CI FUND MANAGEMENT INC.

ANNUAL INFORMATION FORM

SEPTEMBER 15, 2004

CI FUND MANAGEMENT INC.

ANNUAL INFORMATION FORM

September 15, 2004

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CORPORATE STRUCTURE

Name, Address and Incorporation

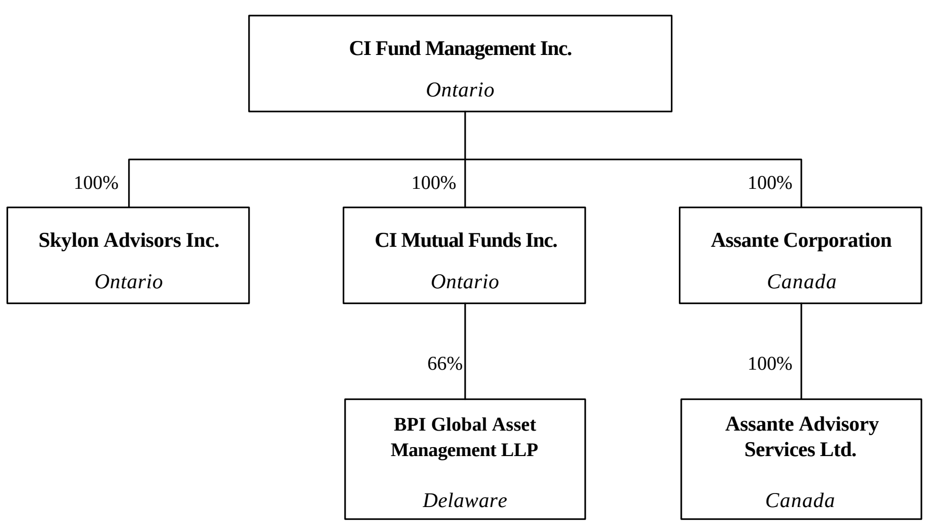
CI Fund Management Inc. (the "Corporation") was incorporated by articles of incorporation under the *Business Corporations Act* (Ontario) on January 14, 1994 (amended on April 14, 1994, June 1, 1994, December 6, 1994 and October 29, 2002). The registered and head office of the Corporation is at CI Place, 151 Yonge Street, Eleventh Floor, Toronto, Canada M5C 2W7.

On April 14, 1994, the Corporation acquired all of the outstanding shares of CI Mutual Funds Inc. (formerly Canadian International Fund Management Inc.) ("CIMF") by exchanging common shares (the "Common Shares") of the Corporation for all of the outstanding shares of CIMF. The ultimate ownership in CIMF was not changed by the share exchange and the Corporation had no assets, liabilities or operations at the date of acquisition.

Intercorporate Relationships

The principal business of the Corporation is carried on through its wholly-owned subsidiaries, CIMF, a fund management company, Assante Corporation ("Assante"), a holding company for distribution companies and a fund management company, and Skylon Advisors Inc. ("Skylon"), a fund management company.

The table below shows the principal subsidiaries of the Corporation as at September 15, 2004 with: (a) the percentage of votes attaching to all voting securities of the subsidiary beneficially owned, controlled or directed by the Corporation; and (b) the jurisdiction of incorporation indicated in italics:



GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

The Corporation's principal business is carried on through CIMF, Assante and Skylon. CIMF and Skylon are fund management companies in the business of sponsoring, managing, distributing and administering investment funds in Canada. Assante's subsidiaries include financial services distribution companies and a fund management company in the business of providing financial planning, investment advice, wealth management, estate and succession planning and insurance services and sponsoring, managing, distributing and administering investment funds in Canada.

As at September 15, 2004, CIMF managed approximately 160 mutual funds which are sold to the public under the family names CI Funds, BPI Funds, Signature Funds, Harbour Funds, Synergy Funds, CI Portfolio Series, Clarica Funds and CI Hedge Funds. CIMF also managed or administered certain segregated funds and closed-end investment funds (collectively hereafter referred to as the "CI Funds"). As at September 15, 2004, fee-earning assets under management of CIMF were approximately $40.2 billion. CIMF has experienced significant growth in assets under management over the past three years. According to information provided by The Investment Funds Institute of Canada as at August 31, 2004, CIMF was the third largest independent (not owned by a chartered bank, insurance company or major trust company) mutual fund group in Canada in terms of assets under management. Most of this growth was derived from the acquisitions described below under "Significant Acquisitions in Past Year" and "Other Acquisitions".

As at September 15, 2004, Assante, through its subsidiary, Assante Advisory Services Ltd. ("AAS") and its subsidiaries Assante Capital Management Ltd., Assante Financial Management Ltd., IQON Financial Inc., IQON Insurance Brokerage Inc., Synera Financial Services Inc. and Assante Estate and Insurance Services Inc., administered mutual funds, stocks, bonds, GIC's, insurance products and other investments for its clients. Assante, through its subsidiary Assante Asset Management Ltd. ("AAM"), managed 32 mutual funds which are sold to the public under the family names Optima Strategy Pools and Artisan Portfolios (collectively hereafter referred to as the "Assante Funds"). As at September 15, 2004, fee-earning assets under management of AAM were approximately $8.1 billion.

As at September 15, 2004, Skylon managed 16 investment funds which are sold to the public under the family names Skylon Funds and VentureLink Funds (collectively hereafter referred to as the "Skylon Funds" and together with the CI Funds and Assante Funds, the "Funds"). As at September 15, 2004, fee-earning assets under management of Skylon were approximately $1.0 billion.

As at September 15, 2004, the Corporation had more than $64 billion in fee-earning assets and the number of unitholder accounts under management of CIMF, AAM and Skylon exceeded two million.

Significant Acquisitions in Past Year

On November 14, 2003, the Corporation completed the acquisition of Assante's Canadian operations for $846 million in cash and Common Shares based on the August 21, 2003 closing price of $13.40 per Common Share. Under the agreement to acquire Assante, the Corporation issued approximately 38.8 million Common Shares and paid approximately $310 million in cash.

In connection with the sale, Assante spun-off its U.S. operations ("Assante US") by distributing the shares of Assante US to its shareholders by way of a return of capital. The Corporation purchased the shares of Assante following the spin-off. The transaction, including the Assante US spin-off and the Corporation's acquisition, was accomplished through a court-approved Plan of Arrangement (the "Assante Arrangement") under section 192 of the *Canada Business Corporations Act* (the "CBCA"), and was subject to a number of conditions, including approval by regulators, the court and securityholders of Assante ("Assante Securityholders").

After the spin-off of Assante US, pursuant to the terms of the Assante Arrangement, Assante Securityholders received a combination of cash and Common Shares for each common share of Assante (an “Assante Share”). Assante Securityholders were able to elect to receive all cash or all Common Shares, or any combination of the two, for their Assante Shares, subject to pro-ration to reflect the total amount of cash available under the Assante Arrangement, and the total available Common Shares. For pro-ration purposes, the total cash available was $1.87 per Assante Share, and the total Common Shares available are 0.47574 of a Common Share per Assante Share. Assante Securityholders who elected to receive Common Shares were allocated $1.466034 in cash and 0.50586283 Common Shares for each Assante Share. Assante Securityholders who elected to receive cash received $8.25 per Assante Share. In addition, Assante Securityholders received one share of Assante US per Assante Share.

The Assante Arrangement was approved by at least two-thirds of the votes cast at the special meeting (the “Assante Meeting”) of Assante Securityholders held on November 7, 2003 to consider the Assante Arrangement. The completion of the Assante Arrangement was conditional upon, among other things, obtaining Assante Securityholder approval, court approval and certain regulatory approvals. In addition, the Corporation was not obligated to complete the Assante Arrangement if, among other things, more than 10% of Assante Securityholders had exercised dissent rights.

