



THIRD QUARTER REPORT  
30 | SEPTEMBER | 2015



 CI Financial

THIRD QUARTER REPORT  
30 | SEPTEMBER | 2015



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## FINANCIAL HIGHLIGHTS

<i>[millions of dollars, except share amounts]</i>	As at and for the quarters ended					% change	% change
	Sep. 30, 2015	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Sep. 30, 2014	quarter- over- quarter	year- over- year
Assets under management	105,296	108,839	109,137	102,886	100,810	(3)	4
Assets under advisement	33,249	33,897	33,939	31,874	31,252	(2)	6
Total assets	138,545	142,736	143,076	134,761	132,061	(3)	5
Average assets under management	108,541	109,750	106,531	101,120	101,016	(1)	7
Management fees	449.4	453.8	439.9	428.5	430.7	(1)	4
Total revenues	499.0	504.2	501.0	485.0	480.6	(1)	4
Selling, general & administrative	92.9	91.8	90.8	87.0	86.2	1	8
Trailer fees	139.6	140.5	135.8	131.8	132.3	(1)	6
Net income attributable to shareholders	142.8	138.9	144.5	140.4	135.1	3	6
Basic earnings per share	0.51	0.50	0.51	0.50	0.48	2	6
Diluted earnings per share	0.51	0.50	0.51	0.50	0.48	2	6
EBITDA <sup>1</sup>	237.0	239.8	235.4	230.0	230.8	(1)	3
EBITDA <sup>1</sup> per share	0.85	0.86	0.84	0.82	0.81	(1)	5
Return on equity <sup>2</sup>	29.9%	29.4%	28.8%	27.9%	26.8%	2	12
Dividends recorded per share	0.330	0.325	0.315	0.310	0.300	2	10
Dividend yield	4.4%	3.9%	3.6%	3.9%	3.6%		
Average shares outstanding	277,770,913	279,861,494	281,740,107	282,056,756	283,484,029	(1)	(2)
Shares outstanding	276,397,053	278,624,442	280,597,610	281,708,663	282,860,534	(1)	(2)
Share price							
High	34.35	36.25	36.00	34.51	36.05		
Low	27.84	33.38	31.07	30.56	33.55		
Close	30.30	33.60	35.41	32.29	33.77		
Increase (decrease) in share price	(9.8%)	(5.1%)	9.7%	(4.4%)	(3.7%)		
Total shareholder return	(8.9%)	(4.2%)	10.7%	(3.5%)	(2.8%)		
Market capitalization	8,375	9,362	9,936	9,096	9,552		
Price to earnings multiple <sup>2</sup>	15.0	16.9	18.3	17.4	19.2		
Long-term debt (including the current portion)	435.6	383.5	311.5	307.4	499.3		
Net debt <sup>1</sup>	321.7	266.0	210.7	185.2	220.2		
Net debt to EBITDA	0.34	0.28	0.22	0.20	0.24		

<sup>1</sup> EBITDA (Earnings before interest, taxes, depreciation and amortization) and Net debt are not standardized earning measures prescribed by IFRS. Descriptions of these non-IFRS measures, as well as others, and reconciliations to IFRS, where necessary, are provided in the "Non-IFRS Measures" section of this MD&A.

<sup>2</sup> Trailing 12 months

## | LETTER TO SHAREHOLDERS |

### DEAR SHAREHOLDERS,

In the third quarter of 2015, concerns about the strength of China's economy and the timing of interest rate increases by the U.S. Federal Reserve, as well as the ongoing effects of commodity price weakness on the Canadian economy all contributed to a very volatile period for investors. Most equity market indexes fell significantly.

The S&P/TSX Composite Index dropped 7.9% during the quarter while the MSCI World Index fell 8.3% and the S&P 500 Index declined 6.4%. However, weakness in the Canadian dollar during the quarter cushioned the impact and so the MSCI World Index slid 1.6% and the S&P 500 Index return was a positive 0.4% in Canadian dollar terms.

CI's assets under management ("AUM") finished the quarter at \$105.3 billion, a decrease of 3% from the end of the second quarter and up 4% year over year. Average AUM of \$108.5 billion for the quarter was 1.1% below the \$109.8 billion average for the second quarter and 7.4% above the \$101.0 billion average for the same quarter a year ago. Net income, primarily driven by the change in average AUM, was \$142.8 million (\$0.51 per share) for the quarter, essentially unchanged from \$142.4 million (\$0.51 per share) in the second quarter (after adjusting for a legal provision), and up 5.7% from \$135.1 million (\$0.48 per share) in the third quarter of last year.

Gross sales of funds, at \$3.068 billion, were up 0.9% from \$3.042 billion in the third quarter of last year. The market uncertainty pushed redemptions of funds to \$2.636 billion in the third quarter versus \$2.340 billion last year and, as a result, net sales were \$0.431 billion during the quarter compared to net sales of \$0.702 billion in the third quarter of 2014. Year-to-date net sales are at \$3.132 billion.

Dealer revenues at Assante Wealth Management were up 4% year over year to \$78.3 million from \$75.3 million, as administered assets grew 5% from \$29.2 billion at September 30, 2014 to \$30.7 billion as at September 30, 2015. Assante continues to benefit from both market performance and net sales of CI and third-party investment products.

CI's AUM ended October at \$108.0 billion, up 2.5% from September as equity markets recovered significantly. Average assets for October were \$107.2 billion, or 0.9% above the average for September.

On October 23, 2015, CI announced that it has reached an agreement to acquire First Asset Capital Corp., a leader in providing actively managed and factor-based ETFs. The transaction is expected to close by December 31, 2015 and will diversify CI's product lineup to include ETFs and provide CI with another distribution platform for its actively managed investment products.

The Board of Directors declared monthly cash dividends of \$0.11 per share payable on December 15, 2015, January 15 and February 12, 2016 to shareholders of record on November 30 and December 31, 2015, and January 31, 2016, respectively.

Sincerely,



William T. Holland  
Chairman



Stephen A. MacPhail  
President and Chief Executive Officer

NOVEMBER 5, 2015

MANAGEMENT'S  
DISCUSSION AND ANALYSIS

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CI FINANCIAL CORP.

## MANAGEMENT'S DISCUSSION & ANALYSIS

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This Management's Discussion and Analysis ("MD&A") dated November 5, 2015 presents an analysis of the financial position of CI Financial Corp. and its subsidiaries ("CI") as at September 30, 2015, compared with December 31, 2014, and the results of operations for the quarter and nine months ended September 30, 2015, compared with the quarter and nine months ended September 30, 2014 and the quarter ended June 30, 2015.

CI's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Amounts are expressed in Canadian dollars. The principal subsidiaries referenced herein include CI Investments Inc. ("CI Investments") and Assante Wealth Management (Canada) Ltd. ("AWM"). The Asset Management segment of the business includes the operating results and financial position of CI Investments and its subsidiaries, including CI Private Counsel LP ("CIPC"). The Asset Administration segment includes the operating results and financial position of AWM and its subsidiaries, including Assante Capital Management Ltd. ("ACM") and Assante Financial Management Ltd. ("AFM").

This MD&A contains forward-looking statements concerning anticipated future events, results, circumstances, performance or expectations with respect to CI and its products and services, including its business operations, strategy and financial performance and condition. When used in this MD&A, such statements use such words as "may", "will", "expect", "believe", and other similar terms. These statements are not historical facts but instead represent management beliefs regarding future events, many of which, by their nature are inherently uncertain and beyond management control. Although management believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, such statements involve risks and uncertainties. Factors that could cause actual results to differ materially from expectations include, among other things, general economic and market conditions, including interest and foreign exchange rates, global financial markets, changes in government regulations or in tax laws, industry competition, technological developments and other factors described under "Risk Factors" or discussed in other materials filed with applicable securities regulatory authorities from time to time. The material factors and assumptions applied in reaching the conclusions contained in these forward-looking statements include that the investment fund industry will remain stable and that interest rates will remain relatively stable. The reader is cautioned against undue reliance on these forward-looking statements.

This MD&A includes several non-IFRS financial measures that do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. However, management uses these financial measures and also believes that most shareholders, creditors, other stakeholders and investment analysts prefer to include the use of these financial measures in analyzing CI's results. Descriptions of these non-IFRS measures and reconciliations to IFRS, where necessary, are provided in the "Non-IFRS Measures" section of this MD&A.

Note that figures in tables may not add due to rounding.

## MANAGEMENT'S DISCUSSION & ANALYSIS

**TABLE 1: SUMMARY OF QUARTERLY RESULTS**

<i>[millions of dollars, except per share amounts]</i>	2015			2014				2013
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>INCOME STATEMENT DATA</b>								
Management fees	449.4	453.8	439.9	428.5	430.7	415.6	394.4	382.2
Administration fees	36.0	37.8	36.2	35.4	36.2	34.7	35.1	33.3
Other revenues	13.6	12.6	24.9	21.1	13.7	14.4	16.1	16.1
Total revenues	499.0	504.2	501.0	485.0	480.6	464.7	445.6	431.6
Selling, general & administrative	92.9	91.8	90.8	87.0	86.2	84.9	83.7	82.4
Trailer fees	139.6	140.5	135.8	131.8	132.3	127.4	120.1	115.5
Investment dealer fees	29.4	30.9	29.4	28.4	29.0	27.7	28.0	26.4
Amortization of deferred sales commissions	34.8	36.0	36.7	37.4	37.9	38.3	38.4	38.6
Interest expense	3.5	3.4	3.2	4.4	4.6	4.5	4.6	4.5
Other expenses	3.2	9.0	12.3	5.5	5.6	5.9	4.4	5.0
Total expenses	303.5	311.6	308.1	294.5	295.6	288.7	279.2	272.4
Income before income taxes	195.5	192.7	192.9	190.5	185.0	176.0	166.4	159.2
Income taxes	52.7	53.5	49.2	50.1	50.0	47.9	44.5	42.8
Non-controlling interest	(0.1)	0.2	(0.9)	—	(0.1)	0.3	0.2	0.2
Net income attributable to shareholders	142.8	138.9	144.5	140.4	135.1	127.8	121.7	116.2
Earnings per share	0.51	0.50	0.51	0.50	0.48	0.45	0.43	0.41
Diluted earnings per share	0.51	0.50	0.51	0.50	0.48	0.45	0.43	0.41
Dividends recorded per share	0.330	0.325	0.315	0.310	0.300	0.295	0.285	0.280



### OVERVIEW

CI is a diversified wealth management firm and one of Canada's largest independent investment fund companies. The principal business of CI is the management, marketing, distribution and administration of mutual funds, segregated funds, structured products and other fee-earning investment products for Canadian investors. They are distributed primarily through brokers, independent financial planners and insurance advisors, including ACM and AFM financial advisors. CI operates through two business segments, Asset Management and Asset Administration. The Asset Management segment provides the majority of CI's income and derives its revenue principally from the fees earned on the management of several families of mutual, segregated, pooled and closed-end funds, structured products and discretionary accounts. The Asset Administration segment derives its revenue principally from commissions and fees earned on the sale of mutual funds and other financial products and ongoing service to clients.

The key performance indicator for the Asset Management segment is the level of assets under management ("AUM") and for the Asset Administration segment, it is the level of assets under administration ("AUA"). Assets Under Advisement are comprised of AUA and assets held by clients of advisors with Stonegate Private Counsel. Total assets are comprised of AUM and Assets Under Advisement. CI's AUM and AUA are driven by the gross sales and redemptions of investment products and fund performance. As most of CI's revenues and expenses are based on daily asset levels throughout the year, average assets for a particular period are critical to the analysis of CI's financial results. While some expenses, such as trailer fees, vary directly with the level of AUM, about half of CI's expenses do not. In particular, the amount of amortization of deferred sales commissions depends on the amount of sales commissions paid on deferred load fund sales over the past seven years and the redemptions of those funds. Over the long term, CI manages the level of its discretionary spend within SG&A expenses to be consistent with or below the growth in its average AUM.

CI uses several performance indicators to assess its results. These indicators are described throughout the results of operations and the discussion of the two operating segments and include the following measures prescribed by IFRS: net income and earnings per share; and measures not prescribed by IFRS: pre-tax operating earnings, EBITDA, EBITDA margin, dealer gross margin, net debt, operating cash flow, free cash flow, asset management margin, and SG&A efficiency margin. Descriptions of these non-IFRS measures and reconciliations to IFRS are provided below.

## NON-IFRS MEASURES

### EBITDA AND EBITDA MARGIN

CI uses EBITDA (earnings before interest, taxes, depreciation and amortization), net of non-controlling interest and non-recurring items, to assess its underlying profitability prior to the impact of its financing structure, income taxes and the amortization of deferred sales commissions ("DSC"), intangibles and other. This permits comparisons of companies within the industry, normalizing for different financing methods, levels of taxation and mix of business between front-end load funds and deferred load funds under management. EBITDA is a measure of operating performance, a facilitator for valuation and a proxy for cash flow.

