CI FINANCIAL CORP.

THIRD QUARTER 2015 RESULTS

CONFERENCE CALL

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Stephen MacPhail: Thank you and welcome to our Q3 earnings call. With me today are my colleagues Derek Green, President, CI Investments, Steve Donald, President of Assante Wealth Management, Neil Kerr, President, CI Institutional and Doug Jamieson, CI's Chief Financial Officer.

All things considered, CI had another great quarter. By the end of October, CI's total assets were up almost 6% year-to-date compared to the TSX, down over 5%. Our long-term record of net sales continues to be industry leading. We've now been in positive net sales for 89% of all quarters since 1994.

Our earnings continue to show year-over year growth, up 6% from the prior year to 51 cents per share. EBITDA per share was 85 cents, up 5% year over year. Operating earnings and assets under management showed similar growth.

Assante and Stonegate Private Counsel assets under advisement totalled 33 billion with an impressive concentration in high net worth. Lastly, despite market turbulence, CI has recorded over three billion in net sales year-to-date, just slightly off last year's pace.

Now let me turn it over to Derek Green, President of CI Investments. Derek.

Derek Green: Thanks Steve. As Steve said, we continue to see strong flows. Q3 2015 gross sales were at 3.1 billion dollars and our net sales were 430 million dollars. Our net sales for the year-to-date are 3.1 billion, down slightly from the prior year. Sales continue to be well diversified across channels and we continue to build our brand and deliver premier advisor educational events.

In addition to our traditional business, we're focusing on the mass affluent and high net worth clients. These are highly concentrated assets, approximately three million households in Canada have approximately 3.5 trillion dollars of investible assets. Canadian households with over $100,000 own 89% of the wealth in Canada and we have 32 billion dollars in our mass affluent and high net worth programs, with growth outpacing industry averages.

The one other thing I'd like to mention is these are generally transparent and fee-disclosed programs. So from a regulatory reform perspective, it's much better business.

Our managed solutions and private investment management continue to be the platform of choice, accounting for 94% of our net sales year-to-date.

We also continue to see strong performance for our money managers. Seventy-two per cent of CI's long-term AUM is in first or second quartile over 10 years. Ninety per cent of CI's managed solutions or fund-of-fund structures have been first or second quartile over 10 years. A hundred per cent of our Black Creek funds are first and second quartile over 10 years. And 88% of Signature's AUM is first or second quartile over 10 years and 72% of Cambridge's AUM is first or second quartile over five years.

And with that I'd like to pass it over to my colleague, Steve Donald. Steve.

Steve Donald: Thanks Derek, we continue to build on our success through the third quarter in our advisory business, being Assante Wealth Management and Stonegate Private Counsel, both from an absolute basis and on a relative basis. Our assets stand at 33 billion and that's up 6% on a year-over-year basis.

We've also attracted over a billion dollars in net new client assets to the end of September, including 300 million dollars in the volatile third quarter. This is an increase of 24% on a year-over-year basis. We often use industry fund flows as a proxy for the flows managed by various distribution companies. According to Investor Economics, industry long-term mutual fund flows for the three quarters year-to-date were down 10% across the industry to 40.4 billion. So again, we're happy with both our absolute and relative results.

I attribute this growing sales trend to our continuing focus on the higher net worth markets. An increasing proportion of our business is coming from the high net worth market and demographic trends in the Canadian marketplace are driving this as increasing wealth is created or transitioned and people are looking for simplicity through the delivery of a complete suite of wealth management services.

We're also looking to leverage off a strong dealer platform. Many trends in the marketplace today, regulatory reform, aging demographics, evolving service demands and a required investment in infrastructure and technology will continue to drive consolidation in the distribution business and we're positioned very well to attract these assets.

Also, I think our relative success in growing our advisors' business and our continuing branding efforts are resonating with advisors as we ramp up our recruiting efforts. As I mentioned, continuing requirements to invest in the business are going to drive further consolidation across distributors. We're investing in four primary areas: staffing and expertise, and we believe this is key to dealing with the increasingly complex needs of our clients and is also driving a larger and larger base of referrals. We've expanded our team in this area by 25% to 80 professional staff assisting our advisors to build their businesses.

