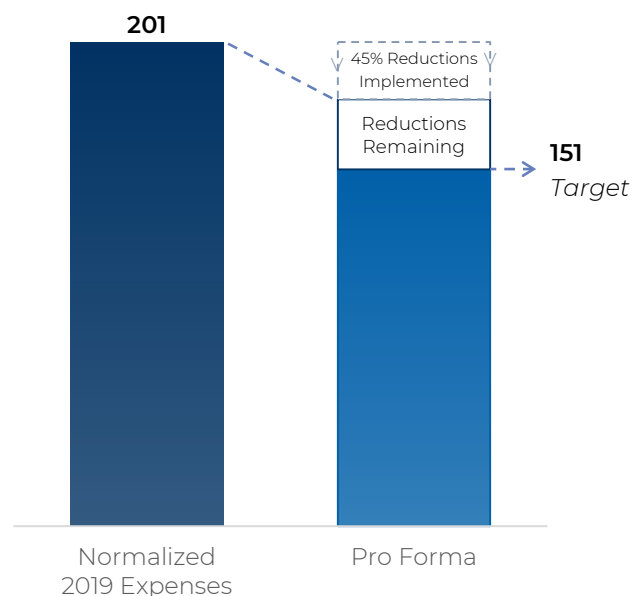
# Operating expense reduction

To date, we have implemented actions to achieve 45% of the targeted expense reductions, or \$23M 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

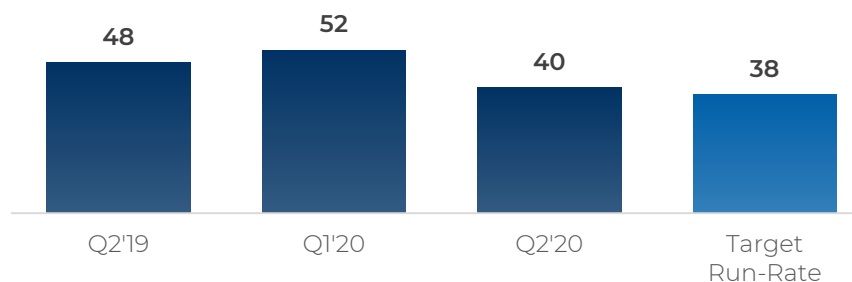
## Progress to Date

(\$ millions)



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

(\$ millions)



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

## Recent group disclosure enhancements

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- Introduced base earnings metric in Q1'20
- New segment disclosure in Q1'20:  
Canada, U.S., Europe and Capital & Risk Solutions
- Enhanced sources of earnings disclosure in Q2'20