**TABLE 2: EBITDA AND EBITDA MARGIN**

	Quarter ended Sep. 30, 2015	Quarter ended Jun. 30, 2015	Quarter ended Sep. 30, 2014	Nine months ended Sep. 30, 2015	Nine months ended Sep. 30, 2014
<i>[millions of dollars, except per share amounts]</i>					
Net Income	142.8	139.2	135.0	425.6	384.9
Add:					
Interest expense	3.5	3.4	4.6	10.1	13.7
Provision for income taxes	52.7	53.5	50.0	155.4	142.4
Amortization of deferred sales commissions	34.8	36.0	37.9	107.4	114.5
Amortization of intangibles	1.1	1.1	1.1	6.3	3.7
Amortization and depreciation of other	2.2	2.1	2.1	6.2	6.1
Provision for future legal costs	—	4.8	—	8.8	—
Fair value adjustment to contingent consideration	—	—	—	(7.5)	—
Non-controlling interest	—	(0.2)	0.1	(0.1)	(0.9)
<b>EBITDA</b>	<b>237.0</b>	<b>239.8</b>	<b>230.8</b>	<b>712.2</b>	<b>664.5</b>
EBITDA per share	0.85	0.86	0.81	2.55	2.34
Total revenue	499.0	504.2	480.6	1,504.2	1,391.0
Less:					
Fair value adjustment to contingent consideration	—	—	—	7.5	—
	499.0	504.2	480.6	1,496.7	1,391
<b>EBITDA margin</b>	<b>47.5%</b>	<b>47.6%</b>	<b>48.0%</b>	<b>47.6%</b>	<b>47.8%</b>

### NET DEBT

CI calculates net debt as long-term debt (including the current portion) less cash and marketable securities net of cash required for regulatory purposes and non-controlling interests. Net debt is a measure of leverage and CI uses this measure to assess its financial flexibility.

## MANAGEMENT'S DISCUSSION & ANALYSIS

**TABLE 3: NET DEBT**

<i>[millions of dollars]</i>	As at Sep. 30, 2015	As at Dec. 31, 2014
Current portion of long-term debt	25.5	2.0
Long-term debt	410.1	305.4
	435.6	307.4
Less:		
Cash and short-term investments	56.4	51.2
Marketable securities	74.7	83.7
Add:		
Regulatory capital and non-controlling interests	17.2	12.8
<b>Net Debt</b>	<b>321.7</b>	<b>185.2</b>

### PRE-TAX OPERATING EARNINGS

CI defines pre-tax operating earnings as net income plus amortization of deferred sales commissions and intangibles and income taxes, less redemption fee revenue, non-recurring items, performance fees, investment gains, and non-controlling interest. This adjusts for non-core items and removes the impact of financing deferred load AUM. CI uses pre-tax operating earnings to assess its underlying profitability.

**TABLE 4: PRE-TAX OPERATING EARNINGS**

<i>[millions of dollars, except per share amounts]</i>	Quarter ended Sep. 30, 2015	Quarter ended Jun. 30, 2015	Quarter ended Sep. 30, 2014	Nine months ended Sep. 30, 2015	Nine months ended Sep. 30, 2014
Net Income	142.8	139.2	135.0	425.6	384.9
Add:					
Amortization of deferred sales commissions	34.8	36.0	37.9	107.4	114.5
Amortization of intangibles	1.1	1.1	1.2	6.3	3.6
Provision for income taxes	52.7	53.5	50.0	155.4	142.4
Provision for future legal costs	—	4.8	—	8.8	—
Less:					
Redemption fees	4.6	4.9	4.8	14.8	15.4
Performance fees	—	—	—	0.2	—
Fair value adjustment to contingent consideration	—	—	—	7.5	—
Gain on marketable securities	1.7	1.0	0.3	5.5	0.4
Non-controlling interest	—	0.2	(0.1)	0.1	0.9
<b>Pre-tax operating earnings</b>	<b>225.0</b>	<b>228.5</b>	<b>219.0</b>	<b>675.5</b>	<b>628.8</b>
Pre-tax operating earnings per share	0.81	0.82	0.77	2.41	2.21

## DEALER GROSS MARGIN

CI monitors its operating profitability on the revenues earned within its Asset Administration segment by measuring the dealer gross margin, which is calculated as administration fee revenue less investment dealer fees, divided by administration fee revenue. CI uses this measure to assess the margin remaining after the payout to advisors.

**TABLE 5: DEALER GROSS MARGIN**

	Quarter ended Sep. 30, 2015	Quarter ended Jun. 30, 2015	Quarter ended Sep. 30, 2014	Nine months ended Sep. 30, 2015	Nine months ended Sep. 30, 2014
<i>[millions of dollars]</i>					
Administration fees	73.2	75.7	70.2	222.8	207.0
Less:					
Investment dealer fees	60.0	61.9	56.8	182.2	166.9
	13.2	13.8	13.4	40.6	40.1
<b>Dealer gross margin</b>	<b>18.1%</b>	<b>18.2%</b>	<b>19.2%</b>	<b>18.2%</b>	<b>19.4%</b>

## OPERATING CASH FLOW AND FREE CASH FLOW

CI measures its operating cash flow before the change in operating assets and liabilities and the actual cash amount paid for interest and income taxes, as these items often distort the cash flow generated during the period. Operating assets and liabilities are affected by seasonality, interest is primarily paid semi-annually, and tax instalments paid may differ materially from the cash tax accrual.

Free cash flow is calculated as operating cash flow less sales commissions paid and CI uses this measure, among others, when determining how to deploy capital.

## MANAGEMENT'S DISCUSSION & ANALYSIS

**TABLE 6: OPERATING CASH FLOW AND FREE CASH FLOW**

<i>[millions of dollars]</i>	Quarter ended Sep. 30, 2015	Quarter ended Jun. 30, 2015	Quarter ended Sep. 30, 2014	Nine months ended Sep. 30, 2015	Nine months ended Sep. 30, 2014
Cash provided by operating activities	180.6	174.1	200.8	500.6	515.4
Add:					
Income taxes paid	56.7	50.8	41.6	191.4	144.3
Interest paid	0.7	6.0	—	7.1	9.2
Less:					
Net change in operating assets and liabilities	58.4	56.0	69.5	169.7	163.1
<b>Operating cash flow</b>	<b>179.6</b>	<b>174.9</b>	<b>172.9</b>	<b>529.5</b>	<b>505.7</b>
Less:					
Sales commissions paid	18.8	23.8	24.9	74.6	96.6
<b>Free cash flow</b>	<b>160.8</b>	<b>151.1</b>	<b>148.0</b>	<b>454.9</b>	<b>409.1</b>

### ASSET MANAGEMENT MARGIN

CI assesses the overall performance of the asset management segment using a trailing 12-month asset management margin, where amortization of DSC, trailer fees, and SG&A expenses are deducted from management fees, measured as a percentage of management fees. This margin removes any distortion caused by other revenues and expenses, eliminates the financing impact of back-end load funds because it is net of trailer fees and DSC, and it also eliminates revenue mix variances because it is measured as a percentage of management fees and not average AUM. Using a trailing 12-month margin eliminates any seasonality associated with spending on SG&A expenses.

**TABLE 7: ASSET MANAGEMENT MARGIN**

<i>[millions of dollars – trailing 12 months]</i>	Sep. 30, 2015	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Sep. 30, 2014
Management fees	1,771.6	1,752.9	1,714.6	1,669.1	1,622.7
Less:					
Amortization of DSC	148.6	151.7	154.0	155.7	156.9
Trailer fees	571.5	563.7	549.9	533.4	516.3
<b>Net management fees</b>	<b>1,051.5</b>	<b>1,037.4</b>	<b>1,010.7</b>	<b>980.0</b>	<b>949.5</b>
Less:					
SG&A	297.1	291.6	285.1	279.2	275.6
	754.4	745.9	725.6	700.8	673.9
<b>Asset management margin</b>	<b>42.6%</b>	<b>42.6%</b>	<b>42.3%</b>	<b>42.0%</b>	<b>41.5%</b>

## MANAGEMENT'S DISCUSSION & ANALYSIS

### SG&A EFFICIENCY MARGIN

CI uses a trailing 12-month SG&A efficiency margin to assess its ability to control costs relative to management fees earned, net of amortization of DSC and trailer fees, which are not controllable by CI. SG&A expenses are subtracted from these net management fees and measured as a percentage of net management fees. Using a trailing 12-month margin eliminates any seasonality associated with spending on SG&A expenses.

**TABLE 8: SG&A EFFICIENCY MARGIN**

<i>[millions of dollars – trailing 12 months]</i>	Sep. 30, 2015	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Sep. 30, 2014
Management fees	1,771.6	1,752.9	1,714.6	1,669.1	1,622.7
Less:					
Amortization of DSC	148.6	151.7	154.0	155.7	156.9
Trailer fees	571.5	563.7	549.9	533.4	516.3
<b>Net management fees</b>	<b>1,051.5</b>	<b>1,037.4</b>	<b>1,010.7</b>	<b>980.0</b>	<b>949.5</b>
Less:					
SG&A	297.1	291.6	285.1	279.2	275.6
	754.4	745.9	725.6	700.8	673.9
<b>SG&amp;A efficiency margin</b>	<b>71.7%</b>	<b>71.9%</b>	<b>71.8%</b>	<b>71.5%</b>	<b>71.0%</b>

### ASSETS AND SALES

CI is the third-largest investment fund company in Canada with AUM of \$105.3 billion and assets under advisement of \$33.2 billion at September 30, 2015, as shown in Table 9. The increases of 4% and 6% were primarily due to market performance and net sales of funds. Total assets, which include mutual, segregated and hedge funds, separately managed accounts, structured products, pooled assets and assets under advisement, were \$138.5 billion at September 30, 2015, an increase of 5% from \$132.1 billion at September 30, 2014.

**TABLE 9: TOTAL ASSETS**

<i>[billions of dollars]</i>	As at September 30, 2015	As at September 30, 2014	% change
Assets under management	105.3	100.8	4
Assets under advisement <sup>1</sup>	33.2	31.3	6
<b>Total assets</b>	<b>138.5</b>	<b>132.1</b>	<b>5</b>

<sup>1</sup> Includes \$19.8 billion and \$17.8 billion of managed by CI and held by clients of advisors with Assante and Stonegate in 2015 and 2014, respectively.

## MANAGEMENT'S DISCUSSION & ANALYSIS

The change in AUM during each of the past five quarters is detailed in Table 10. Fund performance of 1% contributed \$0.9 billion of the \$4.5 billion increase in AUM from \$100.8 billion at the end of September 2014 and net sales were \$3.6 billion. Ending AUM for the third quarter was down 3.3% from the end of the second quarter. CI's average AUM in the third quarter of 2015 increased 7.4% from the same period in 2014 and decreased 1.1% from the prior quarter.

**TABLE 10: CHANGE IN AVERAGE ASSETS UNDER MANAGEMENT**

<i>[billions of dollars]</i>	Quarter ended Sep. 30, 2015	Quarter ended Jun. 30, 2015	Quarter ended Mar. 31, 2015	Quarter ended Dec. 31, 2014	Quarter ended Sep. 30, 2014
Assets under management, beginning	108.839	109.137	102.886	100.810	99.882
Gross sales	3.068	4.207	4.504	3.453	3.042
Redemptions	2.636	2.719	3.292	2.942	2.340
Net sales	0.431	1.488	1.212	0.511	0.702
Fund performance	(3.974)	(1.786)	5.039	1.565	0.226
Assets under management, ending	105.296	108.839	109.137	102.886	100.810
Average assets under management for the quarter	108.541	109.750	106.531	101.120	101.016

## RESULTS OF OPERATIONS

### QUARTER ENDED SEPTEMBER 30, 2015

For the quarter ended September 30, 2015, CI reported net income attributable to shareholders of \$142.8 million (\$0.51 per share) versus \$135.1 million (\$0.48 per share) for the quarter ended September 30, 2014 and \$138.9 million (\$0.50 per share) for the quarter ended June 30, 2015. The second quarter of 2015 included a \$4.8 million (\$3.5 million after tax) provision for a legal settlement. Net income adjusted for this item was \$142.4 million (\$0.51 per share) in the quarter ended June 30, 2015. All further discussion of earnings measures in this document are assumed to adjust for the above item where this will assist in a comparison of results across reporting periods. Net income for the quarter ended September 30, 2015 was up 0.3% from the quarter ended June 30, 2015 and up 5.7% year over year. Average assets under management for the third quarter of 2015 were down 1.1% from the second quarter of 2015 and up 7.4% from the third quarter of 2014.

For the third quarter of 2015, CI recorded \$52.7 million in income tax expense for an effective tax rate of 26.9% compared to \$50.0 million in the third quarter of 2014 for an effective tax rate of 27.0%. Income tax expense in the second quarter of 2015 was \$53.5 million, for an effective tax rate of 27.8%. The higher effective tax rate for the second quarter of 2015 reflects a \$0.8 million write-off of a deferred tax asset that had previously been recorded in a subsidiary, which impacted the effective tax rate by 0.4% in the quarter, as well as variations in the level of non-deductible items and items taxed as capital gains. CI's statutory tax rate for 2015 is 26.5%.

## MANAGEMENT'S DISCUSSION & ANALYSIS

Total revenues increased 3.8% in the third quarter of 2015 to \$499.0 million compared with \$480.6 million in the same period in 2014. The main contributor to this change was the 4.3% increase in management fee revenues as average AUM rose 7.4%. Assante's revenues net of intercompany eliminations decreased 0.6%, representing the administration fee revenue from third-party fund companies. On a quarter-over-quarter basis, total revenues decreased 1.0% from \$504.2 million in the second quarter of 2015 as average AUM decreased 1.1% and management fee revenues decreased 1.0%. Assante administration fee revenues, net of intercompany eliminations, decreased 4.7% from the prior quarter.