Secondly, advisor recruiting. We've supported our recruiting initiatives with personnel, branding initiatives and platform enhancements. This has resulted in our transitioning more new advisor assets in the past 12 months than we brought in in the prior five years and we certainly anticipate that this will continue to accelerate for Assante.

Third, technology. Significant investments have been made to deal with the continually evolving regulatory demands of our business and of course technology also drives efficiency gains into our advisors' practices and probably most importantly, enhances the security of our client's information.

And then lastly, branding. I've touched on this a number of times and we are seeing an impact from our investment in this area. New advisors, new clients, at least in part due to an increase in awareness of Assante, who we are and what we stand for.

The last thing I'll touch on is the recent release of the CSA [Canadian Securities Administrators] report on fund fees, flows and performance. As you may recall, this is the report that we believe was intended to Canadianize the results that were laid out in the Brondesbury report that was issued earlier this year. There were two primary areas of finding. One related to the impact of performance on fund flows and the second on whether fees and fund flows have an effect on future performance. Unfortunately, I think there's been a misinterpretation of Dr. Cummings' conclusions. He concludes that funds that perform better attract more flows and that funds sold through a dealer, whether affiliated or not, are not as affected by this trend. And this is being interpreted as a negative conclusion for the fund industry for advisors and the for the use of a trailer.

I suggest, that the exact opposite conclusion should be drawn. It's an unfortunate fact that people tend to chase performance. And many studies, and I'm thinking particularly of the Dalbar studies, continually show that investors suffer from this behavioural bias toward past performance. If buying funds through a dealer or funds that pay a trailer, which would suggest that the investor's receiving advice, mitigates this behavioural bias in favour of patience and discipline, I would suggest that this is a very positive outcome.

A second group of findings around the relationship between fees, flows and performance seems to have two themes. One, performance goes down as fees goes up. This seems pretty intuitive to me. Comparing like products – apples to apples – if a fund increases expenses, its returns are going to go down. But a second and related theme that funds that have flows more sensitive to past performance tend to have better future performance, I think needs more analysis. He concludes in his first group of conclusions that funds that don't pay a trailer have flows that are more sensitive to past performance. Therefore, suggesting he's comparing this to funds with a trailer for the purposes of assessing future performance. He's assessing future performance between funds that don't pay a trailer and funds that do. I think this is comparing apples to oranges.

It's the total cost of ownership that's going to be important in making the assessment. That is you take an F Class fund that sold, add an advisory fee applied on a fee-based platform and compare that to the A Class version of the same fund. Bottom line, I think the overall assessment needs further analysis to drive appropriate conclusions. We're told that the CSA is looking at this and will be issuing further guidance next year, so we certainly look forward to hearing what the CSA has to say about it.

So in summary, let me back up and say that we've had a very strong year at Stonegate, a very strong year at Assante and we feel that we're very well positioned. Our business is growing in the high net worth space. You can see here that over 60% of our assets are in the mass affluent and high net worth segments, over 20 billion dollars. And 40% or 13 billion dollars is with families investing more than a million dollars with us. We're establishing a growing awareness of our firm's ability to manage both investments and broader more complex wealth management needs.

So with that, I'll now hand the call over to Neal, who's going to walk us through our acquisition of First Asset.

Neal Kerr: Thank you, Steve. We are pleased with our transaction and our new partnership with a very effective organization and management team. Barry Gordon, Paul Dinelle and the First Asset team have been operating successfully for many years now. As you may be aware, First Asset has a history as an active investment manager. In their ETF business, they offer fully actively managed ETFs and also factor-based or rules-based ETF products.

At CI, we've got a long history of offering different approaches or styles of money management to our clients. First Asset's investment capabilities expand our list of available investment styles which certain investors find appealing.

Another consideration for us with respect to this transaction is the way that we've come to see ETF's acting really as an additional distribution platform for active money management and this platform, the ETF platform is increasingly in demand with IROC license advisors who are dealing with their clients on a fee-based or discretionary basis.