Sun Life Financial supported the transaction by purchasing approximately 19.8 million Common Shares for $254.5 million. As a result, Sun Life Financial maintained its ownership interest in the Corporation at 34%.

Other Acquisitions

Spectrum Investment Management Limited and Clarica Diversico Ltd.

On July 25, 2002 (the “Sun Life Acquisition Date”), the Corporation acquired all of the issued and outstanding shares of Spectrum Investment Management Limited (“Spectrum”), the mutual fund subsidiary of Sun Life Assurance Company of Canada (“Sun Life Assurance”), and Clarica Diversico Ltd. (“Diversico”), the mutual fund subsidiary of Clarica Life Insurance Company (“Clarica”), from Sun Life Assurance and Clarica, respectively (collectively, the “Sun Life Acquisitions”). The Sun Life Acquisitions were completed pursuant to a purchase agreement among the Corporation, Sun Life Financial Services of Canada Inc. (now Sun Life Financial Inc.) (“Sun Life Financial”), Sun Life Assurance and Clarica dated May 22, 2002, as amended (the “Sun Life Purchase Agreement”). Spectrum and Diversico sponsored, managed and administered the Spectrum and Clarica families of mutual funds, respectively. The Sun Life Acquisitions increased the Corporation’s assets under management by approximately $11.7 billion.

Under the Sun Life Acquisitions, the Corporation issued approximately 71.21 million Common Shares to Sun Life Assurance and Clarica representing 30% of the total number of outstanding Common Shares after giving effect to the Sun Life Acquisitions. The total value of the Sun Life Acquisitions was $652 million based on the weighted average price per Common Share on the day before the Sun Life Acquisition Date. The Sun Life Purchase Agreement includes a standstill period under which Sun Life Financial has agreed not to increase its ownership interest in the Corporation beyond 34% prior to July 25, 2005.

The Sun Life Acquisitions also included a shareholders’ agreement (the “Shareholders’ Agreement”) between G. Raymond Chang, G. Raymond Chang Ltd., William T. Holland, Sun Life Assurance and the Corporation dated July 25, 2002. Under the Shareholders’ Agreement, Sun Life Assurance has a pre-emptive right (the “Pre-emptive Right”), whereby if the Corporation issues any additional Common Shares (other than pursuant to the exercise of options granted under its employee incentive stock option plan), Sun Life Assurance has the right, subject to any required regulatory or shareholder approval, to acquire such number of Common Shares as would permit it to maintain its share ownership at the level it was at immediately prior to the issuance of such additional Common Shares. The Shareholders' Agreement also permits Sun Life Assurance to nominate two individuals for election as members of the Board of Directors of the Corporation. The Shareholders' Agreement also provides Sun Life Assurance with the right of first refusal to acquire Common Shares from certain management shareholders.

As part of the Sun Life Acquisitions, the Corporation obtained preferred access to approximately 4,000 independent career advisors of Clarica pursuant to a distribution agreement entered into on the Sun Life Acquisition Date. The distribution agreement has an initial term of six years and thereafter will be renewable with the concurrence of the parties for further one year terms, unless terminated in certain circumstances. In addition, as part of the Sun Life Acquisitions, Sun Life Assurance and Clarica retained the Corporation to manage and administer the Sun Life and Clarica families of retail segregated funds, respectively, pursuant to a segregated fund management agreement entered into on the Sun Life Acquisition Date.

Synergy Asset Management Inc.

On October 6, 2003 (the "Synergy Acquisition Date"), the Corporation completed the acquisition of all of the issued and outstanding shares of Synergy Asset Management Inc. ("Synergy") (the "Synergy Acquisition"). Synergy sponsored, managed and administered the Synergy family of mutual funds. The Synergy Acquisition increased the Corporation's assets under management by approximately $1.5 billion.

Under the Synergy Acquisition, the Corporation issued approximately 1.66 million Common Shares and paid approximately $94 million in cash to the shareholders of Synergy. The total value of the Synergy Acquisition was $117 million based on the weighted average price per Common Share at the time of the announcement of the Synergy Acquisition of $13.40.

The selling shareholders of Synergy were comprised of the employee shareholders and an affiliate of Royal Bank of Canada. Sun Life Financial supported the transaction by purchasing approximately 0.86 million Common Shares for approximately $10.8 million which maintained Sun Life Financial's ownership interest in the Corporation at 34%.

In connection with the Synergy Acquisition, Joseph C. Canavan, the President and Chief Executive Officer of Synergy, entered into an employment agreement with the Corporation under which he agreed (i) to be employed by the Corporation for a minimum period of three years as chief executive officer of Assante, subject to rights of termination in certain circumstances, and (ii) that he may not be employed by, purchase or form, or have any significant economic interest in, a competing retail mutual fund or retail segregated fund management, distribution or marketing business within Canada for a period of time following any termination of his employment with the Corporation (subject to the usual exception for minority, passive investments in publicly traded entities).

Skylon Capital Corp.

On November 7, 2003, the Corporation completed the acquisition of all of the issued and outstanding shares of Skylon Capital Corp. and its affiliates including Skylon (the "Skylon Acquisition"). Skylon manages and administers the VentureLink family of labour sponsored funds (the "VentureLink Funds") and the Skylon family of structured products. The Skylon Acquisition increased the Corporation's assets under management by approximately $780 million.

Under the Skylon Acquisition, the Corporation paid approximately $34 million in cash to the shareholders of Skylon Capital Corp.

IQON Financial Management Inc. and Synera Financial Services Inc.

On June 3, 2004, the Corporation completed the acquisitions of IQON Financial Management Inc. ("IQON") and Synera Financial Services Inc. ("Synera") for $38.5 million in cash. IQON is a financial planning firm with approximately 400 independent advisors and administers approximately $4 billion in assets. Synera supports approximately 170 independent insurance advisors across Canada.

The acquisitions of Assante, Synergy, Skylon, IQON and Synera are expected to create a stronger, Canadian-based financial services organization with enhanced products, expanded distribution channels, and lower cost structures.

Dispositions

CI Global Advisors LLP and Trilogy Advisors, LLC

On August 1, 2003, the Corporation sold its 55% interest in CI Global Advisors LLP ("CIGA") and its 45% interest in Trilogy Advisors, LLC ("Trilogy") to William Sterling and his associates. In connection with this sale, CIMF entered into a revised sub-advisory agreement between CIMF and Trilogy at a fee rate lower than under the agreement in effect prior to the sale.

Webb Capital Management LLP

Effective June 1, 2004, the Corporation terminated its relationship with Webb Capital Management LLP ("Webb Capital"), in which it held a 55% interest, along with its interests in a Webb Capital affiliate.

For the purposes of this Annual Information Form, the Corporation's dispositions of its interests in CIGA, Trilogy and Webb Capital are not considered to be significant dispositions.

Trends

The investment management industry has seen a trend of industry consolidation and sales concentration particularly in the past three years. The Corporation expects this trend to continue in the year ahead. The Corporation is well-positioned to meet the challenges of a highly competitive market environment given its diverse and innovative product line-up, wide sales penetration and distribution, investment performance, administrative service excellence and increasing brand awareness.

DESCRIPTION OF THE BUSINESS

General

The Corporation consists of three primary reportable segments: the asset management segment, the asset administration segment and other. The majority of the Corporation's income relates to the asset management segment which offers the Funds through investment dealers, mutual fund dealers, insurance advisors, and Assante, Clarica, IQON and Synera financial advisors. With Assante, the Corporation acquired the asset administration segment. The other segment mainly comprises revenues earned from managed institutional assets and corporate activities.