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



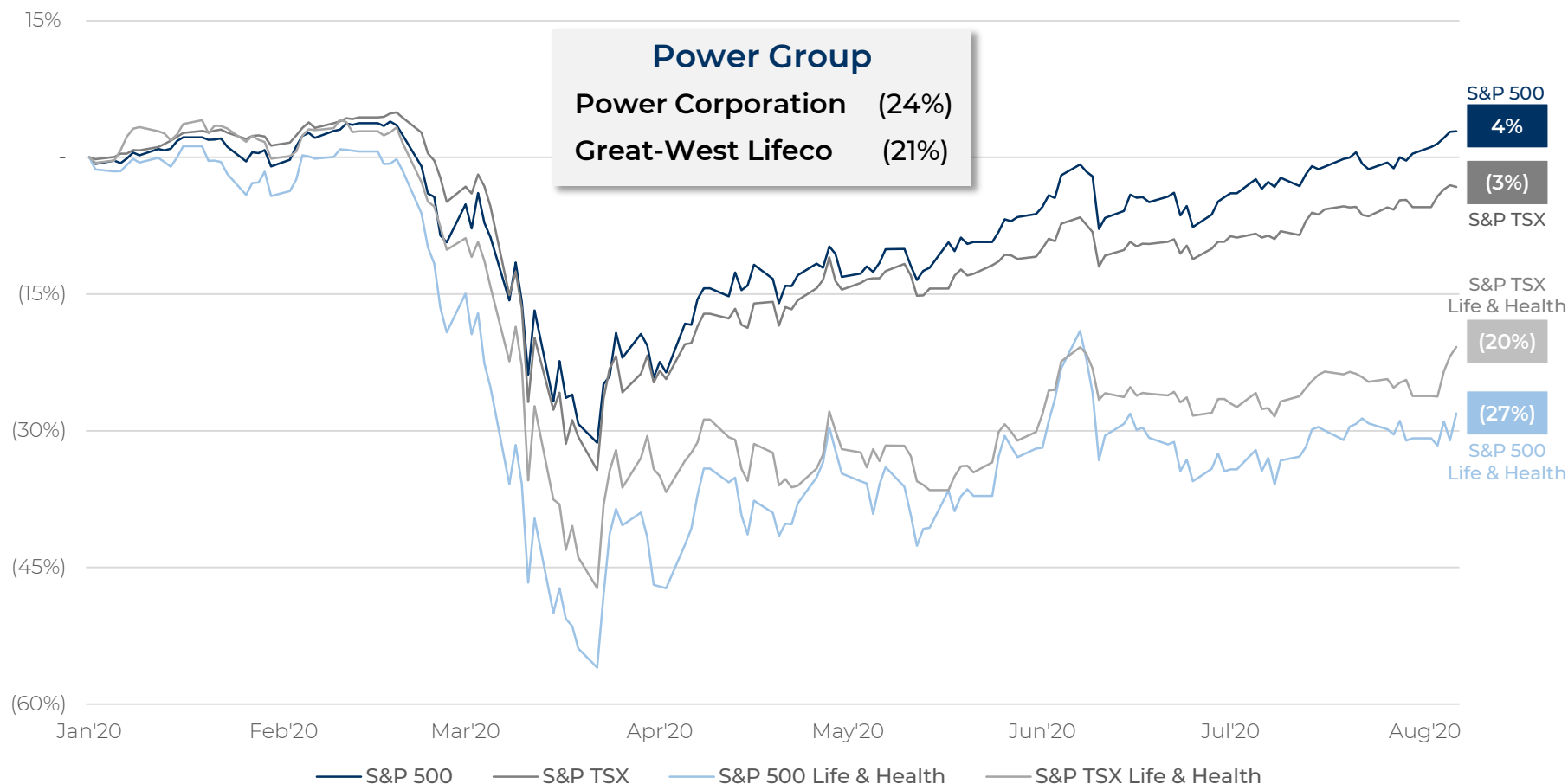
POWER CORPORATION  
OF CANADA

- Launched quarterly earnings call in Q1'20
- New investment platform disclosure aligned with business model in Q2'20