Regulatory changes coming down the pipe and other potential changes in the future could certainly increase advisor's interests in using ETF platforms going forward. It's also worth noting that MFDA firms are working on the operational capability to deal in ETFs in the future as well. We expect the transaction to be accretive and to close prior to year-end subject to necessary regulatory approvals. We plan to maintain the First Asset brand and continue to have First Asset sell and service products on their platform.

Besides our financial strength, CI brings active portfolio management as well as operations, administration and technology resources to First Asset. We're very excited about the long-term commitment Barry Gordon and his partners have made to the business, and we will be working hard with the First Asset team on joint initiatives through 2016. So that really summarizes our thoughts. We're very pleased about this transaction and I'd like to formally welcome Barry and the group to the CI family. And with that, I'm going to pass things to Doug Jamieson, our CFO.

Doug Jamieson: Thank you, Neal. Here on this slide we're comparing the third quarter of this year with the third quarter of last year. As Steve indicated, average assets under management were up 7% from 101 billion a year ago to 108.5 billion. Next, net income was 142.8 million and that was up 6% from 135.1 million last year and on a per share basis was 51 cents up from 48 cents last year.

EBITDA per share was up 4 cents to 85 cents, a 5% increase. And dividends paid were up 8% as CI paid out 85.3 million dollars last year at a rate of 30 cents per share for that quarter and 91.9 million in the third quarter of this year at a rate of 33 cents per share.

Our long-term debt declined from approximately 500 million last year to 436 million this year and net debt has increased a 100 million from 220 million to 322 million, calculated as the gross public debt outstanding of 300 million plus 136 million drawn on a credit facility, less 114 million of excess cash and marketable securities. CI's net debt to EBITDA ratio increased slightly towards our target ratio at 0.34 to 1 and I will comment further on our target in a few slides.

Now taking a look at quarter over quarter highlights, average AUM was down 1% to 109.8 billion dollars and net income went up 3% on an as-reported basis and after adjusting for the legal settlement last quarter, net income and earnings per share were essentially flat. EBITDA declined slightly from 239.8 million to 237 and decreased a penny from 86 cents per share. The dividends paid of 91.9 million was an increase of 2% from 90 million last quarter.

CI's EBITDA margin has declined slightly from 48% a year ago to 47.5% today but it remains at a healthy level in spite of changes to the product mix.

These next two slides provide a little more insight into our management fees. The changing mix of products from Class A into Class F and high net worth has pushed our gross management fee line down from 184 basis points in 2009 to 164 basis points this quarter. For the net fee, we take the trailer fees paid and the deferred sales commissions incurred on back-end sales of funds from the gross fees in order to standardize our management fees. To look as if all of our business was in fee-based or institutional accounts, we would be left with the net management fee that you see here, and assets held much more stable over the years.

The asset management margin measures how much we retained out of management fees after paying trailers, SG&A and DSC and on a trailing 12 month basis within the asset management segment and we see we're left with $42.60 of every $100 of management fees earned, up from about $41.50 one year ago. This measure eliminates the financing impact of front end versus back end since we've already deducted trailers in DSC and it also eliminates the distortion of equity and fixed income mix changes, retail institutional mix changes because it is measured as a percentage of management fees and not AUM.

CI's SG&A calculated at a percentage of average assets under management and shown here in basis points has fluctuated around 34 basis points since the third quarter of last year. We saw on the quarterly highlight slide that CI's average AUM grew by 7% from last year, at the same time, SG&A spend grew by 8%.

We continue to find ways to operate more efficiently so that our core spend will continue to grow at a level well below that of the growth of AUM. But discretionary spend will reflect smart spending decisions that we believe will generate long-term increases in profitability.

The SG&A efficiency margin measured on a 12-month basis looks at an available pool of management fees less trailer fees and DSC and how much of that pool remains after deducting SG&A spend. In our last 12 months, CI has retained 71.7% of that, up from 71% one year earlier. So we're spending less than 30% of the amount available after paying trailer fees and DSC out of management fees.

Looking at cash flow, we have five quarters here of free cash. We see a quarterly increase of 10 million dollars in free cash flow to 161 million and an increase of 13 million from the third quarter last year. This year-over-year increase is a result of operating cash flow growing by 7 million and we spent 6 million less on deferred sales commissions this year.