Asset Management Segment

Summary

The asset management segment, carried on by CIMF, AAM and Skylon (collectively, the "Managers"), offers the Funds through investment dealers, mutual fund dealers, insurance advisors, and Assante, Clarica, IQON and Synera financial advisors in all jurisdictions in Canada. Complete financial information regarding the asset management segment is provided in the Corporation's 2004 Annual Report which is available on SEDAR at www.sedar.com.

Products and Services

The Funds

At September 15, 2004, the Funds consist of over 200 investment funds established primarily under the laws of Ontario. The Funds are sold to the public in all provinces and territories of Canada.

The Corporation offers Canadian investors a wide range of Canadian and international investment products through a network of investment dealers, mutual fund dealers, and insurance agents, including Assante, Clarica, IQON and Synera financial advisors. The Funds are managed by a diverse group of in-house portfolio managers employed by the Managers in addition to affiliated and outside investment advisory firms, all supported by a team of marketing, administrative and technical specialists. The diversity of the Funds allows the Corporation to take advantage of the expected continued growth in the Canadian investment fund industry. The addition of the Funds managed by Spectrum and Diversico in July 2002 and by AAM, Synergy and Skylon in 2003 allowed the Corporation to offer investors the broadest selection of investment funds in the Canadian mutual fund industry.

Management of the Funds

The Managers are promoters and managers of all of the Funds. As managers, the Managers provide all of the management services required by the Funds including managing or arranging for the management of investment portfolios, marketing of the Funds, keeping of securityholder records and accounts, reporting to the securityholders and processing transactions relating to the purchase, transfer and redemption of securities of the Funds.

The Managers have entered into a management agreement with each of the Funds. For the management and administrative services provided to the Funds, each of the Managers is paid a monthly fee based on the average daily net assets of the Fund. The net asset value of a Fund depends primarily on its level of net sales and the market value of its portfolio investments. The fees paid to the Managers are comparable to other management fees charged in the investment fund industry.

In general, each Fund is also responsible for its own administrative and operating expenses including, without limitation, audit and legal fees, registry and transfer agency fees, custodian fees, portfolio and investment costs, expenses of communication with securityholders, all costs imposed by statute or regulation, and applicable GST.

The Managers determine which new investment funds will be added to the Funds, when they will be offered and how the Funds will be marketed. The Managers also formulate an investment objective and strategy for the Funds and arrange for in-house, affiliated or outside portfolio managers to implement the objective. The Managers are responsible for ensuring that proper custodial arrangements are in place for each of the Funds.

Investment Advisors

The Managers use in-house, affiliated and outside investment advisors to provide investment advice regarding the investment portfolio of the Funds. Pursuant to investment advisor agreements between the Managers and certain investment advisory firms, the Managers have retained affiliated and outside investment advisory firms to provide advice regarding the investment portfolio of certain Funds. In general, the Managers pay the affiliated and outside investment advisory firms an annual fee equal to a percentage of the net asset value of the Funds. Generally, these rates are reduced as the net asset value exceeds certain specified levels. The affiliated investment advisory firms retained by the Managers are: BPI Global Asset Management LLP ("BGAM") and Altrinsic Global Advisors, LLC. All other investment advisory firms retained by the Managers are independent of the Managers.

Distribution and Marketing of the Funds

Like other asset management companies not affiliated with financial institutions, the Managers rely on investment dealers and mutual fund dealers for the sale of securities of the Funds. Individual variable annuity contracts and variable annuity policies providing for CI Guaranteed Investment Funds, Clarica Portfolios and Sun*Wise* Segregated Funds are sold through licensed life insurance agents.

The management of the Corporation believes that the following factors are responsible for increasing and retaining assets in the Funds under the management of the Managers: diversity of products offered by the Corporation; experience and depth of the investment advisors of the Funds; service levels to the dealer and the investor; and performance of the Funds. The Managers focus on personalized service and assistance to dealers and agents who are selling the Funds, including providing materials to communicate the important features of the Funds to investors and providing access to the investment advisors.

The Managers pay trailer fees to assist dealers in providing ongoing service to clients. These fees are payable to dealers in respect of their sales representatives who have total client assets in qualifying Funds throughout a calendar month. Payment is made either monthly or quarterly and is equal to a percentage of the total client assets of such sales representatives throughout the month.

The Managers have a program to spend a certain amount invested by investors to assist dealers and their representatives in marketing the Funds. This program is subject to regulatory requirements and may be discontinued or modified at any time.

Sales Charges Relating to the Distribution of the Funds

Investors may choose to purchase securities of the Funds under the deferred sales charge method or under the initial sales commission method.

In general, if the investor purchases under the deferred sales charge method, no initial commission is paid, the entire investment is invested in securities and, upon redemption within seven years of purchase, a redemption fee will be deducted from the proceeds of redemption. On redemption, the redemption fee is calculated as a percentage of the net asset value at the time of the issue of the securities, which percentage decreases over a seven-year period from 5.5% in the first year to nil at the end of the period. The redemption fee will be deferred in respect of redemptions of securities of a Fund up to a maximum established by the Managers from time to time.

In general, if the investor purchases securities of the Funds under the initial sales commission method, a sales commission is paid at the time of purchase and no commission is charged at the time of redemption. For purchases of securities of the Funds under the initial sales commission method, the commission is negotiable between the dealer and the investor, with the maximum generally ranging from 1%

to 5%. No fees or charges are otherwise deducted by the Funds on redemption except for applicable short-term trading fees and in the case of a registered plan or on a transfer to other Funds.

Financing Distribution of the Funds

The Corporation currently finances deferred sales charge commissions using internal cash resources. Although these sales commissions are amortized over 84 months for purposes of reporting net income, they are fully deductible for tax purposes in the period they are incurred. This results in a deferral in the payment of income taxes.

The Corporation and a Canadian chartered bank (the "Bank") are parties to a loan agreement pursuant to which the Bank has made available to the Corporation a $500 million revolving credit facility for an initial term expiring in December 2008. As at May 31, 2004, the Corporation had drawn $245.2 million of this credit facility to finance deferred sales charge commissions and for other corporate purposes.

Specialized Skill and Knowledge

A company requires certain specialized skills and knowledge in the asset management industry in order for it to grow and succeed. The Managers have the skills and knowledge to continue to focus on meeting the investment needs of their clients, developing new products, increasing market share penetration through targeting of knowledgeable, successful investment dealers, mutual fund dealers and life insurance agents and other alternative distribution channels, and enhancing investor awareness. The Managers' objective is to continue to offer a wide range of investment products that are managed by a diversified group of investment advisors while emphasizing its strength in both international and domestic equity fund products. The Managers' experienced marketing teams have also been instrumental in enabling the Managers to achieve market share growth through the investment dealer and mutual fund dealer network and, more recently, life insurance agents. In recent years, the Managers have enhanced recognition of their names and their Funds through various forms of advertising including television, radio and billboard advertising and event sponsorship, and will continue to do so on a focused and cost-effective basis.

To handle future growth, the Corporation is focusing on a number of areas, specifically: information systems, internal administration and client services. The Corporation will continue, as appropriate, to upgrade its advanced information systems and increase internal training and development, all with the objective of ensuring that it provides accurate and timely service to registered dealers and agents selling the Managers' products and to investors. As a result of its investment in computer facilities and its efficient approach to service and marketing, the Corporation believes that the Managers will not have to increase their personnel in the same proportion as the growth in assets of the Funds under their management.

Competitive Conditions

The Canadian mutual fund industry has grown from $3.6 billion to $468.1 billion of mutual fund assets during the period from December 1980 to August 2004 (according to The Investment Funds Institute of Canada).