# Broader market indices have recovered year-to-date losses, however life insurance sector globally has lagged

## Year-to-Date Share Price Performance



Note: Year-to-date performance as at August 7, 2020  
Source: Bloomberg

## PCC NAV and discount to NAV

- 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

*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*

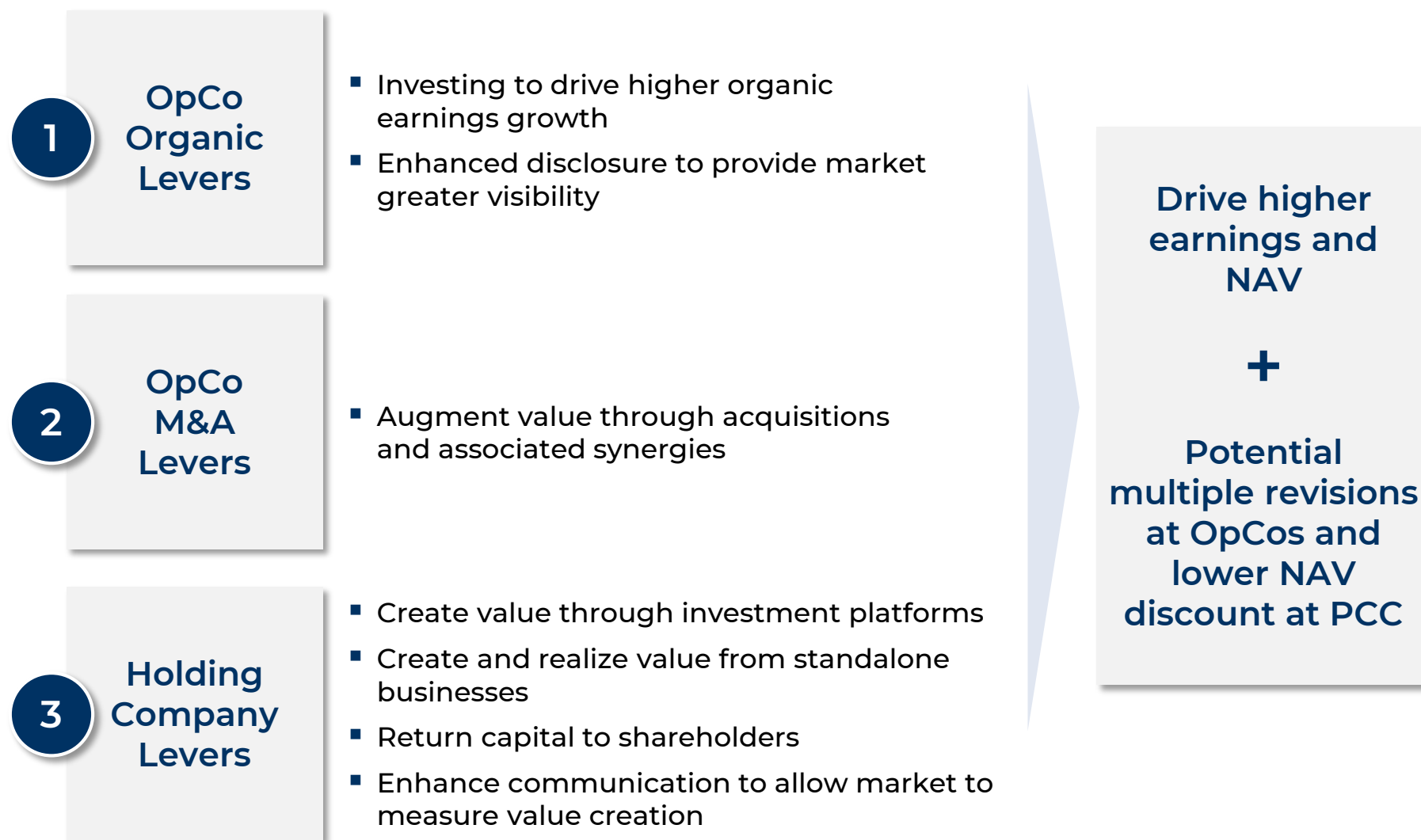


Note: NAV is a non-IFRS measure. Refer to the "Non-IFRS Financial Measures and Presentation" section of the Corporation's most recent MD&A for definitions of non-IFRS financial measures and their reconciliation with IFRS financial measures

<sup>1</sup> Trailing 30 trading day average as at December 12, 2020

# Value creation roadmap

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*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
  - Results reflect the strength and resiliency of the group businesses
  - Ongoing investments across the group focused upon client offerings and profitability
- The group of companies maintain significant liquidity and balance sheet strength
- Significant progress on value creation initiatives this quarter
  - Successful exchange offer to simplify the Pargesa and GBL structure
  - Acquisition of Personal Capital by Empower Retirement
  - Mackenzie's acquisition of GLC Asset Management and Canada Life's acquisition of the Quadrus Group of Funds
  - Sagard Holdings and Power Sustainable Capital third party fund raising continues through COVID-19 pandemic
  - Continued enhancement to disclosure across the group

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

# Net asset value

- NAV per share of \$32.96 at June 30, 2020, up 7% compared to \$30.79 at March 31, 2020

(\$ millions)	June 30, 2020
Publicly Traded	
Great-West Lifeco	\$14,762
IGM Financial	4,880
Parjointco <sup>(1)</sup>	2,540
	22,182
Investment Platforms	
Sagard Holdings	
Asset management companies <sup>(2)</sup>	164
Investments <sup>(3)</sup>	686
Power Sustainable Capital	
Power Pacific	850
Power Energy	733
	2,433
Standalone Businesses	660
Other Investments <sup>(4)</sup>	526
Carrying Value	
China AMC <sup>(5)</sup>	687
Other Assets	337
Cash & Cash Equivalents	1,362
<b>Gross Asset Value</b>	<b>\$28,187</b>
Liabilities and Preferred Shares <sup>(6)</sup>	(5,898)
<b>Net Asset Value</b>	<b>\$22,289</b>
Shares Outstanding (millions)	676.3
<b>Net Asset Value per Share (\$)</b>	<b>\$32.96</b>

Note: NAV is a 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 holds 89% of Pargesa's shares at June 30, 2020; the fair value of Parjointco at June 30, 2020 is based on the market value of GBL; <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> Includes other investments of Power Financial; <sup>5</sup> Valued at carrying value in accordance with IFRS; <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.