SG&A expenses for the third quarter of 2015 were \$92.9 million, up 7.8% from \$86.2 million for the same period in 2014 – an increase that was in line with the 7.4% growth in average AUM. This level of spend is a 1.2% increase from \$91.8 million in the second quarter of 2015. Included in SG&A expenses are portfolio management fees, which are largely driven by the level of average AUM; however, CI has also added staff to its in-house portfolio management teams and increased the amount of discretionary spend on sales and marketing. The level of SG&A expenses, as an annualized percentage of average AUM, grew to 34.0 basis points from 33.8 basis points in the third quarter of 2014 and from 33.6 basis points in the second quarter of 2015.

Amortization of deferred sales commissions was \$34.8 million in the third quarter of 2015, a decrease from \$37.9 million in the third quarter of 2014 and a decrease from \$36.0 million in the second quarter of 2015. The trend of lower amortization expense is consistent with the trend of reduced spending on deferred sales commissions in recent years as a smaller proportion of sales have been deferred load funds versus front-end load funds.

Interest expense of \$3.5 million was recorded for the quarter ended September 30, 2015 compared with \$4.6 million for the quarter ended September 30, 2014 and \$3.4 million for the quarter ended June 30, 2015. The changes in interest expense reflect the changes in average debt levels, as discussed under “Liquidity and Capital Resources.”

As discussed in the “Non-IFRS Measures” section and as set out in Table 4, pre-tax operating earnings were \$225.0 million (\$0.81 per share) in the third quarter of 2015, an increase of 2.7% from the same quarter of 2014 and down 1.5% from the prior quarter. These changes primarily reflect the change in average AUM, which was up 7.4% from the third quarter of 2014 and down 1.1% from the prior quarter, as well as an increase in the proportion of assets in high net worth products and separately managed accounts.

EBITDA for the quarter ended September 30, 2015 was \$237.0 million (\$0.85 per share), up 2.7% from \$230.8 million (\$0.81 per share) for the quarter ended September 30, 2014 and down 1.2% from \$239.8 million (\$0.86 per share) for the quarter ended June 30, 2015. The changes in quarterly EBITDA generally reflect the changes in average assets under management, offset by the impact of the change in asset mix. EBITDA margin for the third quarter of 2015 was 47.5%, down slightly from both 48.0% in the third quarter of 2014 and 47.6% in the prior quarter. For detailed calculations and reconciliations of net income to EBITDA, refer to the “Non-IFRS Measures” section and Table 2.



## ASSET MANAGEMENT SEGMENT

The Asset Management segment is CI's principal business segment and includes the operating results and financial position of CI Investments and CIPC. Table 11 presents the operating results for the Asset Management segment.

**TABLE 11: RESULTS OF OPERATIONS – ASSET MANAGEMENT SEGMENT**

<i>[millions of dollars]</i>	Quarter ended Sep. 30, 2015	Quarter ended Jun. 30, 2015	Quarter ended Sep. 30, 2014	Nine months ended Sep. 30, 2015	Nine months ended Sep. 30, 2014
Management fees	449.4	453.8	430.7	1,343.1	1,240.7
Other revenue	8.5	6.8	8.7	34.4	29.1
<b>Total revenue</b>	<b>457.9</b>	<b>460.6</b>	<b>439.4</b>	<b>1,377.5</b>	<b>1,269.8</b>
Selling, general and administrative	76.4	75.3	70.8	225.9	207.9
Trailer fees	145.7	146.6	138.0	434.1	396.0
Amortization of deferred sales commissions and intangibles	36.3	37.4	39.5	114.8	119.3
Other expenses	2.5	1.8	2.4	10.6	7.7
<b>Total expenses</b>	<b>260.9</b>	<b>261.1</b>	<b>250.7</b>	<b>785.3</b>	<b>730.9</b>
Non-controlling interest	(0.1)	0.1	(0.1)	(1.2)	0.9
Income before taxes and non-segmented items	197.0	199.4	188.8	593.3	538.0

### QUARTER ENDED SEPTEMBER 30, 2015

#### Revenues

Revenues from management fees were \$449.4 million for the quarter ended September 30, 2015, an increase of 4.3% from \$430.7 million for the quarter ended September 30, 2014 and a decrease of 1.0% from \$453.8 million for the quarter ended June 30, 2015. The changes were mainly attributable to the levels of average assets under management, which were up 7.4% and down 1.1% from the quarters ended September 30, 2014 and June 30, 2015, respectively. The impact of one extra day in the third quarter compared to the second quarter was offset by the change in the average management fee received. The average management fee rate, as a percentage of average AUM, declined from 1.691% in the third quarter of 2014 and 1.659% in the second quarter of 2015 to 1.643% in the third quarter of 2015 as a result of the change in asset mix to a higher proportion of Class F, separately managed accounts and high net worth products that generally pay a lower management fee than Class A funds.

The asset management margin for the 12-month period ended September 30, 2015 was 42.6%, unchanged from the 12-month period ended June 30, 2015 and an increase from 41.5% in the 12-month period ended September 30, 2014. The year-over-year increase is primarily due to lower SG&A spend relative to management fee revenue. The asset management margin for the third quarter of 2015 was 42.6%, compared to 42.5% in the third quarter of 2014. Calculations and definitions of asset management margin can be found in the “Non-IFRS Measures” section and in Table 7.

For the quarter ended September 30, 2015, other revenue was \$8.5 million versus \$8.7 million and \$6.8 million for the quarters ended September 30, 2014 and June 30, 2015, respectively. The largest component of other revenue is redemption fees, which were \$4.6 million for the quarter ended September 30, 2015 compared with \$4.9 million each for the quarters ended September 30, 2014 and June 30, 2015. The third quarter of 2015 included a \$1.7 million gain on the sale of marketable securities, compared to a gain of \$1.0 million in the previous quarter and \$0.3 million in the third quarter of 2014.

### Expenses

SG&A expenses for the Asset Management segment were \$76.4 million for the quarter ended September 30, 2015, a 7.9% increase from \$70.8 million for the third quarter in 2014 and up 1.5% from \$75.3 million for the quarter ended June 30, 2015. As a percentage of average AUM, SG&A expenses were 0.279% for the quarter ended September 30, 2015, up from 0.278% for the quarter ended September 30, 2014 and 0.275% in the quarter ended June 30, 2015. The rate of increase in spend year over year was slightly greater than the change in average AUM as CI continued to invest in sales initiatives and portfolio management.

Another measure that CI uses to assess its ability to control spending is the SG&A efficiency margin, as discussed in the “Non-IFRS Measures” section and as set out in Table 8. CI's current quarter SG&A efficiency margin has decreased to 71.5% compared to 72.1% in the third quarter of last year, and the current trailing 12-month SG&A efficiency margin of 71.7% has increased from 71.0% in the same period in 2014 as CI has spent a declining proportion of the amount available after deducting trailer fees and amortization of DSC from management fees, continuing its prudent deployment of earnings to support the growth of the business.

Trailer fees were \$145.7 million for the quarter ended September 30, 2015, up 5.6% from \$138.0 million for the quarter ended September 30, 2014 and down 0.6% from \$146.6 million for the quarter ended June 30, 2015. Net of inter-segment amounts, this expense was \$139.6 million for the quarter ended September 30, 2015 versus \$132.3 million for the third quarter of 2014 and \$140.5 million for the second quarter of 2015. These changes primarily reflect the increase in average assets under management, and the impact of one extra day in the third quarter compared to the second quarter. Trailer fees when measured as a percentage of AUM have declined because the trend towards fee-based accounts, which have no trailer fee, has outweighed the trend towards front-end products, which have a higher trailer fee.

Amortization of deferred sales commissions and intangibles before inter-segment eliminations was \$36.3 million for the quarter ended September 30, 2015, down from \$39.5 million in the same quarter a year ago and down from \$37.4 million in the previous quarter. The decline in amortization expense over the comparable periods is consistent with the decline in deferred sales commissions paid in recent years.

Other expenses for the quarter ended September 30, 2015 were \$2.5 million, compared to \$1.8 million in the second quarter and \$2.4 million in the third quarter of last year.

## MANAGEMENT'S DISCUSSION & ANALYSIS

Income before taxes and non-segmented items for CI's principal segment was \$197.0 million for the quarter ended September 30, 2015, up 4.3% from \$188.8 million in the same period in 2014 and down 1.2% from \$199.4 million in the previous quarter. Income has increased slightly less than average assets under management year over year due to the decline in the average management fee rate, which has been partially mitigated by the decline in amortization of deferred sales commissions.

### ASSET ADMINISTRATION SEGMENT

The Asset Administration segment includes the operating results and financial position of AWM and its subsidiaries. Table 12 presents the operating results for the Asset Administration segment.

**TABLE 12: RESULTS OF OPERATIONS – ASSET ADMINISTRATION SEGMENT**

<i>[millions of dollars]</i>	Quarter ended Sep 30, 2015	Quarter ended Jun. 30, 2015	Quarter ended Sep. 30, 2014	Nine months ended Sep. 30, 2015	Nine months ended Sep. 30, 2014
Administration fees	73.2	75.7	70.2	222.8	207.0
Other revenue	5.1	5.8	5.1	16.7	15.2
<b>Total revenue</b>	<b>78.3</b>	<b>81.5</b>	<b>75.3</b>	<b>239.5</b>	<b>222.2</b>
Selling, general and administrative	16.6	16.5	15.4	49.7	46.8
Investment dealer fees	60.0	61.9	56.8	182.2	166.9
Amortization of intangibles	0.6	0.5	0.5	1.7	1.7
Other expenses	(0.4)	6.1	2.0	7.7	4.7
<b>Total expenses</b>	<b>76.7</b>	<b>85.1</b>	<b>74.7</b>	<b>241.2</b>	<b>220.1</b>
Income before taxes and non-segmented items	1.7	(3.6)	0.6	(1.7)	2.1

### QUARTER ENDED SEPTEMBER 30, 2015

#### Revenues

Administration fees were \$73.2 million for the quarter ended September 30, 2015, an increase of 4.3% from \$70.2 million for the same period a year ago and a decrease of 3.3% from the prior quarter. The change in administration fees is primarily attributable to the change in AUA, which went from \$29.2 billion on September 30, 2014 to \$31.5 billion on June 30, 2015 and \$30.7 billion on September 30, 2015. Net of inter-segment amounts, administration fee revenue was \$36.0 million for the quarter ended September 30, 2015, down from \$36.2 million for the quarter ended September 30, 2014 and down from \$37.8 million in the previous quarter, as the proportion of administration fee revenue received from the Asset Management segment continues to increase.

Other revenues earned by the Asset Administration segment are mainly comprised of non-advisor-related activities. For the quarter ended September 30, 2015, other revenues were \$5.1 million, unchanged from \$5.1 million for the third quarter of 2014 and down from \$5.8 million in the second quarter of 2015.

### Expenses

Investment dealer fees were \$60.0 million for the quarter ended September 30, 2015 compared to \$56.8 million for the third quarter of 2014 and \$61.9 million for the quarter ended June 30, 2015.

As discussed in the “Non-IFRS Measures” section of this MD&A and as set out in Table 5, dealer gross margin was \$13.2 million or 18.1% of administration fee revenue for the quarter ended September 30, 2015 compared to \$13.4 million or 19.2% for the third quarter of 2014 and \$13.8 million or 18.2% for the previous quarter. The changes in gross margin from the comparable quarters correspond primarily to the level of payout to financial advisors on their 12-month rolling administration fee revenues. The advisor payout rate generally increases as their 12-month rolling administration fee revenue increases.

SG&A expenses for the segment were \$16.6 million for the quarter ended September 30, 2015 compared to \$15.4 million in the third quarter of 2014 and \$16.5 million in the second quarter of 2015. The change in SG&A expenses is largely attributable to the level of discretionary spend each quarter.

The Asset Administration segment had income before taxes and non-segmented items of \$1.7 million for the quarter ended September 30, 2015, compared to income of \$0.6 million for the third quarter of 2014 and a loss of \$3.6 million for the prior quarter. The increase from the quarter ended June 30, 2015 is mainly due to a legal settlement included in other expenses for that quarter.

### LIQUIDITY AND CAPITAL RESOURCES

CI generated \$529.5 million of operating cash flow in the nine months ended September 30, 2015, up \$23.8 million from \$505.7 million for the same period of 2014. As detailed in Table 13, free cash flow was \$454.9 million in the nine months ended September 30, 2015, up 11% from \$409.1 million in the same period of 2014. Calculations of both measures and reconciliations to cash flow from operations are provided in the “Non-IFRS Measures” section, and set out in Table 6.

CI's main uses of capital are the financing of deferred sales commissions, the payment of dividends on its shares, the funding of capital expenditures and the repurchase of shares through its normal course issuer bid. At current levels of cash flow and anticipated dividend payout rates, CI produces sufficient cash to meet its obligations and pay down debt.