The long term growth in the mutual fund industry is attributable to many factors including a decline in inflation, lower interest rates and increased marketing of mutual funds. Government policies, at both the federal and provincial levels, also are contributing significantly to this growth by encouraging Canadians to save for retirement by increasing contribution levels.

The growth in the mutual fund industry has resulted in increased competition. Since the entrance of the banks and trust companies into the mutual fund industry in the late 1980s, competition from financial institutions has increased significantly. With the entrance of the banks and trust companies and, more recently, insurance companies, the market has developed into two distinct segments: mutual fund groups owned by chartered banks, insurance companies and major trust companies; and the independent mutual fund groups. According to data from The Investment Funds Institute of Canada, as at August 31, 2004, mutual fund companies owned by chartered banks, insurance companies or major trust companies had a combined market share of approximately 35.9% all mutual fund assets. Several foreign mutual fund groups currently operate in Canada. The addition of well-capitalized foreign mutual fund groups in the Canadian mutual fund industry has increased competition even further.

The following table sets forth the aggregate net asset value for the Canadian mutual fund industry and the Managers' aggregate relative position in the Canadian mutual fund industry.

Mutual Fund Assets **As at August 31, 2004** [(1)] (in millions of dollars except percentages)	
Total Canadian mutual fund industry	$468,126
Managers' Funds[(2)]	$39,758
Managers' Funds[(2)] as an aggregate % of total industry	8.5%

(1) Source: The Investment Funds Institute of Canada.
(2) For greater certainty, includes only the open-end mutual fund assets managed by the Managers.

In Canada, the investment management industry, and in particular the mutual fund segment, is a highly regulated industry. Applicable securities legislation imposes restrictions on, among other things, incentives that may be offered to dealers and the forms of advertising which may be used by mutual fund managers, and disclosure and reporting requirements on the Funds (see "Risk Factors – Regulation of the Corporation and its Subsidiaries" below).

New Products

The Managers introduced several classes of units to existing Funds, two new corporate funds, four new segregated funds, three closed-end funds and one split share corporation in the year ended May 31, 2004.

Intangible Properties

The Managers own or license certain registered and unregistered trade-marks such as CI Funds, Synergy Funds, Harbour Funds and Signature Funds. These trade-marks are important elements in differentiating the Funds from their competitors and marketing the Funds to clients and advisors.

Cycles

Generally, revenues are consistent throughout the year, with a slight increase in the first quarter due to increased investment activity during the Canadian RRSP season. See "Risk Factors - Changes in Economic, Political and Market Conditions" below.

Employees

As at May 31, 2004, a total of 791 persons were employed by the Managers and their wholly-owned subsidiaries.

Foreign Operations

The Managers use affiliated investment advisors located in the United States to provide investment advice regarding the investment portfolio of the Funds. These affiliated investment advisory firms are: BGAM (Florida) and Altrinsic Global Advisors, LLC (Connecticut).

Asset Administration Segment

Summary

The asset administration segment, carried on primarily by AAS and its subsidiaries, offers clients in Canada a wide range of products and services which encompass a multidisciplinary approach to financial planning, investment advice, wealth management, estate and succession planning and insurance services. Complete financial information regarding the asset administration segment is provided in the Corporation's 2004 Annual Report which is available on SEDAR at www.sedar.com.

Products and Services

AAS's and its subsidiaries' principal businesses are the provision of products and services tailored to meet the specific objectives and the financial planning and financial management needs of their clients. These products and services are developed and/or distributed through Assante's wholly-owned subsidiaries, which include investment counselling firms, portfolio managers, mutual fund managers, securities dealers, mutual fund dealers and life insurance agents.

AAS's affiliates provide a wide range of products and services, including the manufacture of investment products such as mutual funds, portfolio management, investment advisory services, distribution of securities (including mutual funds), insurance products and banking services and wealth management, including financial, tax and estate planning services.

AAS's unique distribution strategy and operating platform distinguish it in its sector. Its distribution network provides AAS direct access to experienced advisors with an established and growing base of clients. Through these advisors, many of those clients are electing to delegate responsibility for portfolio management, manager selection and monitoring, and wealth management to AAS's core group of investment and wealth management professionals. In particular, advisors are abandoning their "ad hoc" approach of investing client assets in third-party mutual funds and opting instead to use AAM to provide a more sophisticated, disciplined and consistent approach to managing their clients' wealth.

AAS's operating platform is designed to allow the advisor to work with a team of professionals to provide best-in-class advice and one-stop solutions for many of the increasingly complicated and sophisticated needs of its clients.

AAS's products and services are built on a foundation of some combination of portfolio management, investment advice, distribution of securities, insurance products, banking products and financial, tax, succession, wealth and estate planning. The principal markets for AAS's products and services are affluent and high net worth individuals residing in Canada.

Specialized Skill and Knowledge

See "Description of the Business – Asset Management Segment – Specialized Skill and Knowledge" above.

Competitive Conditions

The financial services industry is very competitive with many institutions and companies such as banks, trust companies, insurance companies, portfolio managers, security brokerage companies and mutual fund dealers all competing for the business of a relatively fixed number of affluent clients. In addition, foreign based mutual fund companies and banks have also established operations in Canada. The financial services industry in Canada has also moved toward offering comprehensive fee-based investment management services for clients.

AAS believes that it is well positioned in terms of its competitors in the marketplace. While there are a larger number of organizations providing financial advisory and financial management services or manufacturing investment products, very few of them are similar to AAS in providing financial product manufacturing integrated with the delivery of a full menu of products and services (including proprietary products) through their own distribution network. The operation of a unified financial advisory business in Canada is designed to provide synergies and economies of scale for AAS's wealth management programs and financial advisor network.

Intangible Properties

Assante owns or licenses certain registered and unregistered trade-marks such as Assante, Artisan and Assante Artisan. These trade-marks are important elements in differentiating AAS's services from its competitors.

Cycles

Generally, revenues are consistent throughout the year, with a slight increase in the first quarter due to increased investment activity during the Canadian RRSP season. See "Risk Factors - Changes in Economic, Political and Market Conditions" below.

Employees

As at May 31, 2004, a total of 396 persons were employed by AAS and its wholly-owned subsidiaries excluding AAM.

Reorganizations

See "Significant Acquisitions in Past Year" above for a description of the Assante Arrangement.

Other Segment

The other segment includes the institutional business of BGAM. The other segment also includes corporate activities carried on by the Corporation or Assante which do not fall under the asset management segment or asset administration segment such as trading in marketable securities, foreign exchange contracts and interest. Complete financial information regarding the other segment is provided in the Corporation's 2004 Annual Report which is available on SEDAR at www.sedar.com.

Risk Factors

The following risk factors relating to the Corporation are most likely to influence an investor's decision to buy, sell or hold Common Shares. These risk factors should be considered in conjunction with the other information included in this Annual Information Form and in the documents incorporated by reference into and forming part of this Annual Information Form.

General Business Risks

As the Corporation operates in businesses where clients delegate discretion over their assets and affairs, it may reasonably be expected that courts and relevant regulatory authorities will impose higher standards of care on the provision of services by the Corporation and its employees and agents than would apply generally in other businesses. In the event the Corporation and/or its employees or agents are found not to meet such standards of care, it could materially impair the business, reputation, operations and prospects of the Corporation. By virtue of the nature of the Corporation's businesses, it is anticipated that the Corporation may from time to time be subject to claims or complaints from clients. There can be no assurance that, given the nature of the Corporation's businesses, the Corporation will not be subject to material claims or complaints.