Here on the first part of the table, we calculate free cash flow for the last quarter and this quarter. Operating cash flow grew to 180 million less sales commissions of 19, gave us the 161 million in free cash flow this quarter compared to 151 million last quarter. And the next section details the amounts returned to shareholders. We repurchased 71 million dollars in stocks in the second quarter and another 69 million this quarter and with the dividends paid as discussed earlier, we see a total return of free cash flow of 161 million dollars in each quarter.

CI has been returning the majority of its free cash to shareholders, typically with a consistent dividend payout and opportunistic buybacks. We are very comfortable with this level of dividend payout that has averaged 60% of free cash flow and as we move into the next slide, we see the darkest bar representing dividends paid growing in line with free cash flow. And we see that a large component of free cash was used to reduce net debt over the past few years. Our plan for 2015 has been to stop paying down that debt and increase the level with buybacks, so that at a minimum all free cash is returned to shareholders.

CI's net debt has declined from 700 million dollars, bottom debt around 200 million that has now rebounded to over 300 million. EBITDA has grown from 700 million to almost a billion and we've indicated that our target leverage ratio is 50-75% of EBITDA to be achieved over time with increased buybacks. This growth in net debt will be funded with a mix of public debt and our credit facility. We expect an issue between 400 and 500 million dollars in public debt by mid-December to retire the existing 300 million debentures and reduce the amount drawn on the credit facility. I will now turn it back to Steve.

MacPhail: Thanks Doug. As you can see from the detailed chart on assets under management, the market volatility in August and September definitely affected our AUM; however, in October we experienced good asset growth and are now up 6% year-to-date compared to, as I mentioned earlier, a 5.2% decline in the TSX. The positive returns of our funds I should note is directly reflected in our investors' experience.

Our outlook for CI continues to be excellent. Our core business is performing very well with good performance in our funds as outlined by Derek and continuing good net sales. Assante and Stonegate Private Counsel continue to outperform in the financial advisory business especially, as Steve Donald pointed out, with high net worth clients.

We will continue to invest in service, products and money management. Key to our future growth is maintaining a focus on our competitive advantages that we enjoy today. Part of that is our commitment and full focus on our high net worth strategy. And lastly, as Neal pointed out, the First Asset acquisition offers a great product, distribution, diversification for CI. And with that I'd like to say thank you and open it up to any questions for myself or my colleagues.

Operator: First question is from Gary Ho from Desjardins Capital Markets.

Gary Ho: Good afternoon, I want to get more colour into the gross redemptions. Given it's slightly higher than what I was looking for, I was wondering if you could give us more details. I imagine the market volatility played a role here but I've also seen a bit of slippage in fund performance. I was wondering if that factored into the high redemptions at all?

Green: I would say in the first two quarters of the year, we were neck and neck with 2014. We really started to see an increase of redemptions around May when the market started to misbehave. We also had a significant institutional client reallocate some money away from us to another manufacturer. So performance for the overall market I would say has been challenging for the last four months or so.

Ho: And then the institutional reallocation you mentioned, that happened in Q3 and can you quantify that?

Green: Yes, it happened in Q3 and it was a significant number.

Ho: Okay, thanks. The other group of questions I have is around the First Asset acquisition. Terms weren't disclosed but can you help me figure out how the deal with be financed – will the seller take on stock, as well any earn-outs or any other incentives to lock up key management team here?

Jamieson: The deal will be primarily CI stock, likely some cash. We haven’t closed yet, so we haven’t put out any of the detail but certainly Barry and his team will be incented to stay for five years.

Ho: And then how should I think about the EBITDA margins here for that line of business and will you separately disclose that?

Jamieson: We haven’t decided that to what extent their results will get mixed in with the rest of CI. Right now it's not a very large contributor to our EBITDA and we haven’t really even modelled to what extent we can find synergies and get their EBITDA margin to our level.

Ho: Okay, and then more broadly, how should we think about any channel conflicts here and/or cannibalization with the acquisition?