## MANAGEMENT'S DISCUSSION & ANALYSIS

**TABLE 13: SUMMARY OF CASH FLOWS**

<i>[millions of dollars]</i>	Nine months ended Sep. 30, 2015	Nine months ended Sep. 30, 2014
Operating Cash Flow	529.5	505.7
Less:		
Deferred sales commissions paid	74.6	96.6
Free cash flow	454.9	409.1
Less:		
Marketable securities, net	(10.9)	3.2
Capital expenditures	1.8	2.1
Share repurchases	187.6	70.0
Dividends paid	270.8	249.2
Debt repaid / (drawn)	(128.0)	—
Working capital and other items	128.5	(5.5)
	449.8	319.0
Net change in cash	5.1	90.1
Cash at January 1	51.2	118.8
Cash at September 30	56.4	208.9

The only aspects of seasonality to CI's cash flows are that one-third of deferred sales commissions are typically paid out in the first quarter and the balance of cash, income taxes and incentive compensation are paid at the end of February. This may cause cash flow fluctuations from quarter to quarter of up to \$75 million.

CI paid deferred sales commissions of \$74.6 million in the first nine months of 2015 compared to \$96.6 million in the first nine months of last year. The decrease in deferred sales commissions paid compared to the prior year is a result of the trend towards lower sales of deferred load funds.

CI invested \$11.9 million in marketable securities in the first nine months of 2015. During the same period, CI received proceeds of \$22.8 million from the disposition of marketable securities, resulting in a gain of \$5.5 million. The fair value of marketable securities at September 30, 2015 was \$74.7 million. Marketable securities are comprised of seed capital investments in its funds and strategic investments.

During the nine months ended September 30, 2015, CI incurred capital expenditures of \$1.8 million, down from \$2.1 million in the first nine months of 2014. These related primarily to leasehold improvements and investments in technology.

During the first nine months of 2015, CI repurchased 5.6 million shares under its normal course issuer bid at a total cost of \$187.6 million or \$33.52 per share. CI paid dividends of \$270.8 million, which represented 64% of net income and 60% of free cash flow for the first nine months. CI's most recent dividend payments were \$0.11 per share per month, or approximately \$364.8 million per fiscal year.

CI's working capital and other items increased \$128.5 million in the first nine months of 2015 (a decrease of \$5.5 million in 2014), primarily due to \$93.9 million being placed on account with the CRA in conjunction with the filing of a notice of objection.

## MANAGEMENT'S DISCUSSION & ANALYSIS

The statement of financial position for CI at September 30, 2015 reflects total assets of \$3.103 billion, an increase of \$87 million from \$3.016 billion at December 31, 2014. This change can be attributed primarily to the funds on deposit with the CRA as discussed above, as well as to other developments outlined in the following discussion of significant balance sheet assets.

CI's cash and cash equivalents increased by \$5.1 million in the first nine months of 2015, as operating cash flows plus the amount of drawn debt exceeded the outlay for new investments in deferred sales commissions and capital assets, dividends paid, and the repurchase of shares. Marketable securities decreased by \$9.0 million on the net redemption of \$10.9 million in securities and unrealized gains recorded as a result of positive market performance. Accounts receivable and prepaid expenses increased by \$8.1 million to \$107.0 million, in conjunction with the growth in accrued fee revenues at CI Investments and AWM.

Deferred sales commissions decreased \$32.9 million to \$368.5 million as a result of the \$107.4 million in amortization expense offset by the \$74.6 million in sales commissions paid. Capital assets decreased \$4.2 million during the nine month period as a result of \$6.0 million amortized during the year offset by \$1.8 million in capital additions.

Total liabilities increased by \$119 million during the first nine months of 2015 to \$1.229 billion at September 30, 2015. The primary contributors to this change were a \$128 million increase in long-term debt and a \$26 million increase in client and trust funds payable, offset by a \$28 million decrease in income taxes payable.

At September 30, 2015, CI was in a negative working capital position, which has typically been the case when there is a significant current balance of long-term debt. However, this may also occur when CI has paid down its debt and has less cash on hand because CI receives the majority of its management fee revenues daily, whereas its significant expenses are accrued and paid subsequent to the period-end. There is minimal impact to CI as there has been sufficient cash on hand and availability of CI's credit facility to meet cash flow requirements.

At September 30, 2015, CI had drawn \$136 million against its \$350 million credit facility. Principal repayments on any drawn amounts are only required should the bank decide not to renew the facility on its anniversary, in which case 6.25% of the principal would be repaid at each calendar quarter-end, with the balance payable at the end of the credit facility term (March 11, 2018). These payments would be payable beginning March 31, 2016 should the bank not renew the facility.

At September 30, 2015, CI had \$300 million in outstanding debentures at an interest rate of 3.94% with a carrying value of \$299.6 million, essentially unchanged from December 31, 2014. Net debt, as discussed in the "Non-IFRS Measures" section and as set out in Table 3, was \$321.7 million at September 30, 2015, up from \$185.2 million at December 31, 2014. This increase is primarily due to the change in CI's working capital and other items, as discussed above, as well as an increase in share repurchases, offset by an increase in free cash flow and a decline in the cash balance at September 30, 2015 compared to December 31, 2014. The average debt level for the nine months ended September 30, 2015 was approximately \$366 million, compared to \$500 million for the same period last year.

CI's ratio of debt to EBITDA and net debt to EBITDA are 0.5 to 1 and 0.3 to 1, respectively, giving CI significant financial flexibility for future debt financing. CI's intention is to not let the ratio of debt to EBITDA move lower as it is expected that free cash flow will be returned to shareholders. CI is within its financial covenants with respect to its credit facility, which requires that the debt to EBITDA ratio remain below 2.5 to 1, and assets under management not fall below \$60 billion, based on a rolling 30-day average.

Shareholders' equity was \$1.871 billion at September 30, 2015, a decrease of \$31.8 million during the first nine months of 2015, which approximates net income less dividends and share repurchases.

### RISK MANAGEMENT

There is risk inherent in the conduct of a wealth management business. Some factors which introduce or exacerbate risk are within the control of management and others are, by their nature, outside of direct control but must still be managed. Effective risk management is a key component to achieving CI's business objectives. It is an on-going process involving the Board of Directors, management and other personnel. Management has developed an enterprise wide approach to risk management that involves executives in each core business unit and operating area of CI. These executives identify and evaluate risks, applying both a quantitative and a qualitative analysis and then assess the likelihood of occurrence of a particular risk event. They then identify mitigating factors or strategies and a course for implementing mitigation procedures to bring each risk event to an acceptable risk level.

### MARKET RISK

Market risk is the risk of a financial loss resulting from adverse changes in underlying market factors, such as interest rates, foreign exchange rates, and equity and commodity prices. A description of each component of market risk is described below:

- Interest rate risk is the risk of gain or loss due to the volatility of interest rates.
- Foreign exchange rate risk is the risk of gain or loss due to volatility of foreign exchange rates.
- Equity risk is the risk of gain or loss due to the changes in prices and volatility of individual equity instruments and equity indexes.

CI's financial performance is indirectly exposed to market risk. Any decline in financial markets or lack of sustained growth in such markets may result in a corresponding decline in performance and may adversely affect CI's assets under management, management fees and revenues, which would reduce cash flow to CI and ultimately impact CI's ability to pay dividends.

### ASSET MANAGEMENT SEGMENT

CI is subject to market risk throughout its Asset Management business segment. The following is a description of how CI mitigates the impact this risk has on its financial position and operating earnings.

Management of market risk within CI's assets under management is the responsibility of the Chief Operating Officer, with the assistance of the Chief Compliance Officer. CI has a control environment that ensures risks are reviewed regularly and that risk controls throughout CI are operating in accordance with regulatory requirements. CI's compliance group carefully reviews the exposure to interest rate risk, foreign currency risk and equity risk. When a particular market risk is identified, portfolio managers of the funds are directed to mitigate the risk by reducing their exposure.

At September 30, 2015, approximately 29% of CI's assets under management were held in fixed-income securities, which are exposed to interest rate risk. An increase in interest rates causes market prices of fixed-income securities to fall, while a decrease in interest rates causes market prices to rise. CI estimates that a 50 basis point change in interest rates would cause a change of about \$7 million in annual pre-tax earnings in the Asset Management segment.

At September 30, 2015, about 52% of CI's assets under management were based in Canadian currency, which diminishes the exposure to foreign exchange risk. However, at the same time, approximately 26% of CI's assets under management were based in U.S. currency. Any change in the value of the Canadian dollar relative to U.S. currency will cause fluctuations in CI's assets under management upon which CI's management fees are calculated. CI estimates that a 10% change in Canadian/U.S. exchange rates would cause a change of about \$26 million in the Asset Management segment's annual pre-tax earnings.

About 57% of CI's assets under management were held in equity securities at September 30, 2015, which are subject to equity risk. Equity risk is classified into two categories: general equity risk and issuer-specific risk. CI employs internal and external fund managers to take advantage of these individuals' expertise in particular market niches, sectors and products and to reduce issuer-specific risk through diversification. CI estimates that a 10% change in the prices of equity indexes would cause a change of about \$57 million in annual pre-tax earnings.

### ASSET ADMINISTRATION SEGMENT

CI's Asset Administration business is exposed to market risk. The following is a description of how CI mitigates the impact this risk has on its financial position and results of operations.

Risk management for administered assets is the responsibility of the Chief Compliance Officer and senior management. Responsibilities include ensuring policies, processes and internal controls are in place and in accordance with regulatory requirements. CI's internal audit department reviews CI's adherence to these policies and procedures.

CI's operating results are not materially exposed to market risk impacting the asset administration segment given that this segment usually generates less than 1% of the total income before non-segmented items (this segment had a gain of \$1.7 million before income taxes and non-segmented items for the quarter ended September 30, 2015). Investment advisors regularly review their client portfolios to assess market risk and consult with clients to make appropriate changes to mitigate it. The effect of a 10% change in any component of market risk (comprised of interest rate risk, foreign exchange risk and equity risk) would have resulted in a change of less than \$2 million to the Asset Administration segment's annual pre-tax earnings.

### CREDIT RISK

Credit risk is the risk of loss associated with the inability of a third party to fulfill its payment obligations. CI is exposed to the risk that third parties that owe it money, securities or other assets will not perform their obligations. These parties include trading counterparties, customers, clearing agents, exchanges, clearing houses and other financial intermediaries, as well as issuers whose securities are held by CI. These parties may default on their obligations due to bankruptcy, lack of liquidity, operational failure or other reasons. CI does not have significant exposure to any individual counterparty. Credit risk is mitigated by regularly monitoring the credit performance of individual counterparties and holding collateral where appropriate.



One of the primary sources of credit risk arises when CI extends credit to clients to purchase securities by way of margin lending. Margin loans are due on demand and are collateralized by the financial instruments in the client's account. CI faces a risk of financial loss in the event a client fails to meet a margin call if market prices for securities held as collateral decline and if CI is unable to recover sufficient value from the collateral held. The credit extended is limited by regulatory requirements and by CI's internal credit policy. Credit risk is managed by dealing with counterparties CI believes to be creditworthy and by actively monitoring credit and margin exposure and the financial health of the counterparties. CI has concluded that current economic and credit conditions have not significantly impacted its financial assets.

### LIQUIDITY RISK

Liquidity risk is the risk that CI may not be able to generate sufficient funds and within the time required in order to meet its obligations as they come due. While CI currently has access to financing, unfavourable market conditions may affect the ability of CI to obtain loans or make other arrangements on terms acceptable to CI.

### STRATEGIC RISKS

Strategic risks are risks that directly impact the overall direction of CI and the ability of CI to successfully implement proposed strategies. The key strategic risk is the risk that management fails to anticipate, and respond to changes in the business environment including demographic and competitive changes. CI's performance is directly affected by financial market and business conditions, including the legislation and policies of the governments and regulatory authorities having jurisdiction over CI's operations. These are beyond the control of CI; however, an important part of the risk management process is the ongoing review and assessment of industry and economic trends and changes. Strategies are then designed to mitigate the impact of any anticipated changes, including the introduction of new products and cost control strategies.

### DISTRIBUTION RISK

CI distributes its investment products through a number of distribution channels, including brokers, independent financial planners and insurance advisors. CI's access to these distribution channels is impacted by the strength of the relationship with certain business partners and the level of competition faced from the financial institutions that own those channels. While CI continues to develop and enhance existing relationships, there can be no assurance that CI will continue to enjoy the level of access that it has in the past, which would adversely affect its sales of investment products.

### OPERATIONAL RISKS

Operational risks are risks related to the actions, or failure in the processes, that support the business, including administration, information technology, product development and marketing. The administrative services provided by CI depend on software supplied by third-party suppliers. Failure of a key supplier, the loss of these suppliers' products, or problems or errors related to such products would have a material adverse effect on the ability of CI to provide these administrative services. Changes to the pricing arrangement with such third-party suppliers because of upgrades or other circumstances could have an adverse effect upon the profitability of CI. There can be no assurances that CI's systems will operate or that CI will be able to prevent an extended systems failure in the event of a subsystem component or software failure or in the event of an earthquake, fire or any other natural disaster, or a power or telecommunications failure. Any systems failure that causes interruptions in the operations of CI could have a material adverse effect on its business, financial condition and operating results. CI may also experience losses in connection with employee errors. Although expenses incurred by CI in connection with employee errors have not been significant in the past, there can be no assurances that these expenses will not increase in the future.

### INFORMATION TECHNOLOGY RISK

CI uses information technology and the internet to streamline business operations and to improve client and advisor experience. However, with the use of information technology and the internet, CI is exposed to information technology events that could potentially have an adverse impact on its business. These events could result in unauthorized access to sensitive information, theft and operational disruption. While CI is actively monitoring this risk and continues to develop controls to protect against cyber threats that are becoming more sophisticated and pervasive, it is possible that CI may not be able to fully mitigate the risk associated with information technology security.