Changes in Economic, Political and Market Conditions

The Corporation's performance is directly affected by conditions in the financial markets and political conditions including the legislation and policies of governments. The financial markets and businesses operating in the securities industry are volatile and are directly affected by, among other factors, domestic and foreign economic conditions and general trends in business and finance, all of which are beyond the control of the Corporation. There can be no assurance that financial market performance will be favourable in the future. Any decline in the financial markets or lack of sustained growth in such markets may result in a corresponding decline in performance and may adversely affect the Corporation's assets under management, fees and/or revenues, which would reduce cash flow to the Corporation.

Competition

The Corporation 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 the level of commissions and other compensation paid.

The Corporation 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 the Corporation. The trend toward greater consolidation within the investment management industry has increased the strength of a number of the Corporation's competitors. Additionally, there are few barriers to entry by new investment management firms, and the successful efforts of new entrants has resulted in increased competition. Competitors of the Corporation are also seeking to expand market share by offering different products and services than offered by the Corporation. There can be no assurance that the Corporation will maintain its current standing in the market or its current market share, and that may adversely affect the business, financial condition or operating results of the Corporation.

Dependence on Senior Management

The success of the Corporation is dependent to a significant degree upon the contributions of senior management. The Corporation has entered into employment contracts with key individuals but not all members of senior management. The loss of senior management, or an inability to attract, retain and motivate sufficient numbers of qualified management personnel on the part of the Corporation, could adversely affect the Corporation's business.

Integration Risk

The acquisitions of Assante, Synergy, Skylon, IQON and Synera (the "Companies") involve the combination of companies that have similar or complementary business operations. An important factor in the success of the acquisitions will be the success of the management of the Corporation in managing the Companies and, if appropriate, integrating all or part of the operations and personnel of the Companies following the completion of the acquisitions. The acquisitions of the Companies and/or the integration of the Companies can result in unanticipated operational problems, expenses and liabilities and diversion of management attention. There can be no assurance that such acquisitions or integration efforts will be successful or that the combination will not adversely affect the business, financial condition or operating results of the Corporation. In addition, the Corporation may incur charges related to the acquisitions and related to integrating the Companies. There can be no assurance that the Corporation will not incur additional material charges in subsequent quarters to reflect additional costs associated with the acquisitions.

Regulation of the Corporation and its Subsidiaries

The Corporation's subsidiaries (the "Subsidiaries") are heavily regulated in almost all jurisdictions where the Subsidiaries 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 the Subsidiaries, including the power to limit or restrict business activities. 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 the Subsidiaries' business segments or their 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 the Corporation. To the extent that existing or future regulations affecting the sale or offering of the Subsidiaries' products or services or the Subsidiaries' investment strategies cause or contribute to reduced sales of the Subsidiaries' products or lower margins or impair the investment performance of the Subsidiaries' products, the Corporation's aggregate assets under management and its revenues may be adversely affected.

Sales and Redemptions

The Corporation earns revenue primarily from management fees for advising and managing its mutual funds. These revenues depend largely on the value and composition of mutual fund assets under management. The level of assets under management is influenced by three factors: (i) sales, (ii) redemption rates, and (iii) investment performance. Sales and redemptions may fluctuate depending on market and economic conditions, investment performance and other factors, and there can be no certainty that sales and redemptions will continue at levels experienced in the past. In addition, there can be no certainty regarding future investment performance.

Sufficiency of Insurance

The Corporation maintains various types of insurance which may include financial institution bonds, errors and omissions insurance, directors' and officers' liability insurance, agent's 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 or that any insurer will remain solvent with sufficient limits or at a reasonable cost. A judgment against the Corporation or its subsidiaries in excess of available coverage could have a material adverse effect on the Corporation both in terms of damages awarded and the impact on the reputation of the Corporation.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following selected consolidated financial information of the Corporation relates to the last three financial years ended May 31, 2004, and is derived from the audited consolidated financial statements of the Corporation (except where noted otherwise):

Financial Information	Year Ended May 31		
	2004[(1)]	**2003**	**2002**
	(thousands of dollars, except per share amounts, total fee-earning assets and shares outstanding)		
Total Fee-Earning Assets (millions of dollars) (unaudited)	61,343	33,084	25,713
Total Revenues	844,673	576,203	449,216
Net Income (Loss)	221,044	70,992	(61,445)
Income Before Amortization of Goodwill	221,044	70,992	36,826
Total Assets	2,493,762	1,025,650	290,742
Long-Term Debt	219,627	120,000	68,750
Shareholders' Equity	1,533,869	632,725	56,760
Operating Cash Flow	368,507	245,640	222,820
Earnings (Loss) per Share	0.82	0.32	(0.35)
Diluted Earnings (Loss) per Share	0.82	0.31	(0.35)
Shares Outstanding at End of Period	295,199,027	235,525,648	170,785,428
Cash Dividends Declared per Share[(2)]	0.405	0.290	0.060

(1) In June 2004, the Corporation completed the acquisition of IQON and Synera. At the time of acquisition, IQON and Synera had approximately $4 billion in fee-earning assets.

(2) See "Dividends" below.

DIVIDENDS

The current policy of the Corporation is to pay dividends of $0.15 per Common Share to the holders of Common Shares on a quarterly basis. This policy is reviewed from time to time by the Corporation's Board of Directors after giving consideration to the Corporation's cash flow, financial position, net earnings, sales outlook and other relevant factors.

The dividends paid on the Common Shares for the past three fiscal years were: $0.405 (2004); $0.29 (2003); and $0.06 (2002).

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management's discussion and analysis of the Corporation for the year ended May 31, 2004, a copy of which may be found on SEDAR at www.sedar.com, is specifically incorporated by reference into and forms a part of this Annual Information Form.

DESCRIPTION OF CAPITAL STRUCTURE

General Description of Capital Structure

The Corporation's share capital consists of two classes, the Common Shares and preference shares (the "Preference Shares") issuable in series, the material characteristics of which are described below.

As at September 15, 2004, the Corporation had outstanding 295,202,707 Common Shares and no Preference Shares.

Common Shares

Subject to the prior rights of the holders of the Preference Shares and any other shares ranking senior to the Common Shares with respect to priority in the payment of dividends, the holders of Common Shares are entitled to receive dividends, if, as and when declared by the Board of Directors of the Corporation. After payment of all debts and subject to the preference of the holders of the Preference Shares and any other shares ranking senior to the Common Shares, in the event of the liquidation, dissolution or winding-up or other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the remaining assets of the Corporation will be distributed in equal amounts per share on all the Common Shares at the time outstanding without preference or priority of one share over another. The holders of the Common Shares are entitled to one vote per share at all meetings of shareholders of the Corporation other than a meeting of the holders of another class or series of shares of the Corporation. The holders of Common Shares are not entitled to vote separately as a class or to dissent rights on a proposal to amend the articles of the Corporation to create a new class of shares ranking in priority to or on parity with the Common Shares.

Preference Shares

The Preference Shares are issuable from time to time in one or more series. The Board of Directors of the Corporation must fix before issuance the number, consideration per share, and the designation of and the provisions attaching to the shares of each series. The Preference Shares of each series rank on a parity with the Preference Shares of every other series with respect to accumulated dividends and the return of capital. The Preference Shares are entitled to preference over the Common Shares and any other shares ranking junior to the Preference Shares with respect to the payment of dividends and the return of capital. The Board of Directors of the Corporation is not empowered to grant voting rights for a series of Preference Shares except in respect of arrears of dividends or in respect of amendments to the rights attaching to a series. The holders of the Preference Shares are not entitled to vote separately as a class or series or to dissent rights on a proposal to: amend the articles of the Corporation to create a new class of shares ranking in priority to or on parity with the Preference Shares; effect an exchange or a reclassification or cancellation of the Preference Shares; or increase the maximum number of the authorized shares of a class ranking in priority to or on parity with the Preference Shares.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed and posted for trading on the Toronto Stock Exchange ("TSX") under the stock symbol "CIX". The price ranges and volume traded of the Common Shares on the TSX for each month of the most recently completed financial year (June 2003 to May 2004) are set out below.