# GBL net asset value

Portfolio companies have shown adaptability and resilience, attributable to their position as sector leaders, critical size and pre-crisis robustness of their balance sheets

- €108.70 NAV per share at June 30, 2020, compared with:
  - €98.38 at March 31, 2020
  - €126.11 at December 31, 2019
- Increase in NAV per share during Q2 2020 driven by rebound in European equity markets



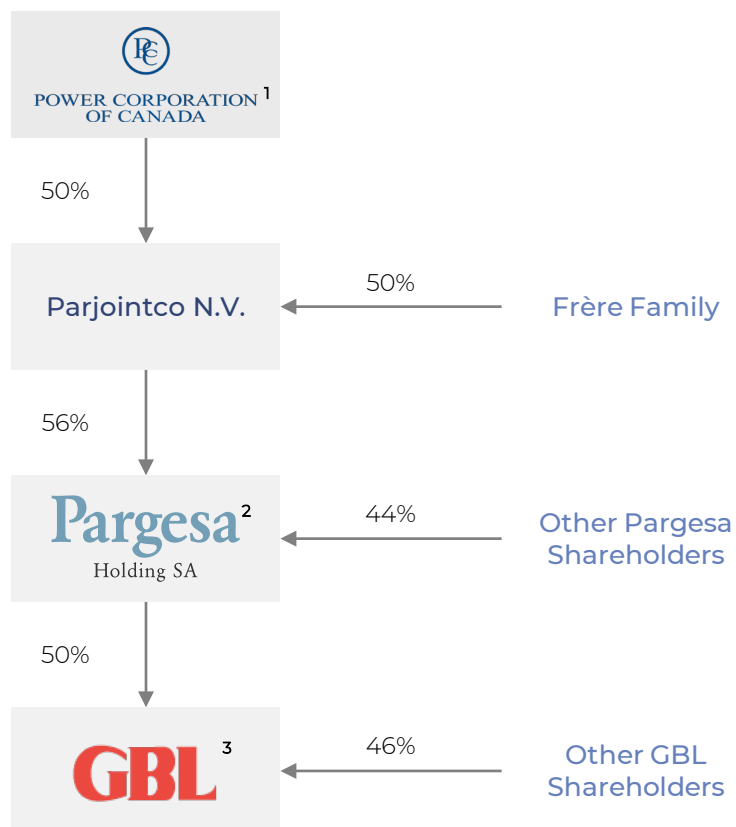
Source: GBL Half-yearly report as of June 30, 2020