### TAXATION RISK

CI is subject to various uncertainties concerning the interpretation and application of Canadian tax laws. If tax authorities disagree with CI's application of such tax laws, CI's profitability and cash flows could be adversely affected. CI Investments is considered a large case file by the Canada Revenue Agency and, as such, is subject to audit each year. There is a significant lag between the end of a fiscal year and when such audits are completed. Therefore, at any given time, several years may be open for audit and/or adjustment.

### COMPETITION

CI operates in a highly competitive environment, with competition based on a variety of factors, including the range of products offered, brand recognition, investment performance, business reputation, financing strength, the strength and continuity of institutional, management and sales relationships, quality of service, level of fees charged and level of commissions and other compensation paid. CI competes with a large number of mutual fund companies and other providers of investment products, investment management firms, broker-dealers, banks, insurance companies and other financial institutions. Some of these competitors have greater capital and other resources, and offer more comprehensive lines of products and services than CI. The trend toward greater consolidation within the investment management industry has increased the strength of a number of CI's competitors. Additionally, there are few barriers to entry by new investment management firms, and the successful efforts of new entrants have resulted in increased competition. CI's competitors seek to expand market share by offering different products and services than those offered by CI. While CI continues to develop and market new products and services, there can be no assurance that CI will maintain its current standing or market share, and that may adversely affect the business, financial condition or operating results of CI.

### REGULATORY AND LEGAL RISK

Certain subsidiaries of CI are heavily regulated in all jurisdictions where they carry on business. Laws and regulations applied at the national and provincial level generally grant governmental agencies and self-regulatory bodies broad administrative discretion over the activities of CI, including the power to limit or restrict business activities as well as impose additional disclosure requirements on CI products and services. Possible sanctions include the revocation or imposition of conditions on licenses to operate certain businesses, the suspension or expulsion from a particular market or jurisdiction of any of CI's business segments or its key personnel or financial advisors, and the imposition of fines and censures. It is also possible that the laws and regulations governing a subsidiary's operations or particular investment products or services could be amended or interpreted in a manner that is adverse to CI. To the extent that existing or future regulations affecting the sale or offering of CI's product or services or CI's investment strategies cause or contribute to reduced sales of CI's products or lower margins or impair the investment performance of CI's products, CI's aggregate assets under management and its revenues may be adversely affected.

Given the nature of CI's business, CI may from time to time be subject to claims or complaints from investors or others in the normal course of business. The legal risks facing CI, its directors, officers, employees or agents in this respect include potential liability for violations of securities laws, breach of fiduciary duty and misuse of investors' funds. Some violations of securities laws and breach of fiduciary duty could result in civil liability, fines, sanctions, or expulsion from a self-regulatory organization or the suspension or revocation of CI's subsidiaries' right to carry on their existing business. CI may incur significant costs in connection with such potential liabilities.

### CAPITAL RISK

Certain subsidiaries of CI are subject to minimum regulatory capital requirements. This may require CI to keep sufficient cash and other liquid assets on hand to maintain capital requirements rather than using them in connection with its business. Failure to maintain required regulatory capital by CI may subject it to fines, suspension or revocation of registration by the relevant securities regulator. A significant operating loss by a registrant subsidiary or an unusually large charge against regulatory capital could adversely affect the ability of CI to expand or even maintain its present level of business, which could have a material adverse effect on CI's business, results of operations, financial condition and prospects.

### KEY PERSONNEL RISK

The success of CI and its strategic focus is dependent to a significant degree upon the contributions of senior management. The loss of any of these individuals, or an inability to attract, retain and motivate sufficient numbers of qualified senior management personnel on the part of CI, could adversely affect CI's business. CI has not purchased any "key man" insurance with respect to any of its directors, officers or key employees and has no current plans to do so.

The success of CI is also dependent upon, among other things, the skills and expertise of its human resources, including the management and investment personnel and its personnel with skills related to, among other things, marketing, risk management, credit, information technology, accounting, administrative operations and legal affairs. These individuals play an important role in developing, implementing, operating, managing and distributing CI's products and services. Accordingly, the recruitment of competent personnel, continuous training and transfer of knowledge are key activities that are essential to CI's performance. In addition, the growth in total assets under management in the industry and the reliance on investment performance to sell financial products have increased the demand for experienced and high-performing portfolio managers. Compensation packages for these managers may increase at a rate well in excess of inflation and well above the rates of increase observed in other industries and the rest of the labour market. CI believes that it has the resources necessary for the operation of CI's business. The loss of these individuals or an inability to attract, retain and motivate a sufficient number of qualified personnel could adversely affect CI's business.

The market for financial advisors is extremely competitive and is increasingly characterized by frequent movement by financial advisors among different firms. Individual financial advisors of AWM have regular direct contact with clients, which can lead to a strong and personal client relationship based on the client's trust in the individual financial advisor. The loss of a significant number of financial advisors could lead to the loss of client accounts which could have a material adverse effect on the results of operations and prospects of AWM and, in turn, CI. Although AWM uses or has used a combination of competitive compensation structures and equity with vesting provisions as a means of seeking to retain financial advisors, there can be no assurance that financial advisors will remain with AWM.

### INSURANCE RISK

CI maintains various types of insurance which include financial institution bonds, errors and omissions insurance, directors', trustees' and officers' liability insurance, agents' insurance and general commercial liability insurance. There can be no assurance that a claim or claims will not exceed the limits of available insurance coverage that any insurer will remain solvent or willing to continue providing insurance coverage with sufficient limits or at a reasonable cost or that any insurer will not dispute coverage of certain claims due to ambiguities in the relevant policies. A judgment against CI in excess of available coverage could have a material adverse effect on CI both in terms of damages awarded and the impact on the reputation of CI.

## MANAGEMENT'S DISCUSSION & ANALYSIS

### INFORMATION REGARDING GUARANTORS

The following tables provide unaudited consolidated financial information for CI, CI Investments and non-guarantor subsidiaries for the periods identified below, presented with a separate column for: (i) CI; (ii) CI Investments, (iii) the non-guarantor subsidiaries of CI on a combined basis [the "Other Subsidiaries"]; (iv) consolidating adjustments; and (v) the total consolidated amounts.

### CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014 (unaudited)

<i>[millions of dollars]</i>	CI Financial		CI Investments		Other Subsidiaries		Consolidating Adjustments		Total Consolidated Amounts	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue	349.4	146.1	444.2	426.7	98.1	126.5	(392.7)	(218.6)	499.0	480.7
Net income	348.7	144.4	131.0	120.4	10.2	14.5	(347.1)	(144.3)	142.8	135.0
Net income attributable to shareholders	348.7	144.4	131.0	120.4	10.2	14.6	(347.0)	(144.3)	142.9	135.1

### CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014 (unaudited)

<i>[millions of dollars]</i>	CI Financial		CI Investments		Other Subsidiaries		Consolidating Adjustments		Total Consolidated Amounts	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue	538.7	324.2	1,336.5	1,236.1	297.4	395.7	(668.4)	(565.0)	1,540.2	1,391.0
Net income	534.1	318.9	400.7	352.4	26.3	61.3	(535.5)	(347.7)	425.6	384.9
Net income attributable to shareholders	534.1	318.9	400.7	352.4	26.7	60.6	(535.2)	(347.3)	426.3	384.6

### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION DATA AS AT SEPTEMBER 30, 2015 AND DECEMBER 31, 2014 (unaudited)

<i>[millions of dollars]</i>	CI Financial		CI Investments		Other Subsidiaries		Consolidating Adjustments		Total Consolidated Amounts	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Current assets	295.2	295.2	281.2	373.0	247.9	232.1	(429.4)	(535.8)	394.9	364.5
Non-current assets	1,920.8	2,054.3	2,844.6	3,000.3	165.7	280.4	(2,223.4)	(2,683.5)	2,707.7	2,651.5
Current liabilities	223.2	402.2	136.8	180.8	174.9	174.1	(103.6)	(354.3)	436.3	402.8
Non-current liabilities	109.2	12.4	1,093.5	1,164.1	3.9	8.2	(414.2)	(478.0)	792.4	706.7

## SHARE CAPITAL

As at September 30, 2015, CI had 276,397,053 shares outstanding.

At September 30, 2015, 7.5 million options to purchase shares were outstanding, of which 2.5 million options were exercisable.

## CONTRACTUAL OBLIGATIONS

The table that follows summarizes CI's contractual obligations at September 30, 2015.

### PAYMENTS DUE BY YEAR

<i>[millions of dollars]</i>	Total	1 year or less	2	3	4	5	More than 5 years
Long-term debt	436.0	25.5	334.0	76.5	—	—	—
Operating leases	100.4	11.5	11.0	10.2	9.8	9.7	48.2
<b>Total</b>	<b>536.4</b>	<b>37.0</b>	<b>345.0</b>	<b>86.7</b>	<b>9.8</b>	<b>9.7</b>	<b>48.2</b>

## SIGNIFICANT ACCOUNTING ESTIMATES

The September 30, 2015 Consolidated Financial Statements have been prepared in accordance with IFRS. For a discussion of all significant accounting policies, refer to Note 1 of the December 31, 2014 Notes to the Consolidated Financial Statements. Included in the December 31, 2014 Notes to the Consolidated Financial Statements is Note 4 which provides a discussion regarding the recoverable amount of CI's goodwill and intangible assets compared to its carrying value.

## DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), together with management, are responsible for the design of CI's disclosure controls and procedures. Management has evaluated, with participation of the CEO and CFO, the effectiveness of the disclosure controls and procedures as at September 30, 2015. Based on this evaluation, the CEO and CFO have concluded that they are reasonably assured these Disclosure Controls and Procedures were effective and that material information relating to CI was made known to them within the time periods specified under applicable securities legislation.

## MANAGEMENT'S DISCUSSION & ANALYSIS

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Management, under the supervision of the CEO and CFO, is responsible for the design and maintenance of adequate internal controls over financial reporting for the purposes of providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. However, due to its inherent limitations, internal controls over financial reporting can only provide reasonable, not absolute, assurance that the financial statements are free of misstatements. The COSO framework was used to assist management, along with the CEO and CFO, in the evaluation of these internal control systems. Management, under the direction of the CEO and CFO, has concluded that the internal controls over financial reporting are effective. Management used various tools to evaluate internal controls over financial reporting which included interaction with key control systems, review of policy and procedure documentation, observation or reperformance of control procedures to evaluate the effectiveness of controls and concluded that these controls are effective. For the quarter ended September 30, 2015, there have been no changes to the internal controls over financial reporting that have materially affected, or are reasonably likely to affect, internal controls over financial reporting.

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*Additional information relating to CI, including the most recent audited financial statements, management information circular and annual information form, is available on SEDAR at [www.sedar.com](http://www.sedar.com).*

CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS

30 | SEPTEMBER | 2015

(UNAUDITED)

CI FINANCIAL CORP.

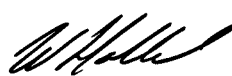


# CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (unaudited)

<i>[in thousands of Canadian dollars]</i>	As at September 30, 2015 \$	As at December 31, 2014 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	56,375	51,246
Client and trust funds on deposit	156,761	130,665
Marketable securities	74,740	83,718
Accounts receivable and prepaid expenses	106,996	98,881
<b>Total current assets</b>	<b>394,872</b>	<b>364,510</b>
Capital assets, net	33,724	37,952
Deferred sales commissions, net of accumulated amortization of \$435,287 [December 31, 2014 – \$469,645]	368,471	401,321
Intangibles	2,182,831	2,189,091
Other assets <i>[note 3]</i>	122,736	23,093
<b>Total assets</b>	<b>3,102,634</b>	<b>3,015,967</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	171,987	172,674
Provision for other liabilities <i>[note 3]</i>	12,517	1,293
Dividends payable <i>[note 5]</i>	60,809	59,161
Client and trust funds payable	154,784	128,715
Income taxes payable	10,705	38,940
Current portion of long-term debt <i>[note 2]</i>	25,500	2,000
<b>Total current liabilities</b>	<b>436,302</b>	<b>402,783</b>
Deferred lease inducement	13,281	14,238
Long-term debt <i>[note 2]</i>	410,115	305,392
Provision for other liabilities <i>[note 3]</i>	9,670	19,251
Deferred income taxes	359,354	367,865
<b>Total liabilities</b>	<b>1,228,722</b>	<b>1,109,529</b>
<b>Equity</b>		
Share capital <i>[note 4(a)]</i>	1,931,528	1,968,692
Contributed surplus	13,465	10,386
Deficit	(79,323)	(84,692)
Accumulated other comprehensive income	5,223	8,311
<b>Total equity attributable to the shareholders of the Company</b>	<b>1,870,893</b>	<b>1,902,697</b>
<b>Non-controlling interests</b>	<b>3,019</b>	<b>3,741</b>
<b>Total equity</b>	<b>1,873,912</b>	<b>1,906,438</b>
<b>Total liabilities and equity</b>	<b>3,102,634</b>	<b>3,015,967</b>

*(see accompanying notes)*

On behalf of the Board of Directors:



William T. Holland  
Director



Paul Derksen  
Director

# CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (unaudited)

For the three-month period ended September 30

	2015	2014
	\$	\$
<i>[in thousands of Canadian dollars, except per share amounts]</i>		
<b>REVENUE</b>		
Management fees	449,378	430,668
Administration fees	35,992	36,157
Redemption fees	4,556	4,910
Gain on sale of marketable securities	1,749	255
Other income	7,284	8,670
	<b>498,959</b>	<b>480,660</b>
<b>EXPENSES</b>		
Selling, general and administrative <i>[note 9]</i>	92,949	86,168
Trailer fees	139,629	132,345
Investment dealer fees	29,433	29,002
Amortization of deferred sales commissions	34,809	37,899
Amortization of intangibles	1,102	1,201
Interest <i>[note 2]</i>	3,480	4,563
Other	2,105	4,462
	<b>303,507</b>	<b>295,640</b>
<b>Income before income taxes</b>	<b>195,452</b>	<b>185,020</b>
<b>Provision for income taxes</b>		
Current	53,860	54,385
Deferred	(1,188)	(4,341)
	<b>52,672</b>	<b>50,044</b>
<b>Net income for the period</b>	<b>142,780</b>	<b>134,976</b>
<b>Net loss attributable to non-controlling interests</b>	<b>(59)</b>	<b>(166)</b>
<b>Net income attributable to shareholders</b>	<b>142,839</b>	<b>135,142</b>
<b>Other comprehensive loss, net of tax</b>		
Unrealized loss on available-for-sale financial assets, net of income taxes of (\$561) [2014 – (\$53)]	(3,676)	(344)
Reversal of gains to net income on available-for-sale financial assets, net of income taxes of (\$19) [2014 – (\$36)]	(128)	(234)
<b>Total other comprehensive loss, net of tax</b>	<b>(3,804)</b>	<b>(578)</b>
<b>Comprehensive income for the period</b>	<b>138,976</b>	<b>134,398</b>
<b>Comprehensive loss attributable to non-controlling interests</b>	<b>(59)</b>	<b>(166)</b>
<b>Comprehensive income attributable to shareholders</b>	<b>139,035</b>	<b>134,564</b>
<b>Basic earnings per share attributable to shareholders <i>[note 4(c)]</i></b>	<b>\$0.51</b>	<b>\$0.48</b>
<b>Diluted earnings per share attributable to shareholders <i>[note 4(c)]</i></b>	<b>\$0.51</b>	<b>\$0.48</b>

*(see accompanying notes)*

# CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (unaudited)

For the nine-month period ended September 30

	2015	2014
	\$	\$
<i>[in thousands of Canadian dollars, except per share amounts]</i>		
<b>REVENUE</b>		
Management fees	1,343,100	1,240,657
Administration fees	110,006	105,968
Redemption fees	14,790	15,435
Gain on sale of marketable securities	5,476	378
Other income	30,803	28,526
	<b>1,504,175</b>	<b>1,390,964</b>
<b>EXPENSES</b>		
Selling, general and administrative <i>[note 9]</i>	275,538	254,757
Trailer fees	415,918	379,844
Investment dealer fees	89,692	84,776
Amortization of deferred sales commissions	107,438	114,531
Amortization of intangibles	6,260	3,617
Interest <i>[note 2]</i>	10,086	13,691
Other	18,239	12,382
	<b>923,171</b>	<b>863,598</b>
<b>Income before income taxes</b>	<b>581,004</b>	<b>527,366</b>
<b>Provision for income taxes</b>		
Current	163,435	149,364
Deferred	(8,040)	(6,934)
	<b>155,395</b>	<b>142,430</b>
<b>Net income for the period</b>	<b>425,609</b>	<b>384,936</b>
<b>Net income (loss) attributable to non-controlling interests</b>	<b>(722)</b>	<b>327</b>
<b>Net income attributable to shareholders</b>	<b>426,331</b>	<b>384,609</b>
<b>Other comprehensive income (loss), net of tax</b>		
Unrealized gain (loss) on available-for-sale financial assets, net of income taxes of (\$20) [2014 – \$595]	(133)	3,903
Reversal of gains to net income on available-for-sale financial assets, net of income taxes of (\$451) [2014 – (\$50)]	(2,955)	(328)
Total other comprehensive income (loss), net of tax	(3,088)	3,575
<b>Comprehensive income for the period</b>	<b>422,521</b>	<b>388,511</b>
<b>Comprehensive income (loss) attributable to non-controlling interests</b>	<b>(722)</b>	<b>327</b>
<b>Comprehensive income attributable to shareholders</b>	<b>423,243</b>	<b>388,184</b>
<b>Basic earnings per share attributable to shareholders <i>[note 4(c)]</i></b>	<b>\$1.52</b>	<b>\$1.35</b>
<b>Diluted earnings per share attributable to shareholders <i>[note 4(c)]</i></b>	<b>\$1.52</b>	<b>\$1.35</b>

*(see accompanying notes)*

# CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (unaudited)

For the nine-month period ended September 30

	Share capital [note 4(a)]	Contributed surplus	Accumulated other comprehensive income Deficit	Total shareholders' equity	Non- controlling interests	Total equity	
<i>[in thousands of Canadian dollars]</i>	\$	\$	\$	\$	\$	\$	
<b>Balance, January 1, 2015</b>	1,968,692	10,386	(84,692)	8,311	1,902,697	3,741	1,906,438
Comprehensive income	—	—	426,331	(3,088)	423,243	(722)	422,521
Dividends declared [note 5]	—	—	(272,452)	—	(272,452)	—	(272,452)
Shares repurchased	(39,120)	—	(148,510)	—	(187,630)	—	(187,630)
Issuance of share capital on exercise of options	1,956	(1,886)	—	—	70	—	70
Compensation expense for equity-based plans	—	4,965	—	—	4,965	—	4,965
Change during the period	(37,164)	3,079	5,369	(3,088)	(31,804)	(722)	(32,526)
<b>Balance, September 30, 2015</b>	1,931,528	13,465	(79,323)	5,223	1,870,893	3,019	1,873,912
<b>Balance, January 1, 2014</b>	1,987,642	8,350	(183,349)	6,684	1,819,327	4,295	1,823,622
Comprehensive income	—	—	384,609	3,575	388,184	327	388,511
Dividends declared [note 5]	—	—	(251,657)	—	(251,657)	—	(251,657)
Shares repurchased	(14,050)	—	(55,954)	—	(70,004)	—	(70,004)
Issuance of share capital on exercise of options	3,191	(3,082)	—	—	109	—	109
Compensation expense for equity-based plans	—	3,825	—	—	3,825	—	3,825
Change during the period	(10,859)	743	76,998	3,575	70,457	327	70,784
<b>Balance, September 30, 2014</b>	1,976,783	9,093	(106,351)	10,259	1,889,784	4,622	1,894,406

(see accompanying notes)

## CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

For the three-month period ended September 30

	2015	2014
<i>[in thousands of Canadian dollars]</i>	\$	\$
<b>OPERATING ACTIVITIES (*)</b>		
Net income	142,780	134,976
Add (deduct) items not involving cash		
Gain on sale of marketable securities	(1,749)	(255)
Equity-based compensation	1,662	1,379
Amortization of deferred sales commissions	34,809	37,899
Amortization of intangibles	1,102	1,201
Amortization and depreciation of other	2,160	2,078
Deferred income taxes	(1,188)	(4,341)
<hr style="border-top: 1px dashed black;"/>		
Cash provided by operating activities before changes		
in operating assets and liabilities	179,576	172,937
Net change in operating assets and liabilities	1,006	27,885
<hr style="border-top: 1px dashed black;"/>		
<b>Cash provided by operating activities</b>	<b>180,582</b>	<b>200,822</b>
<hr style="border-top: 1px dashed black;"/>		
<b>INVESTING ACTIVITIES</b>		
Purchase of marketable securities	(5,312)	(480)
Proceeds on sale of marketable securities	4,500	1,918
Additions to capital assets	(595)	(606)
Deferred sales commissions paid	(18,789)	(24,930)
Increase in other assets	(55,304)	(157)
<hr style="border-top: 1px dashed black;"/>		
<b>Cash used in investing activities</b>	<b>(75,500)</b>	<b>(24,255)</b>
<hr style="border-top: 1px dashed black;"/>		
<b>FINANCING ACTIVITIES</b>		
Increase in long-term debt	52,000	—
Repurchase of share capital	(69,498)	(55,605)
Issuance of share capital	—	42
Dividends paid to shareholders	(91,923)	(85,348)
<hr style="border-top: 1px dashed black;"/>		
<b>Cash used in financing activities</b>	<b>(109,421)</b>	<b>(140,911)</b>
<hr style="border-top: 1px dashed black;"/>		
Net increase (decrease) in cash and cash equivalents during the period	(4,339)	35,656
Cash and cash equivalents, beginning of period	60,714	173,297
<hr style="border-top: 1px dashed black;"/>		
Cash and cash equivalents, end of period	56,375	208,953
<hr style="border-top: 1px solid black;"/>		
<b>(*) Included in operating activities are the following:</b>		
Interest paid	694	2
Income taxes paid	56,652	41,575

*(see accompanying notes)*

## CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

For the nine-month period ended September 30

	2015	2014
<i>[in thousands of Canadian dollars]</i>	\$	\$
<b>OPERATING ACTIVITIES (*)</b>		
Net income	425,609	384,936
Add (deduct) items not involving cash		
Gain on sale of marketable securities	(5,476)	(378)
Fair value adjustment to contingent consideration	(7,500)	—
Equity-based compensation	4,965	3,825
Amortization of deferred sales commissions	107,438	114,531
Amortization of intangibles	6,260	3,617
Amortization and depreciation of other	6,246	6,148
Deferred income taxes	(8,040)	(6,934)
Cash provided by operating activities before changes		
in operating assets and liabilities	529,502	505,745
Net change in operating assets and liabilities	(28,878)	9,620
<b>Cash provided by operating activities</b>	<b>500,624</b>	<b>515,365</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of marketable securities	(11,942)	(5,832)
Proceeds on sale of marketable securities	22,837	2,630
Additions to capital assets	(1,795)	(2,143)
Deferred sales commissions paid	(74,588)	(96,636)
Increase in other assets	(99,643)	(3,974)
Additions to intangibles	—	(145)
<b>Cash used in investing activities</b>	<b>(165,131)</b>	<b>(106,100)</b>
<b>FINANCING ACTIVITIES</b>		
Increase in long-term debt	128,000	—
Repurchase of share capital	(187,630)	(70,004)
Issuance of share capital	70	109
Dividends paid to shareholders	(270,804)	(249,229)
<b>Cash used in financing activities</b>	<b>(330,364)</b>	<b>(319,124)</b>
<b>Net increase in cash and cash equivalents during the period</b>	<b>5,129</b>	<b>90,141</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>51,246</b>	<b>118,812</b>
<b>Cash and cash equivalents, end of period</b>	<b>56,375</b>	<b>208,953</b>
(*) Included in operating activities are the following:		
Interest paid	7,126	9,212
Income taxes paid	191,438	144,294

*(see accompanying notes)*

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2015 and 2014 ▪ [in thousands of dollars, except per share amounts]

CI Financial Corp. ["CI"] is incorporated under the laws of the Province of Ontario. CI's primary business is the management and distribution of a broad range of financial products and services, including mutual funds, segregated funds, financial planning, insurance, investment advice, wealth management and estate and succession planning.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These unaudited interim condensed consolidated financial statements of CI have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ["IAS 34"] as issued by the International Accounting Standards Board ["IASB"] and on a basis consistent with the accounting policies disclosed in the annual audited consolidated financial statements for the year ended December 31, 2014.

These unaudited interim condensed consolidated financial statements were authorized for issuance by the Board of Directors of CI on November 5, 2015.

#### BASIS OF PRESENTATION

The unaudited interim condensed consolidated financial statements of CI have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. The unaudited interim condensed consolidated financial statements have been prepared on a going concern basis. CI's presentation currency is the Canadian dollar. The functional currency of CI and its subsidiaries is also the Canadian dollar. The notes presented in these unaudited interim condensed consolidated financial statements include, in general, only significant changes and transactions occurring since CI's last year end, and are not fully inclusive of all disclosures required by IFRS for annual financial statements. These unaudited interim condensed consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements, including the notes thereto, for the year ended December 31, 2014.

#### BASIS OF CONSOLIDATION

The unaudited interim condensed consolidated financial statements include the accounts of CI, CI Investments Inc. ["CI Investments"] and Assante Wealth Management (Canada) Ltd. ["AWM"] and their subsidiaries, which are entities over which CI has control. Control exists when CI has the power, directly or indirectly, to govern the financial and operating policies of an entity, is exposed to variable returns from its activities, and is able to use its power to affect such variable returns to which it is exposed. Hereinafter, CI and its subsidiaries are referred to as CI.

CI holds a controlling 65% interest in Marret Asset Management Inc. ["Marret"]. A non-controlling interest is recorded in the unaudited interim condensed consolidated statement of income and comprehensive income to reflect the non-controlling interest's share of the net income and comprehensive income, and a non-controlling interest is recorded within equity in the unaudited interim condensed consolidated statement of financial position to reflect the non-controlling interest's share of the net assets of Marret.