Month	Price ($)		Trading Volume (000's)
	High	Low	
June	12.06	11.31	5,861
July	13.00	11.59	8,386
August	13.42	12.50	15,372
September	14.69	13.90	15,347
October	14.75	14.10	12,957
November	15.96	15.30	21,723
December	15.69	14.04	28,699
January	14.95	14.09	15,724
February	15.17	14.51	13,106
March	15.87	14.81	8,553
April	16.49	15.29	16,223
May	16.50	15.77	10,203

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The name, occupation and security holdings of each of the directors and executive officers of the Corporation at September 15, 2004 are as follows:

Name and Address	Principal Occupation and Positions with the Corporation	Director Since	Number of Common Shares Beneficially Owned, Controlled or Directed
Peter W. Anderson Markham, Ontario, Canada	Executive Vice-President	--	687,600
Ronald D. Besse (2)(3) Toronto, Ontario, Canada	President, Besseco Holdings Inc. (private investment company); Director and Lead Director of the Corporation	October 11, 1995	94,404
G. Raymond Chang Toronto, Ontario, Canada	President, G. Raymond Chang Ltd. (private investment company); Chairman (non-executive) and Director of the Corporation	April 12, 1994	14,124,792
Paul W. Derksen (2) Toronto, Ontario, Canada	Executive Vice-President and Chief Financial Officer, Sun Life Financial Inc. (financial services company); Director of the Corporation	July 25, 2002	--

Name and Address	Principal Occupation and Positions with the Corporation	Director Since	Number of Common Shares Beneficially Owned, Controlled or Directed
William T. Holland Toronto, Ontario, Canada	President, Chief Executive Officer and Director of the Corporation	April 12, 1994	13,789,330
Michael J. Killeen Toronto, Ontario, Canada	Senior Vice-President, General Counsel and Corporate Secretary	--	147,000
Stephen A. MacPhail Toronto, Ontario, Canada	Executive Vice-President, Chief Operating Officer and Chief Financial Officer	--	764,545
A. Winn Oughtred (1)(3) Toronto, Ontario, Canada	Partner, Borden Ladner Gervais LLP (law firm); Director of the Corporation	April 12, 1994	15,304
George W. Oughtred (1)(2) Calgary, Alberta, Canada	President, Privatbanken Holdings Inc. (private investment company); Director of the Corporation	April 12, 1994	4,721,920
David C. Pauli Mississauga, Ontario, Canada	Executive Vice-President, Fund Operations, CI Mutual Funds Inc.	--	689,000
C. James Prieur (1)(3) Toronto, Ontario, Canada	President and Chief Operating Officer, Sun Life Financial Inc. (financial services company); Director of the Corporation	September 6, 2004	--
David J. Riddle (1)(2)(3) Vancouver, British Columbia, Canada	President, C-Max Capital Inc. (private investment company); Director of the Corporation	October 7, 1997	1,401,920

(1) *Member of the Compensation Committee.*
(2) *Member of the Audit Committee.*
(3) *Member of the Corporate Governance Committee.*

Each of the directors and executive officers has held the same principal occupation within the five preceding years except: Mr. Besse, who prior to September 2003 was Chairman, President and Chief Executive Officer of Gage Learning Corporation (publishing company); Mr. Chang, who prior to 2003 was Chairman (executive) of the Corporation; and Mr. Derksen, who prior to February 2000 was Executive Vice-President and Chief Financial Officer of CT Financial Services Inc. (financial services company).

The term of office of each director will expire at the termination of the next annual meeting of shareholders or until his successor is elected or appointed.

As at September 15, 2004, the directors and executive officers of the Corporation as a group beneficially owned, directly or indirectly, or exercised control or direction over approximately 12.3% of the Common Shares.

Penalties and Sanctions

Sun Life Financial's subsidiary, Massachusetts Financial Services Company, settled two administrative proceedings in 2004 with the Securities and Exchange Commission and other regulators in the United States as described in Sun Life Financial's press releases dated February 5, 2004 and March 31, 2004 which may be found on SEDAR at www.sedar.com.

Conflicts of Interest

A potential conflict of interest may exist between the Corporation and two directors of the Corporation who are also directors of Sun Life Financial or its affiliates. The nominee directors of Sun Life Assurance (currently Messrs. Derksen and Prieur) which owns 34% of the Common Shares, are required to absent themselves from meetings of the Board of Directors of the Corporation or its committees where matters involving, or that may affect, Sun Life Financial are discussed.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Under the Shareholders' Agreement, Sun Life Assurance has a Pre-emptive Right as described under "General Development of the Business – Other Acquisitions – Spectrum Investment Management Limited and Clarica Diversico Ltd.". In the past fiscal year, Sun Life Assurance exercised the Pre-emptive Right pursuant to the transactions described under "General Development of the Business – Significant Acquisitions in Past Year" and "General Development of the Business – Other Acquisitions – Synergy Asset Management Inc.".

TRANSFER AGENT AND REGISTRAR

Computershare Trust Company of Canada acts as Transfer Agent and Registrar for the Corporation's Common Shares at its principal office in Toronto, Ontario.

MATERIAL CONTRACTS

The following contracts can reasonably be regarded as material to the Corporation:

(a) the Sun Life Purchase Agreement described under "General Development of the Business – Other Acquisitions – Spectrum Investment Management Limited and Clarica Diversico Ltd."; and

(b) the Shareholders' Agreement described under "General Development of the Business – Other Acquisitions – Spectrum Investment Management Limited and Clarica Diversico Ltd.".

INTERESTS OF EXPERTS

Ernst & Young LLP, the external auditors of the Corporation, reported on the fiscal 2004 audited financial statements of the Corporation (the "Financial Statements") which were filed with securities regulators. Ernst & Young LLP had no registered or beneficial interests, direct or indirect, in any securities or other property of the Corporation or any of the Corporation's associates or affiliates when it prepared the report on the Financial Statements, or after the report on the Financial Statements, nor does it expect to receive any such securities or other property.

ADDITIONAL INFORMATION

General

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Common Shares, options to purchase Common Shares, and securities authorized for issuance under equity compensation plans is contained in the Management Information Circular of the Corporation for its most recent annual meeting of shareholders. Additional financial information is provided in the Corporation's financial statements and management discussion and analysis for its most recently completed financial year. A copy of the charter of each committee of the Board of Directors is attached hereto as Appendices "A" to "C".

When securities of the Corporation are in the course of a distribution under a preliminary short form prospectus or a short form prospectus, the Corporation will provide to any person upon request to the Corporate Secretary of the Corporation:

(a) one copy of this Annual Information Form, together with one copy of any document or the pertinent pages of any document incorporated by reference in this Annual Information Form;

(b) one copy of the audited comparative financial statements of the Corporation for the most recently completed financial year, together with the accompanying report of the auditor, and one copy of any interim unaudited financial statements of the Corporation issued with respect to any period subsequent to its most recently completed financial year;

(c) one copy of the Management Information Circular of the Corporation in respect of its most recent annual meeting of shareholders that involved the election of directors; and

(d) one copy of any other document that is incorporated by reference into the preliminary short form prospectus or the short form prospectus and is not required to be provided under (a) through (c) above.

At any other time, any person may obtain, upon request to the Corporate Secretary of the Corporation, one copy of any of the documents referred to in (a) through (c) above, provided that the Corporation may require the payment of a reasonable fee if such request is made by a person who is not a securityholder of the Corporation.