<sup>1</sup> PCC share of value based on 15.7% look-through ownership

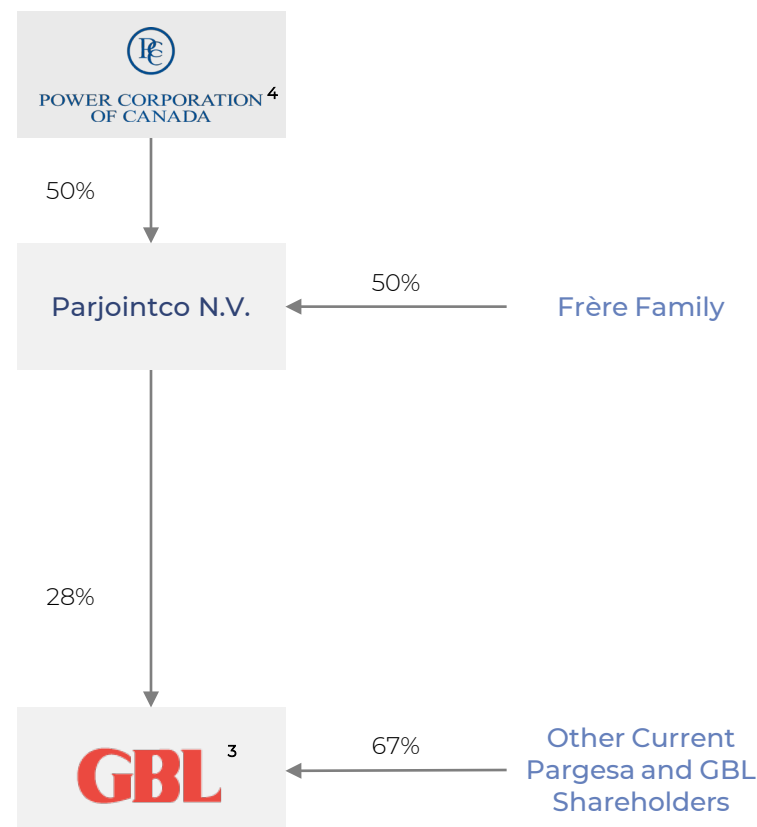
	% Ownership	Jun. 30, 2020 Value (€M)	PCC Share of Value (€M) <sup>(1)</sup>
Listed and Private Investments			
adidas	6.8%	3,204	502
SGS	18.9%	3,112	488
Pernod Ricard	7.5%	2,786	436
Umicore	18.0%	1,861	291
LafargeHolcim	7.6%	1,818	285
Imerys	54.6%	1,408	220
Webhelp	64.0%	864	135
GEA	8.5%	432	68
Ontex	20.0%	214	34
Parques Reunidos	23.0%	184	29
Others		441	69
Sienna Capital		1,913	300
<b>Portfolio</b>		<b>18,237</b>	<b>2,857</b>
Treasury Shares		560	88
Gross Debt		(2,821)	(442)
Cash and Cash Equivalents		1,564	245
<b>Net Asset Value</b>		<b>17,540</b>	<b>2,748</b>
<b>Net Asset Value per Share (€)</b>		<b>108.70</b>	<b>108.70</b>

# Current and pro forma Pargesa and GBL structure

## Pre-Exchange Offer



## Pro Forma – At Completion of Offer



<sup>1</sup> PCC indirectly holds a 14% interest in GBL (50% x 56% x 50%)

<sup>2</sup> Pargesa share capital includes 0.3% treasury shares

<sup>3</sup> GBL share capital includes 4% treasury shares pre-exchange offer; 5% at June 30, 2020

<sup>4</sup> PCC indirectly holds a 14% interest in GBL (50% x 28%)

# Corporate Knights' Best 50 Corporate Citizens

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- PCC's commitment to responsible management has led to a continuous strengthening of ESG-related disclosures
- On June 25, PCC announced its inclusion in Corporate Knights annual ranking of Best 50 Corporate Citizens in Canada
  - Evaluation based on a number of publicly available KPIs covering resource management, employee management and financial management
  - Ranking aimed at helping Canadian investors see which companies and funds provide the best combination of economic and environmental performance
- IGM Financial has been included in prior years' Corporate Knights' Best 50 rankings and is also included in the 2020 list

# Corporate Social Responsibility (CSR) at PCC

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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

As an investor	<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>
As an employer	<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>
As a contributor to communities	<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>












## At PCC, we have been a signatory to the United Nations Global Compact since 2014

- Voluntary strategic policy initiative for businesses committed to establishing a consistent approach to CSR within ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption
- PCC is committed to continuing to make the Global Compact and its principles part of the culture and day-to-day activities of its business
- Our subsidiaries Pargesa and GBL are also signatories to the United Nations Global Compact

Visit [www.powercorporationcsr.com](http://www.powercorporationcsr.com) for more information