## | NOTES TO CONSOLIDATED FINANCIAL STATEMENTS |

SEPTEMBER 30, 2015 and 2014 ▪ [in thousands of dollars, except per share amounts]

### 2. LONG-TERM DEBT

Long-term debt consists of the following:

	As at September 30, 2015 \$	As at December 31, 2014 \$
<b>Credit facility</b>		
Banker's acceptances	136,000	8,000
	136,000	8,000
<b>Debentures</b>		
\$300 million, 3.94% until December 13, 2015 and floating rate until December 14, 2016	299,615	299,392
	299,615	299,392
<b>Long-term debt</b>	<b>435,615</b>	<b>307,392</b>
<b>Current portion of long-term debt</b>	<b>25,500</b>	<b>2,000</b>

#### Credit facility

Effective February 3, 2015, CI renewed its revolving credit facility with two chartered banks and effective September 30, 2015, the amount that may be borrowed was increased to \$350,000. The revolving credit period begins March 12, 2015 and ends March 11, 2016. The credit facility contains a number of financial covenants that require CI to meet certain financial ratios and financial condition tests. The financial covenant regarding CI's assets under management was amended, such that they cannot fall below \$60 billion, calculated based on a rolling 30-day average.

#### Debentures

The 2016 Debentures are fully and unconditionally guaranteed by CI.



## | NOTES TO CONSOLIDATED FINANCIAL STATEMENTS |

SEPTEMBER 30, 2015 and 2014 ▪ *[in thousands of dollars, except per share amounts]*

### 3. PROVISION FOR OTHER LIABILITIES AND CONTINGENCIES

CI is a party to a number of claims, proceedings and investigations, including legal, regulatory and tax, in the ordinary course of its business. Due to the inherent uncertainty involved in these matters, it is difficult to predict the final outcome or the amount and timing of any outflow related to such matters. Based on current information and consultations with advisors, CI does not expect the outcome of these matters, individually or in aggregate, to have a material adverse effect on its financial position or on its ability to continue normal business operations.

CI has made provisions based on current information and the probable resolution of any such contingent consideration, claims, proceedings and investigations. The movement in amounts provided for contingent liabilities and related expenses during the nine months ended September 30, 2015 and year ended December 31, 2014, are as follows:

	9 months 2015	2014
	\$	\$
Provision for other liabilities, beginning of period	20,544	22,636
Additions	11,804	4,767
Amounts used	(2,107)	(1,773)
Amounts reversed	(8,054)	(5,086)
<b>Provision for other liabilities, end of period</b>	<b>22,187</b>	<b>20,544</b>
<b>Current portion of provision for other liabilities</b>	<b>12,517</b>	<b>1,293</b>

CI maintains insurance policies that may provide coverage against certain claims. Amounts receivable under these policies are not accrued for unless the realization of income is virtually certain. During the three and nine months ended September 30, 2015, CI received insurance proceeds of nil and \$356, respectively, related to the settlement of legal claims [Year 2014 – \$499]. As at September 30, 2015 and December 31, 2014, CI has accrued \$1,523 and \$906, respectively, for amounts to be received under insurance policies, which is included in accounts receivable.

#### LITIGATION

CI is a defendant to certain lawsuits of which two are class action lawsuits related to events and transactions that gave rise to a settlement agreement with the Ontario Securities Commission in 2004. Although CI continues to believe that this settlement fully compensated investors affected by frequent trading activity, a provision has been made based on the probable resolution of these claims and related expenses.

#### TAXATION

CI is subject to various uncertainties concerning the interpretation and application of Canadian tax laws. If tax authorities disagree with CI's application of such tax laws, CI's profitability and cash flows could be adversely affected. CI Investments is considered a large case file by the Canada Revenue Agency ("CRA"), and as such, is subject to audit each year. There is a significant lag between the end of a fiscal year and when such audits are completed. Therefore, at any given time, several years may be open for audit and/or adjustment.

## | NOTES TO CONSOLIDATED FINANCIAL STATEMENTS |

SEPTEMBER 30, 2015 and 2014 ▪ [in thousands of dollars, except per share amounts]

In March 2015, CI received notices of reassessment (“NOR”) from CRA relating to the interest rate charged on subordinated notes within CI’s income trust structure from 2006 to 2008. The NOR were in the amount of approximately \$220,000, with provincial NOR expected to follow in the amount of approximately \$40,000. CI strongly disagrees with CRA’s position and has filed a notice of objection. However, notwithstanding the filing of a notice of objection, CI is required to make minimum payments of at least 50% of the amount payable under the NOR, estimated to be \$160,000, which would remain on account until the dispute is resolved, which may take considerable time. As at September 30, 2015, CI has deposited \$94,000, which is included in other assets. While CI believes it will be able to successfully defend its position, CI has recorded a provision of \$4,000 for expenses to mount this defense. As at September 30, 2015, a provision of \$3,826 remains.

### CONTINGENT CONSIDERATION

CI entered into an acquisition agreement with the shareholders of Marret that provided for contingent consideration payable in common shares of CI in the amount of \$12,500, three years from the date of acquisition, if certain financial targets were met based on earnings before interest, tax, depreciation and amortization generated during that period. Included in other income for the nine months ended September 30, 2015 is a fair value adjustment of \$7,500 [nine months ended September 30, 2014 – nil] recorded as at March 31, 2015 to reduce the estimated fair value of the contingent consideration to be nil [December 31, 2014 – \$7,500].

### 4. SHARE CAPITAL

A summary of the changes to CI’s share capital for the period is as follows:

#### [A] AUTHORIZED AND ISSUED

	Number of shares [in thousands]	Stated value \$
<b>Authorized</b>		
An unlimited number of common shares of CI		
<b>Issued</b>		
<b>Common shares, balance, December 31, 2013</b>	<b>284,396</b>	<b>1,987,642</b>
Issuance of share capital on exercise of share options	493	3,279
Share repurchases	(3,181)	(22,229)
<b>Common shares, balance, December 31, 2014</b>	<b>281,708</b>	<b>1,968,692</b>
Issuance of share capital on exercise of share options	214	1,630
Share repurchases	(1,325)	(9,259)
<b>Common shares, balance, March 31, 2015</b>	<b>280,597</b>	<b>1,961,063</b>
Issuance of share capital on exercise of share options	64	274
Share repurchases	(2,037)	(14,238)
<b>Common shares, balance, June 30, 2015</b>	<b>278,624</b>	<b>1,947,099</b>
Issuance of share capital on exercise of share options	8	52
Share repurchases	(2,235)	(15,623)
<b>Common shares, balance, September 30, 2015</b>	<b>276,397</b>	<b>1,931,528</b>

## | NOTES TO CONSOLIDATED FINANCIAL STATEMENTS |

SEPTEMBER 30, 2015 and 2014 ▪ *[in thousands of dollars, except per share amounts]*

### [B] EMPLOYEE INCENTIVE SHARE OPTION PLAN

CI has an employee incentive share option plan [the “Share Option Plan”], as amended and restated, for the executives and key employees of CI. CI granted 220 and 2,772 options during the three months ended June 30 and March 31, 2015, respectively [three months ended June 30 and March 31, 2014 – 260 and 1,964 options, respectively] to employees. The fair value method of accounting is used for the valuation of the 2015 and 2014 share option grants. Compensation expense is recognized over the three-year vesting period, assuming an estimated forfeiture rate of 0% and 3.7% for the options issued during the three months ended June 30 and March 31, 2015, respectively [three months ended June 30 and March 31, 2014 – 0% and 1.5%, respectively], with an offset to contributed surplus. When exercised, amounts originally recorded against contributed surplus as well as any consideration paid by the option holder is credited to share capital. The fair value of the 2015 and 2014 option grants was estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions:

Year of grant	2015		2014	
# of options grants <i>[in thousands]</i>	220	2,772	260	1,964
Vesting terms	1/3 at end of each year	1/3 at end of each year	1/3 at end of each year	1/3 at end of each year
Dividend yield	4.125% – 4.296%	4.358% – 4.539%	4.033% – 4.286%	3.911% – 4.156%
Expected volatility (*)	16.0%	16.0%	15.5%	15.5%
Risk-free interest rate	0.980% – 1.057%	0.913% – 0.998%	1.499% – 1.718%	1.477% – 1.773%
Expected life [years]	2.4 – 3.4	2.4 – 3.4	2.8 – 3.9	2.8 – 3.9
Forfeiture rate	0%	3.7%	0%	1.5%
Fair value per stock option	\$2.55 – \$2.84	\$2.36 – \$2.62	\$2.61 – \$2.92	\$2.71 – \$3.06
Exercise price	\$35.88	\$33.96	\$34.52	\$35.60

(\*) Based on historical volatility of CI's share price.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2015 and 2014 ▪ [in thousands of dollars, except per share amounts]

A summary of the changes in the Share Option Plan is as follows:

	Number of options [in thousands]	Weighted average exercise price \$
<b>Options outstanding, December 31, 2013</b>	<b>4,771</b>	<b>24.00</b>
<b>Options exercisable, December 31, 2013</b>	<b>807</b>	<b>20.47</b>
Options granted	2,223	35.47
Options exercised (*)	(1,338)	22.22
Options cancelled	(104)	30.12
<b>Options outstanding, December 31, 2014</b>	<b>5,552</b>	<b>28.91</b>
<b>Options exercisable, December 31, 2014</b>	<b>1,335</b>	<b>23.48</b>
Options granted	2,772	33.96
Options exercised (*)	(754)	23.12
Options cancelled	(25)	29.68
<b>Options outstanding, March 31, 2015</b>	<b>7,545</b>	<b>31.34</b>
<b>Options exercisable, March 31, 2015</b>	<b>2,454</b>	<b>27.29</b>
Options granted	220	35.88
Options exercised (*)	(103)	22.76
Options cancelled	(65)	33.65
<b>Options outstanding, June 30, 2015</b>	<b>7,597</b>	<b>31.57</b>
<b>Options exercisable, June 30, 2015</b>	<b>2,554</b>	<b>27.59</b>
Options exercised (*)	(25)	23.44
Options cancelled	(39)	33.97
<b>Options outstanding, September 30, 2015</b>	<b>7,533</b>	<b>31.58</b>
<b>Options exercisable, September 30, 2015</b>	<b>2,523</b>	<b>27.62</b>

(\*) Weighted-average share price of options exercised was \$31.78 and \$34.13 during the three and nine months ended September 30, 2015 [year ended December 31, 2014 – \$35.07]

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2015 and 2014 ▪ [in thousands of dollars, except per share amounts]

Options outstanding and exercisable as at September 30, 2015 are as follows:

Exercise price \$	Number of options outstanding [in thousands]	Weighted average remaining contractual life [years]	Number of options exercisable [in thousands]
21.55	166	0.3	166
21.73	93	1.7	93
21.98	623	1.4	623
22.45	53	0.4	53
27.03	1,415	2.4	793
30.27	125	2.7	83
33.96	2,707	4.4	—
34.52	260	3.7	87
35.60	1,871	3.4	625
35.88	220	4.5	—
<b>21.55 to 35.88</b>	<b>7,533</b>	<b>3.3</b>	<b>2,523</b>

### [C] BASIC AND DILUTED EARNINGS PER SHARE

The following table presents the calculation of basic and diluted earnings per common share for the three and nine months ended September 30:

[in thousands]	3 months ended Sept. 30, 2015	9 months ended Sept. 30, 2015	3 months ended Sept. 30, 2014	9 months ended Sept. 30, 2014
<b>Numerator:</b>				
Net income attributable to shareholders – basic and diluted	\$142,839	\$426,331	\$135,142	\$384,609
<b>Denominator:</b>				
Weighted average number of common shares – basic	277,771	279,776	283,484	284,210
Weighted average effect of dilutive stock options (*)	506	662	998	1,034
<b>Weighted average number of common shares – diluted</b>	<b>278,277</b>	<b>280,438</b>	<b>284,482</b>	<b>285,244</b>
<b>Net earnings per common share attributable to shareholders</b>				
<b>Basic</b>	<b>\$0.51</b>	<b>\$1.52</b>	<b>\$0.48</b>	<b>\$1.35</b>
<b>Diluted</b>	<b>\$0.51</b>	<b>\$1.52</b>	<b>\$0.48</b>	<b>\$1.35</b>

(\*) The determination of the weighted average number of common shares – diluted excludes 5,057 shares related to stock options that were anti-dilutive for the three and nine months ended September 30, 2015 [2,182 shares for the three and nine months ended September 30, 2014]

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2015 and 2014 ▪ [in thousands of dollars, except per share amounts]

### [D] MAXIMUM SHARE DILUTION

The following table presents the maximum number of shares that would be outstanding if all the outstanding options as at October 31, 2015 were exercised:

[in thousands]

Shares outstanding at October 31, 2015	275,924
Options to purchase shares	7,300
	283,224

### 5. DIVIDENDS

The following dividends were paid by CI during the three and nine months ended September 30, 2015:

Record date	Payment date	Cash dividend per share \$	Total dividend amount \$
December 31, 2014	January 15, 2015	0.105	29,640
January 31, 2015	February 13, 2015	0.105	29,600
February 28, 2015	March 13, 2015	0.105	29,649
Paid during the three months ended March 31, 2015			88,889
March 31, 2015	April 15, 2015	0.105	29,616
April 30, 2015	May 15, 2015	0.105	29,522
May 31, 2015	June 15, 2015	0.11	30,854
Paid during the three months ended June 30, 2015			89,992
Paid during the six months ended June 30, 2015			178,881
June 30, 2015	July 15, 2015	0.11	30,712
July 31, 2015	August 14, 2015	0.11	30,631
August 31, 2015	September 15, 2015	0.11	30,580
Paid during the three months ended September 30, 2015			91,923
Paid during the nine months ended September 30, 2015			270,804