Audit Committee Information

The Audit Committee of the Board of Directors of the Corporation is responsible for monitoring the Corporation's systems and procedures for financial reporting and internal control, reviewing certain public disclosure documents and monitoring the performance and independence of the Corporation's external auditors. The Audit Committee is also responsible for reviewing the Corporation's audited financial statements, unaudited quarterly financial statements and management's discussion and analysis of financial results of operations and review of related operations prior to approval by the full Board of Directors.

Audit Committee's Charter

The Audit Committee charter sets out its responsibilities and duties, qualifications of membership, procedures for committee member removal and appointment and reporting to the Board of Directors. A copy of the charter is attached hereto as Appendix "A".

Composition of the Audit Committee

As of September 15, 2004, the Audit Committee is comprised of four directors, all of whom are independent directors: Messrs. Paul W. Derksen (Chairman), Ronald D. Besse, George W. Oughtred and David J. Riddle. Each member of the Audit Committee is financially literate.

Relevant Education and Experience

Paul W. Derksen acquired significant experience and exposure to accounting and financial issues as Executive Vice-President and Chief Financial Officer of Sun Life Financial since February 2000, where he is responsible for Sun Life Financial's Actuarial, Investment and Risk Management functions and for Mergers & Acquisitions and Investor Relations; and in prior positions as Executive Vice-President and Chief Financial Officer of CT Financial Services Inc. and Canada Trustco Mortgage Company, Chairman of Truscan Property Corporation, Canada Trustco's Real Estate investment subsidiary; and Executive Vice-President of Merrill Lynch Canada Inc. Mr. Derksen is a Chartered Accountant and holds an Honours B.A. in Business Administration from the Ivey School of Business at the University of Western Ontario.

Ronald D. Besse acquired significant experience and exposure to accounting and financial issues as the current President of Besseco Holdings Inc., President and Chief Executive Officer of McGraw-Hill Ryerson Ltd. from 1973 to 1976, President of Consolidated Graphics from 1976 to 1978, and Chairman, President and Chief Executive Officer of Gage Educational Publishing Co. Ltd. and other related companies which became Canada Publishing Corporation from 1978 to 2003. Mr. Besse is a director of several companies including Rogers Communications Inc. where he is the Chair of the Audit Committee. Mr. Besse completed the Business Administration program at Ryerson Polytechnical Institute (now Ryerson University) and holds an Honourary Doctorate of Commerce from Ryerson.

George W. Oughtred acquired significant experience and exposure to accounting and financial issues as President of Privatbanken Holdings Inc. for 30 years and as a past member of approximately twelve boards of directors and six audit committees. Mr. Oughtred has worked in or been associated with the investment business (including the mutual fund business) throughout Canada for 35 years. Mr. Oughtred received a Bachelor of Commerce from McGill University and a Masters of Business Administration from the University of Western Ontario.

David J. Riddle acquired significant experience and exposure to accounting and financial issues by working in the investment business throughout Canada for the past 20 years with major Canadian investment dealers and as a senior executive in the mutual fund industry. Mr. Riddle received a Bachelor of Arts in Economics from the University of Calgary.

Pre-Approval Policies and Procedures

The following policies and procedures have been adopted by the Audit Committee for the engagement of the external auditors for non-audit services.

On proposed non-audit services, the timing of which is not urgent, management is required to submit a request for pre-approval of same at the next quarterly Audit Committee meeting.

For all other proposed non-audit services, the Committee has delegated to its Chairman the responsibility to review the proposed non-audit services under the following procedures. Designated finance personnel are required to submit to the Chairman of the Committee, in writing, a request for pre-approval of each and every non-audit service, such request to disclose all necessary details of the proposed non-audit services such as the scope of work, the estimated time for completion, and the estimated fees for such services. Except in extenuating circumstances, requests shall be made to the Chairman prior to the engagement of the auditors for the particular service. Upon receipt of the request, the Chairman of the Committee shall promptly either accept the request or decline the request with brief reasons, in either case in writing. Management must present any request pre-approvals to the Committee at its next quarterly meeting. The Corporation shall retain all correspondence pertaining to the requests in its records.

External Auditors' Service Fees

The following summarizes, by category, the services rendered and fees billed by the Corporation's external auditors for the last two fiscal years.

Audit Fees

The aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for audit services were $327,100 (2004) and $158,775 (2003).

Audit-Related Fees

The aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for assurance and related services that were reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported above under "Audit Fees" were $225,570 (2004) and $178,887 (2003). The services comprising these fees were quarterly reviews, an internal control review, and review of the proxy circular sent to Assante shareholders to approve the Assante Arrangement.

Tax Fees

The aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for tax compliance, tax advice, and tax planning were $188,186 (2004) and $55,500 (2003). The services comprising these fees were tax compliance assistance, tax election filings and other tax advice.

All Other Fees

The aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for products and services provided, other than the services reported above, were $431,366 (2004) and $146,718 (2003). The services comprising these fees were due diligence work on acquisitions and income trust conversion analysis.

APPENDIX "A"

CI FUND MANAGEMENT INC.

AUDIT COMMITTEE CHARTER

INTRODUCTION

This charter (the "Charter") has been adopted to govern the composition, mandate responsibilities and authority of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of CI Fund Management Inc. (the "Corporation").

COMPOSITION

The Committee shall be appointed by the Board and shall be composed of at least three directors, each of whom is "independent" and "financially literate" as required by Multilateral Instrument 52-110 (the "Instrument") of the Canadian Securities Administrators.

PRIMARY RESPONSIBILITIES OF THE COMMITTEE

The primary responsibilities of the Committee are:

1. To recommend to the Board:

   (a) the external auditor (the "Auditors") to be nominated for appointment by the shareholders of the Corporation for the purpose of preparing or issuing the auditor's report or performing other audit, review or attest services for the Corporation; and

   (b) the compensation of the Auditors.

2. To be directly responsible for overseeing the work of the Auditors in preparing or issuing the auditor's report on the Corporation's annual consolidated financial statements or performing other audit, review or attest services for the Corporation including the resolution of disagreements between management of the Corporation and the Auditors regarding financial reporting.

3. To pre-approve, as required by the Instrument, all non-audit services to be provided to the Corporation by the Auditors. The Committee may, in accordance with the requirements of the Instrument, delegate to one or more members of the Committee the authority to pre-approve non-audit services to be provided by the Auditors.

4. To review:

   (a) the Corporation's unaudited quarterly consolidated financial statements for the first, second and third quarters of the Corporation's fiscal year ("quarterly statements") and the Corporation's audited annual consolidated financial statements ("annual statements");

   (b) the Management's Discussion and Analysis ("MD&A") prepared in conjunction with the quarterly and annual statements; and

   (c) all press releases to be issued by the Corporation with respect to its annual and quarterly earnings and press releases on other material financial reporting matters.

5. To satisfy itself that adequate procedures are adopted by the Corporation for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements other than the public disclosure referred to in section 4 above and to regularly assess the adequacy of such procedures.

6. To establish and oversee the maintenance of procedures for:

   (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and

   (b) the confidential anonymous submission by employees of the Corporation and its subsidiaries of concerns regarding questionable accounting or auditing matters.

7. To review and approve the Corporation's and its subsidiaries' hiring policies regarding partners, employees and former partners and employees of the current and former Auditors of the Corporation, its subsidiaries and the mutual funds managed by the Corporation and its subsidiaries.