# CSR priorities and recent progress

	Focus Areas Aligned with UN Sustainable Development Goals	Priorities	Our Progress in 2018/2019
Env.	<b>Environment</b> 	<b>Reduce our environmental footprint, and transition our business towards a low carbon economy</b>	<ul style="list-style-type: none"> <li>5.4% direct renewable energy (natural gas procured by IGM Financial) and 70.9% indirect renewable energy consumed (electricity and steam purchased)</li> <li>Reduced our carbon emissions from building sources (electricity and natural gas only) by 57% in 2018 compared to our baseline year of 2011</li> <li>Third party verification of our emissions data</li> </ul>
	<b>Society</b>  	<b>Make a positive contribution to society, improve financial well-being and increase participation in employee community programs</b>	Our Group's impact in 2019 <sup>(1)</sup> <ul style="list-style-type: none"> <li>\$37+ billion in benefits paid to customers</li> <li>\$8.0 billion in salaries and other benefits and commissions</li> <li>\$4.3 billion for goods and services, and taxes paid to various levels of government</li> <li>\$2.1 billion in dividends to shareholders</li> <li>\$48.3 million of charitable contributions in communities, supporting 2,000 community organizations</li> </ul>
Social	<b>Employees</b>  	<b>Develop people and manage talent, support a diverse and inclusive workforce, and promote health and well-being</b>	<ul style="list-style-type: none"> <li>Approximately 30,000 employees</li> <li>58% are women</li> <li>29% of executive and management roles are held by women at the Power level</li> <li>19.8% employee turnover rate</li> <li>Provided training on the Code of Business Conduct and Ethics and supporting policies</li> <li>IGM's companies are all signatories to the UN's Women's Empowerment Principles</li> </ul>
	<b>Governance</b>  	<b>Ensure the highest ethical standards are maintained at the PCC level and at our group companies</b>	<ul style="list-style-type: none"> <li>Signatory to the UNGC since 2014, reporting at an "Advanced Level" for the past four years</li> <li>Group-wide sustainability team meets regularly to share best practices</li> <li>Annual CSR update to the Governance &amp; Nominating Committee of the Board of Directors</li> <li>Board Diversity Policy in place</li> <li>100% employees acknowledge compliance with Code of Conduct &amp; Ethics annually</li> <li>No breaches to the Code reported, no violations related to corruption and bribery identified</li> <li>3<sup>rd</sup> party providers asked to comply with Third Party Code of Conduct</li> </ul>
Governance	<b>Investments</b>  	<b>Invest in quality companies with sustainable franchises and attractive growth prospects that are managed in a responsible manner</b>	<ul style="list-style-type: none"> <li>Several of our group companies are signatories to the Principles for Responsible Investment – Great-West's subsidiaries GLC, Putnam and Irish Life Investment Managers, and IGM's subsidiaries IG Wealth Management and Mackenzie, as well as GBL</li> <li>Investee company engagement through our active ownership approach</li> <li>Supporting low carbon finance through our wholly owned subsidiary, Power Energy</li> <li>Great-West, as well as IGM, IG Wealth Management, Mackenzie and Investment Planning Counsel are supporters of the Task Force on Climate-Related Financial Disclosures (TCFD)</li> </ul>

<sup>1</sup> Including Power Corporation, Power Financial, Great-West Lifeco and IGM Financial

## PCC's efforts have culminated in a number of recognitions

- Over the past few years, PCC and its group companies have increased efforts to strengthen our CSR programs and initiatives. We are proud to see our efforts being recognized by a number of highly respected organizations, including:



In 2019, PCC obtained a score of A- (Leadership). PCC has responded to the CDP's climate change questionnaire for the past eight years. IGM obtained a score of A (Leadership), being the only Canadian firm to be included in the A List for 2019. Great-West received an A- (Leadership) ranking, achieving the highest rating among Canadian insurance companies for the fifth consecutive year.



Listed in the FTSE4Good Global Index for the fourth consecutive year, in recognition of Power Corporation's ESG practices. The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong ESG practices. IGM Financial is also listed in the index.



PCC has been added to the Euronext Vigeo Eiris World 120 Index as of June 2020. The Euronext Vigeo Eiris' indices are composed of the highest-ranking listed companies as evaluated by the agency in terms of their ESG performance.



A member of the Imagine program since 1989, PCC has consistently exceeded its minimum donation guideline and has consequently been designated a "Caring Company", along with its subsidiaries Canada Life, IG Wealth Management and Mackenzie.



PCC and IGM were included in Corporate Knights' 2020 Best 50 Corporate Citizens ranking, aimed at helping Canadian investors identify companies and funds that provide the best combination of economic and environmental performance.