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2015 and 2014 ▪ [in thousands of dollars, except per share amounts]

The following dividends were declared but not paid during the three months ended September 30, 2015:

Record date	Payment date	Cash dividend per share \$	Total dividend amount \$
September 30, 2015	October 15, 2015	0.11	30,405
October 31, 2015	November 13, 2015	0.11	30,404
Declared and accrued as at September 30, 2015			60,809

The following dividends were paid by CI during the three and nine months ended September 30, 2014:

Record date	Payment date	Cash dividend per share \$	Total dividend amount \$
December 31, 2013	January 15, 2014	0.095	27,072
January 31, 2014	February 14, 2014	0.095	27,099
February 28, 2014	March 14, 2014	0.095	27,105
Paid during the three months ended March 31, 2014			81,276
March 31, 2014	April 15, 2014	0.095	27,054
April 30, 2014	May 15, 2014	0.095	27,039
May 31, 2014	June 13, 2014	0.10	28,512
Paid during the three months ended June 30, 2014			82,605
Paid during the six months ended June 30, 2014			163,881
June 30, 2014	July 15, 2014	0.10	28,515
July 31, 2014	August 15, 2014	0.10	28,432
August 31, 2014	September 15, 2014	0.10	28,401
Paid during the three months ended September 30, 2014			85,348
Paid during the nine months ended September 30, 2014			249,229

The following dividends were declared but not paid during the three months ended September 30, 2014:

Record date	Payment date	Cash dividend per share \$	Total dividend amount \$
September 30, 2014	October 15, 2014	0.10	28,285
October 31, 2014	November 14, 2014	0.10	28,286
Declared and accrued as at September 30, 2014			56,571

On November 5, 2015, The Board of Directors declared monthly cash dividends of \$0.11 per share payable on December 15, 2015, January 15 and February 12, 2016 to shareholders of record on November 30 and December 31, 2015 and January 31, 2016, respectively.

## 6. FINANCIAL INSTRUMENTS

Financial assets are classified at fair value through profit or loss ["FVPL"], available-for-sale ["AFS"] or loans and receivables. Financial liabilities are classified as FVPL or other.

Financial instruments are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of a financial instrument classified as other than at FVPL are added to the carrying amount of the asset or liability.

CI uses valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This involves developing estimates and assumptions consistent with how market participants would price the instrument. CI bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities.
- Level 2 – valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived from or corroborated by observable market data by correlation or other means.
- Level 3 – valuation techniques with significant unobservable market inputs.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2015 and 2014 ▪ [in thousands of dollars, except per share amounts]

The carrying amounts of the financial instruments are presented in the table below and are classified according to the following categories:

	September 30, 2015	December 31, 2014
	\$	\$
<b>Financial assets</b>		
<i>Fair value through profit or loss</i>		
Cash and cash equivalents	56,375	51,246
<i>Loans and receivables</i>		
Client and trust funds on deposit	156,761	130,665
Accounts receivable	93,408	88,154
Other assets	111,810	15,702
<i>Available-for-sale</i>		
Marketable securities	74,740	83,718
Total financial assets	493,094	369,485
<b>Financial liabilities</b>		
<i>Fair value through profit or loss</i>		
Provisions for other liabilities	—	7,500
<i>Other financial liabilities</i>		
Accounts payable and accrued liabilities	162,219	161,923
Provisions for other liabilities	22,187	13,044
Dividends payable	60,809	59,161
Client and trust funds payable	154,784	128,715
Long-term debt	435,615	307,392
Total financial liabilities	835,614	677,735

Financial assets and liabilities classified as FVPL are measured at fair value and classified in the Level 1 fair value hierarchy.

CI's financial assets at September 30, 2015 and December 31, 2014 include CI's marketable securities which consist of investments in mutual fund securities. Mutual fund securities are valued using the net asset value per unit of each fund, which represents the underlying net assets at fair values determined using closing market prices. CI considers mutual fund securities that are valued daily to be in the Level 1 fair value hierarchy and those mutual fund securities valued less frequently to be in the Level 2 fair value hierarchy. As at September 30, 2015, CI's marketable securities of \$74,740 [December 31, 2014 – \$83,718] are carried at fair value of which \$20,421 have been classified in the Level 1 fair value hierarchy and \$54,319 in the Level 2 fair value hierarchy [December 31, 2014 – \$13,226 in the Level 1 fair value hierarchy and \$70,492 in the Level 2 fair value hierarchy]. There have been no transfers between Level 1 and Level 2 during the three and nine month periods.

## | NOTES TO CONSOLIDATED FINANCIAL STATEMENTS |

SEPTEMBER 30, 2015 and 2014 ▪ *[in thousands of dollars, except per share amounts]*

Included in provision for other liabilities, as at September 30, 2015 is contingent consideration of nil [December 31, 2014 – \$7,500] carried at fair value and classified in the Level 3 fair value hierarchy. Long-term debt as at September 30, 2015 includes Debentures with a fair value of \$301,488 [December 31, 2014 – \$305,601], as determined by quoted market prices and have been classified in the Level 1 fair value hierarchy.

### 7. CAPITAL MANAGEMENT

CI's objectives in managing capital are to maintain a capital structure that allows CI to meet its growth strategies and build long-term shareholder value, while satisfying its financial obligations and meeting its long-term debt covenants. CI's capital is comprised of shareholders' equity and long-term debt (including current portion of long-term debt).

CI and its subsidiaries are subject to minimum regulatory capital requirements whereby sufficient cash and other liquid assets must be on hand to maintain capital requirements rather than using them in connection with its business. As at September 30, 2015, cash and cash equivalents of \$16,471 [December 31, 2014 – \$12,552] was required to be on hand for regulatory capital maintenance. Failure to maintain required regulatory capital by CI may result in fines, suspension or revocation of registration by the relevant securities regulator. CI from time to time provides loans to its subsidiaries for operating purposes and may choose to subordinate these loans in favour of general creditors. The repayment of subordinated loans is subject to regulatory approval. As at September 30, 2015 and December 31, 2014, CI met its capital requirements.

CI's capital consists of the following:

	As at September 30, 2015	As at December 31, 2014
	\$	\$
Shareholders' equity	1,870,893	1,902,697
Long-term debt	435,615	307,392
<b>Total capital</b>	<b>2,306,508</b>	<b>2,210,089</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2015 and 2014 ▪ *[in thousands of dollars, except per share amounts]*

### 8. SEGMENTED INFORMATION

CI has two reportable segments: asset management and asset administration. These segments reflect CI's internal financial reporting and performance measurement.

The asset management segment includes the operating results and financial position of CI Investments, CI Private Counsel LP and Marret which derive their revenues principally from the fees earned on the management of several families of mutual and segregated funds.

The asset administration segment includes the operating results and financial position of AWM and its subsidiaries, including Assante Capital Management Ltd. and Assante Financial Management Ltd. These companies derive their revenues principally from commissions and fees earned on the sale of mutual funds and other financial products, and ongoing service to clients.

Segmented information for the three-month period ended September 30, 2015 is as follows:

	Asset Management \$	Asset Administration \$	Intersegment eliminations \$	Total \$
Management fees	449,378	—	—	449,378
Administration fees	—	73,224	(37,232)	35,992
Other revenue	8,497	5,092	—	13,589
<b>Total revenue</b>	<b>457,875</b>	<b>78,316</b>	<b>(37,232)</b>	<b>498,959</b>
Selling, general and administrative	76,384	16,565	—	92,949
Trailer fees	145,721	—	(6,092)	139,629
Investment dealer fees	—	59,979	(30,546)	29,433
Amortization of deferred sales commissions and intangibles	36,270	551	(910)	35,911
Other expenses	2,534	(429)	—	2,105
<b>Total expenses</b>	<b>260,909</b>	<b>76,666</b>	<b>(37,548)</b>	<b>300,027</b>
<b>Income before income taxes and non-segmented items</b>	<b>196,966</b>	<b>1,650</b>	<b>316</b>	<b>198,932</b>
Interest expense				(3,480)
Provision for income taxes				(52,672)
<b>Net income for the period</b>				<b>142,780</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2015 and 2014 ▪ *[in thousands of dollars, except per share amounts]*

Segmented information for the three-month period ended September 30, 2014 is as follows:

	Asset Management \$	Asset Administration \$	Intersegment eliminations \$	Total \$
Management fees	430,668	—	—	430,668
Administration fees	—	70,225	(34,068)	36,157
Other revenue	8,703	5,132	—	13,835
<b>Total revenue</b>	439,371	75,357	(34,068)	480,660
Selling, general and administrative	70,807	15,361	—	86,168
Trailer fees	137,960	—	(5,615)	132,345
Investment dealer fees	—	56,756	(27,754)	29,002
Amortization of deferred sales commissions and intangibles	39,489	552	(941)	39,100
Other expenses	2,406	2,056	—	4,462
<b>Total expenses</b>	250,662	74,725	(34,310)	291,077
<b>Income before income taxes and non-segmented items</b>	188,709	632	242	189,583
Interest expense				(4,563)
Provision for income taxes				(50,044)
<b>Net income for the period</b>				134,976

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2015 and 2014 ▪ *[in thousands of dollars, except per share amounts]*

Segmented information as at and for the nine-month period ended September 30, 2015 is as follows:

	Asset Management \$	Asset Administration \$	Intersegment eliminations \$	Total \$
Management fees	1,343,100	—	—	1,343,100
Administration fees	—	222,819	(112,813)	110,006
Other revenue	34,397	16,672	—	51,069
<b>Total revenue</b>	<b>1,377,497</b>	<b>239,491</b>	<b>(112,813)</b>	<b>1,504,175</b>
Selling, general and administrative	225,881	49,657	—	275,538
Trailer fees	434,081	—	(18,163)	415,918
Investment dealer fees	—	182,217	(92,525)	89,692
Amortization of deferred sales commissions and intangibles	114,807	1,652	(2,761)	113,698
Other expenses	10,572	7,667	—	18,239
<b>Total expenses</b>	<b>785,341</b>	<b>241,193</b>	<b>(113,449)</b>	<b>913,085</b>
<b>Income before income taxes and non-segmented items</b>	<b>592,156</b>	<b>(1,702)</b>	<b>636</b>	<b>591,090</b>
Interest expense				(10,086)
Provision for income taxes				(155,395)
<b>Net income for the period</b>				<b>425,609</b>
Identifiable assets	673,787	302,095	(9,638)	966,244
Indefinite life intangibles				
Goodwill	944,726	192,582	—	1,137,308
Fund contracts	999,082	—	—	999,082
<b>Total assets</b>	<b>2,617,595</b>	<b>494,677</b>	<b>(9,638)</b>	<b>3,102,634</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2015 and 2014 ▪ [in thousands of dollars, except per share amounts]

Segmented information for the nine-month period ended September 30, 2014 is as follows:

	Asset Management \$	Asset Administration \$	Intersegment eliminations \$	Total \$
Management fees	1,240,657	—	—	1,240,657
Administration fees	—	207,023	(101,055)	105,968
Other revenue	29,112	15,227	—	44,339
<b>Total revenue</b>	1,269,769	222,250	(101,055)	1,390,964
Selling, general and administrative	207,934	46,823	—	254,757
Trailer fees	395,999	—	(16,155)	379,844
Investment dealer fees	—	166,916	(82,140)	84,776
Amortization of deferred sales commissions and intangibles	119,328	1,653	(2,833)	118,148
Other expenses	7,650	4,732	—	12,382
<b>Total expenses</b>	730,911	220,124	(101,128)	849,907
<b>Income before income taxes and non-segmented items</b>	538,858	2,126	73	541,057
Interest expense				(13,691)
Provision for income taxes				(142,430)
Net income for the period				384,936
<b>As at December 31, 2014</b>				
<b>Identifiable assets</b>	560,572	329,481	(10,476)	879,577
Indefinite life intangibles				
Goodwill	944,726	192,582	—	1,137,308
Fund contracts	999,082	—	—	999,082
<b>Total assets</b>	2,504,380	522,063	(10,476)	3,015,967

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2015 and 2014 ▪ *[in thousands of dollars, except per share amounts]*

### 9. SELLING, GENERAL AND ADMINISTRATIVE

Included in selling, general and administrative expenses ["SG&A"] are salaries and benefits of \$49,594 and \$147,233 for the three and nine months ended September 30, 2015, respectively [three and nine months ended September 30, 2014 – \$47,263 and \$137,356, respectively]. Also included in SG&A is depreciation of capital assets of \$2,083 and \$6,017 for the three and nine months ended September 30, 2015, respectively [three and nine months ended September 30, 2014 – \$1,946 and \$5,756, respectively]. Other SG&A of \$41,272 and \$122,288 for the three and nine months ended September 30, 2015, primarily includes marketing, lease and information technology expenses as well as professional and regulatory fees [three and nine months ended September 30, 2014 – \$36,959 and \$111,645, respectively].

### 10. SUBSEQUENT EVENT

On October 23, 2015, CI announced that it reached an agreement to acquire 100% ownership of First Asset Capital Corp. The transaction, which is subject to regulatory approval, is expected to close by December 31, 2015.