AUTHORITY OF THE COMMITTEE

Subject to prior consultation with the Chief Executive Officer or the Chief Financial Officer (except in unusual circumstances), the Committee is authorized to:

1. engage independent counsel and other advisors it determines necessary to carry out the Committee's duties and responsibilities;

2. set and require the Corporation to pay the compensation and charged expenses for any advisors engaged by the Committee; and

3. communicate directly with the internal audit staff of the Corporation and its subsidiaries (if any) and the Auditors.

ADDITIONAL RESPONSIBILITIES AND DUTIES OF THE COMMITTEE

Auditors

1. The Committee shall ensure that the Corporation requires and instructs the Auditors to report directly to the Committee.

2. The Committee is responsible for ensuring the independence of the Auditors. On an annual basis, the Committee shall obtain a formal written statement from the Auditors delineating all relationships between the Auditors and the Corporation and confirming the independence of the Auditors. This written statement shall be obtained in conjunction with the audit of the annual financial statements after each fiscal year end. In addition, on a quarterly basis, the Committee shall obtain verbal or written confirmation of the independence of the Auditors.

Review of Annual Financial Statements

The Committee shall review the annual financial statements of the Corporation prior to their public release and shall report the results of its review to the Board and make recommendations to the Board with respect to Board approval of the financial statements. At the Committee meeting at which the Corporation's annual financial statement are to be reviewed, the Committee shall meet, in person, with representatives of the Auditors and with the Corporation's management to assess and understand the annual financial statements and the results of the audit including, but not limited to:

- that the Corporation's system of internal controls and financial reporting systems are adequate to produce fair and complete disclosure of its financial results;
- that the Corporation's reporting is complete and fairly presents its financial condition in accordance with generally accepted accounting principles;
- that accounting judgments and estimates used by management are reasonable and do not constitute earnings management;
- that risk management policies are in place to identify and reduce significant financial and business risks; and
- that the Corporation has in place a system to ensure compliance with applicable laws, regulations and policies.

Review of Quarterly Financial Statements

The Committee shall review the interim quarterly financial statements of the Corporation prior to their public release and make recommendations to the Board with respect to Board approval of the quarterly financial statements. The review by the Committee shall be substantially completed prior to the issuance of a press release respecting the quarterly financial results. The Committee shall meet, in person, with representatives of the Auditors and with the Corporation's management to assess and understand the interim quarterly financial statements and to discuss the results of their preparation and review. At each meeting, the Committee will request that the Auditors communicate to the Committee their findings based on the quarterly procedures performed by the Auditors. In addition, the Committee will request that the Auditors communicate any findings which would modify or change the report provided by the Auditors to the Committee in connection with the Corporation's last audited financial statements.

Other Responsibilities and Duties

1. As part of the quarterly and annual reviews described above, the Committee will:

    - review quarterly and annual chief executive officer and chief financial officer certifications on financial statements and controls required by the Instrument;
    - meet with management in the absence of the Auditors;
    - meet with the Auditors in the absence of management;
    - review with management and the Auditors any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting;

- review with management and the Auditors any significant financial reporting issues discussed during the fiscal period and the method of resolution;

- review any problems experienced by the Auditors in performing the annual audit or quarterly procedures, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;

- obtain an explanation from management of all significant variances between comparative reporting periods;

- review the post-audit or management letter, containing the recommendations of the Auditors, and management's response and subsequent follow up to matters raised by the Auditors;

- review any evaluation of internal controls by the Auditors, together with management's response;

- review and make recommendations to the Board with respect to the appointments and duties of the Chief Financial Officer and the Corporation's hiring policies regarding other key financial personnel involved in the financial reporting process;

- review and reassess the Charter for adequacy at least annually and make changes as it deems necessary; and

- report to the Board on the adequacy of the Charter at each Board meeting which immediately precedes the fiscal year end of the Corporation.

2. In addition to the quarterly and annual reviews, the Committee will:

    - prior to the commencement of each annual audit, meet with the Auditors to review the Auditors' audit plan for the ensuing audit;

    - review with management and the Auditors all material accounting and financial issues affecting the Corporation not dealt with in annual and quarterly reviews; and

    - review annually and recommend changes to the Corporation's code of conduct.

3. The Committee shall perform such other duties as may be required by the Board or as may be delegated to the Committee by the Board.

APPENDIX "B"

CI FUND MANAGEMENT INC.

COMPENSATION COMMITTEE CHARTER

INTRODUCTION

This written charter (the "Charter") has been adopted to govern the composition, mandate, responsibilities and authority of the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of CI Fund Management Inc. (the "Corporation").

COMPOSITION

The Committee shall be appointed by the Board and shall consist of at least three directors, each of whom is "independent" as defined by applicable regulatory authorities.

MANDATE AND RESPONSIBILITIES

Committee Meetings

The Committee shall meet at least once per fiscal year.

Responsibilities

The Committee is responsible for the following:

1. making recommendations to the Board with respect to the remuneration (including benefits, bonuses, perquisites, and long-term incentives) of Executive Officers and the directors;

2. reviewing the design and competitiveness of the Corporation's overall compensation plan and reporting to the Board with respect thereto;

3. monitoring the Corporation's Employee Incentive Stock Option Plan and making recommendations to the Board with respect to grants of stock options to directors who are officers or employees of the Corporation;

4. reviewing the Corporation's succession planning for the Chief Executive Officer and senior executive officers of the Corporation and reporting to the Board with respect thereto;

5. reporting to shareholders on remuneration and related matters;

6. performing such other compensation-related duties as may be required by the Board or the Chief Executive Officer from time to time.

Authority of the Committee

Subject to prior consultation with the Chief Executive Officer or the Chief Financial Officer (except in unusual circumstances), the Committee is authorized to:

1. engage independent counsel and other advisors it determines necessary to carry out the Committee's duties and responsibilities; and

2. set and require the Corporation to pay the compensation and charged expenses for any advisors engaged by the Committee.

Annual Review of the Charter

The Committee shall review and reassess the Charter for adequacy at least annually and make changes as it deems necessary. The Committee shall report to the Board on the adequacy of the Charter at the Board meeting which immediately precedes the fiscal year end of the Corporation.

APPENDIX “C”

CI FUND MANAGEMENT INC.

CORPORATE GOVERNANCE COMMITTEE CHARTER

INTRODUCTION

This written charter (the “Charter”) has been adopted to govern the composition, mandate, responsibilities and authority of the Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of CI Fund Management Inc. (the “Corporation”).

COMPOSITION

The Committee shall be appointed by the Board and shall consist of at least four directors, each of whom is “independent” as defined by applicable regulatory authorities.

MANDATE AND RESPONSIBILITIES

Committee Meetings

The Committee shall meet at least once per fiscal year on a formal basis, without any management present. In addition to the formal meeting(s), the Committee shall maintain regular communications with management on corporate governance matters.

Responsibilities

The Committee is responsible for the following:

1. developing the Corporation’s approach to corporate governance issues;

2. ensuring the Board functions independently of management;

3. assessing the effectiveness of the Board as a whole;

4. making recommendations to the Board on (i) the size and composition of the Board; (ii) the contribution and performance of the incumbent directors; (iii) director succession planning and recruitment; and (iv) the orientation and education of directors;

5. reviewing on an annual basis the Corporation’s statement of corporate governance practices required by applicable legislation;

6. performing such other governance-related duties as may be required by the Board from time to time.

Authority of the Committee

The Committee is authorized to:

1. engage independent counsel and other advisors it determines necessary to carry out the Committee's duties and responsibilities; and

2. set and require the Corporation to pay the compensation and charged expenses for any advisors engaged by the Committee.

Annual Review of the Charter

The Committee shall review and reassess the Charter for adequacy at least annually and make changes as it deems necessary. The Committee shall report to the Board on the adequacy of the Charter at the Board meeting which immediately precedes the fiscal year end of the Corporation.