Kerr: So the channel that distributes First Asset product today is essentially the IIROC channel, which CI is focused on as one of our retail channels already. So we wouldn’t view that channel as in conflict with any other channel that we’re working in. The First Asset product lineup today includes active ETF strategies, where portfolio managers are making buy and sell decisions on a regular basis. We obviously have that capability here. We will be working with the team at First Asset through 2016 to determine what actively managed strategies CI could develop and put on that platform from some of the CI active portfolio managers that we have here.

Ho: Okay, and then maybe just lastly, what are your thoughts on why acquire versus build something out internally?

Kerr: That’s a great question. We considered both over the years, building from scratch or partnering with a start-up and doing some sort of joint venture. Ultimately, the opportunity to work with Barry and his team who have had an existing successful profitable business for many years and who are quite excited about the opportunity to build this together with CI, really it made the most sense to us. It obviously gets us a solution in the market much quicker than we would have been able to build ourselves. That was really a priority for us.

Green: At the end of the day, too, this is their core competency and this allows our management to stay focused on what we do best. The common theme here is active management, but this is what Paul and Barry do and this allows us to focus on what we do.

Ho: Perfect, thanks very much.

Geoff Kwan (RBC Capital Markets): Hi, good afternoon. Do you have any comments on the net sales in Q4? Derek, you talked about the significant redemption in Q3 and it's weighing on the net sales performance. I was just wondering with the markets rebounding in October, if you guys saw a pickup in sales.

Green: Our business is a business that ebbs and flows with the overall markets. October was a strong month. The S&P was up 8%, the MSCI was up a similar number. So flows have started to improve again.

Kwan: Would what you saw in October maybe similar to what you might have seen in, say, Q2 in terms of broader sales, like net sales activity?

Green: Well it's a little early to tell and often Q2 is a very, very strong quarter for us. So I would say it's a little early to tell on Q4 and I think there's still a lot of people sitting on a lot of cash, they're still a little nervous about what's happening.

Kwan: With the share price where it's been, the stock's trading below historical average, has there been any discussion around being even more active around the NCIB [normal course issuer bid], particularly given where your balance sheet is?

Jamieson: Well, I'd say buying a couple million shares the past couple of quarters is fairly active. We've returned all of our free cash to shareholders. I wouldn't be surprised if we did increase it a little bit at these levels but we're pretty happy with the amounts we're buying.

Kwan: Okay, and the very last question I had is, and I know this is a splitting hairs type of question, within the asset management side, the SG&A expense on a quarter-over-quarter basis was up a little bit more than what we've seen in the past a couple of years on a quarter-over-quarter basis – just wondering if there might have been anything specific that might explain that little bit more of a pickup in Q3 of this year.

Jamieson: No, we just continue to invest for the future. When we see things where we need to strengthen our personnel, invest in new product development, we'll do that.

Kwan: Okay, thank you.

Paul Holden (CIBC Capital Markets): Thank you good afternoon. I want to ask you a question on the discretionary SG&A spend that Doug was referring to, because it looks like we might be going into a period where AUM growth is going to be slower than what some are accustomed to over the last five years of a bull market. How does that impact the way you think about discretionary spend going forward?

Jamieson: Well, there are certain things that automatically fall as asset levels fall, that stay flat as asset levels stay flat. We continue, like I said, to find ways in our core operational areas to find efficiencies. But the message we want to get across is we're trying to spend intelligently when we see opportunities to spend. I think we have a good reputation for spending wisely and not overspending. We've shown in the past that when markets fall, we can react.

Green: The other thing is that we have certain fixed costs and there are certain expenses that we can dial back if we need to dial back and we discuss that on a regular basis.

Holden: The cost inflation came in higher than AUM growth this quarter, for example, so what kind of pullback in the market would we need to see for you to think about cutting some of those discretionary items?

Jamieson: See, we don't see a 1% change in our assets, a pullback in the market per se. We can and we have, but I wouldn't call this cost inflation. We are investing in our business.

Holden: In terms of the accounting for the Assante assets, it looks like there might have been a bit of a change Q over Q, or at least when I looked at the proportion of Assante assets invested in CI funds, it jumped from 17.7 billion last quarter to 19.8 billion this quarter, wondering what accounts for that.

Donald: As we look at our reported results now, we distinguish between assets under administration, which are assets of the mutual fund dealer and the security dealer, Assante Wealth Management, and assets under advisement, which includes the assets of Stonegate Private Counsel, our investment counsel platform. So I think that's the change that you saw on a quarter-over-quarter basis, consolidating all of those assets where we have a direct client advisory relationship.

Holden: Got it. And then a couple of questions on the First Asset acquisition because it seems like a potentially bigger opportunity here, so would you consider using CI wholesalers to sell the ETF product, whatever's currently managed by First Asset or once it's a new product managed by CI portfolio managers?

Green: I think for the time being, we're going to keep things status quo. The way to think of First Asset is it's really our third operating company. We have CI Investments, we have Assante and now you have First Asset. Each operating business has its own business development people or sales people, and that's the way we'll keep it for the time being.

Holden: And then maybe a question for Steve Donald related to the First Asset acquisition and in terms of selling ETFs to Assante clients. Is that something that is a planned push or something you're thinking about?

Donald: We're definitely looking at the opportunities. In terms of the sale of ETF assets through the Assante channel, that is an approved product category today. The typical positioning of Assante Wealth Management is more around broader managed solutions, so over time I think we would be looking at whether there's any opportunity to introduce ETF type products, and we are a strong proponent of active management, actively managed ETFs into our managed solutions.

Holden: Okay, thank you.

MacKinnon (BMO Capital Markets): Thanks very much, good afternoon. One question about the dividend, I think you've been kind of running it the first and third quarters over the last several years and the AUM's turned over a little bit this quarter, and you've got really good free cash flow. So what made you jump away from that pattern, not to suggest that there is really a pattern?

MacPhail: We would acknowledge that our dividend is in the low end of our range but as we finish the quarter, it was really only in October where we saw markets start to stabilize and recover again. So we certainly feel in a much stronger position than we would have a month ago. As someone raised earlier, we're always looking at the opportunity to buy back our shares and so there didn't seem to be any compelling need on a short-term basis to try to raise the dividend until we had a bit more certainty. And I think as we've had a change in government we're not really sure what the outcome is going to be. We do know with some of the proposed tax changes, it really equates to an 8% pay cut for a lot of what I'll call our higher-end employees and we might have to contend with that. So we have to do a wait and see on it and I think this puts us in a good position after year-end results are out to look at that dividend situation again. But I will say we could have raised it this time but we just wanted to take a bit of a wait-and-see approach, not thinking that three months really made that much of a difference.

MacKinnon: Okay, great, and then a follow-up with respect to the First Asset acquisition. I think you mentioned the IIROC-licensed advisors like ETFs but what potential do you see for pushing more CI product into the IIROC channel and how does this acquisition help you there?

Kerr: The idea with First Asset frankly is, are there ways to put some CI active product on their shelf and as Derek alluded to have that business development process run through their sales team for that platform. Derek's got some specific strategies here for CI Investments and CI Investments business development with respect to IIROC – those are strategies that we are running irrespective of whether there's a First Asset transaction or not. I don't know if you want to add any colour to that?

Green: No, I think that's accurate.

MacKinnon: So you've got your own strategy and this just augments it and potentially can help it?

Green: The one thing I would say is often the people that are buying CI Investments' investment products are different than the people buying ETFs. For the most part, they are different people.

Kerr: To be a little more granular, today there's an operational efficiency for a discretionary IIROC broker with an ETF product, an exchange-traded product, over a FundServ mutual fund. So one way of looking at it is there's an operational opportunity here that may change over time with respect to how mutual funds are distributed through discretionary advisors. But that is the case today and the First Asset platform brings that to our lineup.

MacKinnon: Okay, thank you.

Graham Ryding (TD Securities): Good afternoon. Your guidance around the target for your net debt to EBITDA I think you said 0.5 to 0.7 times – has that been revised lower? I thought I recollect you used to talk about an optimal level of one times net to EBITDA.

Jamieson: Yes, and I think if we did an acquisition for cash and we got up to one to one we'd be comfortable. We generate so much free cash we can pretty much dictate which way we go, either by buying back stock or not. But our current target just with the buybacks is to head towards 0.5 to 0.75.

Ryding: Steve, on the Assante side, any update on your initiative around the robo-advisory platform and how shall I think about the First Asset ETFs, would they be a good fit for that platform? What's your thinking there?

Donald: As we continue to develop that more automated – and I think robo is an overused term – we look at how we can introduce automation to complement our advisors in delivering service and as we looked at our existing capabilities, we think that we have a significant amount of the required technology to help with this automation process. We've identified three areas that we have a team focusing on in terms of potential development. The first is the front-end onboarding and how we can enhance the efficiency over that. The second element really speaks directly to your question Graham, and that is the ability to plug in or take out different investment options, which would certainly include the opportunity to put in First Asset mandates. And then the last element is on the back end and improved analytics and reporting for clients. If that helps.

Ryding: That does help. I always appreciate your overview on the regulatory front. I'm just wondering if the regulators do use these recent studies and decide they want to move towards a fee-based and ban commissions, do you see any difference between how the different distribution channels would be positioned, specifically the mutual fund dealer channel versus the bank branch advice channel, is there any difference between a potential fee-based environment and how those channels would be able to respond?

Donald: Without having taken a very close look at the bank branch environment, my guess would be yes, there would be a significant difference and that sort of speaks to my point earlier that the required investment in technology to deal with the changing landscape is going to drive consolidation. So as you think about whatever the number is, 100 MFDA firms, there are going to be a lot of firms that are challenged in terms of delivering a fee-based platform and whereas the bank branches may typically use embedded trail type products today, it would be very easy for a bank to take their fee-based capability out of their IIROC business and apply it in a branch network.

Scott Chan (Canaccord Genuity): Good afternoon. Derek, just on the retail side outside the managed solutions growth that you've been seeing, in terms of the stand-alone products, have the investors' preferences changed over the last four months with the increased volatility in the market? Have you noticed any difference there?

Green: 2015 has been a year where people are looking outside of Canada and we were discussing this earlier in the day. If you looked back to 2012 and 2013, it was all Canada, balanced, income, diversified income and today whether it's CI or the broader industry, it's international, it's global, it's U.S. equity, it's global balanced. So tastes have changed. And I think when you see the Canadian dollar move from effectively parity three years ago to 75 cents, Canadians are going to start looking outside of Canada. The other side, if we look at the mix of the business today, 90% of our net sales is either moving into a managed solution, the fund-of-fund structure or it's going into our mass affluent, high net worth Private Investment Management [program]. So, about 35% of the net is in this fee-disclosed, fee-negotiated higher net worth program. So the mix is, we're getting more and more high net worth business, it's going to into managed solutions and it's going outside of Canada.

Chan: And did I hear you right before Derek, did you say there was a large institutional rebalance in Q3?

Green: Yes, there was.

Chan: There was, okay, thanks a lot.

Green: They just moved a portion of their assets away from us.

Chan: Outside of CI?

Green: Yes.

Chan: Okay, thanks.

Kwan: Hi, the second fallout question was when you guys were talking about the dividend and why you may not have increased it this past quarter, talking about what the government and the taxes – was it just in reference to the increase in the tax rate for higher income earners? Just trying to understand what you're trying to infer in the sense that does it mean you might put a little bit more money aside for compensation to offset a bit of the tax blow?

MacPhail: You're absolutely right and I'm not saying it's definitive but I look over the last period of time and in Ontario the top tax rate will have gone from I believe 44.6 to 54.6, and so I look at a lot of the members of management that work for me and they have effectively seen close to a 20% pay cut. Now that's a pretty significant situation. Actually, Geoff, I'm guessing you're in the same situation. All I'm saying is that can't help but put cost pressures on you at some point in time. I don't know the extent of it and maybe this won't come to fruition and we won't have to worry about it. But I think just to be safe and conservative from a corporate perspective, we need to sit back and see what happens, find out how business-friendly the current government is or is not and then make a decision from there. Then if everything looks pretty good, then we're in a great position to increase the dividend.

Kwan: Another solution might be you guys can relocate out here to B.C., where the taxes are lower. All right, thanks.

Operator: We do not have any more questions registered.

MacPhail: I'd just like to say thank you very much for attending today and for all your questions. We appreciate it very much and we look forward to talking to you again after our year-end results. Thank you.