CI FINANCIAL CORP.

SECOND QUARTER 2011 RESULTS

CONFERENCE CALL

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Corporate Participants

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OPERATOR: Welcome to the CI Financial 2011 Q2 webcast. My name is Monica and I'll be your operator for today's call. At this time all participants are in the listen-only mode. Later, we will conduct a question and answer session. This presentation 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 conditions. Although management believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, such statements involve risks and uncertainty. For further information regarding factors that could cause actual results to differ from expectations, please refer to the management's discussion and analysis available at www.ci.com/cix. This presentation 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 believes that most shareholders, creditors, other stakeholders and investment analysts prefer to include the use of these financial measures in analyzing CI's results. These non-IFRS measures and reconciliations to IFRS, where necessary, are included in management's discussion and analysis available at www.ci.com/cix. Please note that this conference is being recorded. I will now turn the call over to Stephen MacPhail, President and CEO of CI Financial. You may begin.

MACPHAIL: Thank you. Good afternoon. Thank you for listening in on CI's earnings conference call for our second quarter results. I only wish the market conditions were considerably better to be reporting on. Joining me today is Derek Green, President of CI Investments, and Doug Jamison, Chief Financial Officer of CI Financial, both of whom you're familiar with.

I thought I would start with the performance of CI shares. For whatever period is shown, CI continues to outperform the TSX. Even going back to 1994, you can see CI continues its outperformance of the TSX and financial services index. Moving to quarterly highlights, CI's average AUM [assets under management] was up 15% on a year- over-year basis as result of positive net sales and fund performance. Consistent with asset growth is 15% earnings growth. We posted positive net sales in every month of the quarter and this continued in July. Castlerock, formerly known as Hartford, is exceeding expectations. Our institutional business has won 10 mandates in the year-to-date and, finally, we made strategic investments in expanding our Signature and Cambridge money management businesses, and similarly invested in expanding sales and marketing.

Turning to the financial highlights, as mentioned, average AUM for the period was $74.5 billion, up 15% from the prior year. Earnings per share of 34 cents were up 17% from the prior year. Pre-tax operating earnings per share were 60 cents, up 15% from the 52 cents per share in the prior year. Similarly, we are at 65 cents per share in EBITDA for the quarter, up 14% year over year. SG&A [expenses], as a percentage of assets was flat at 40 basis points. I want to point out that this 40 basis points includes all corporate expenses, all sales and marketing costs, the cost of all money management, both internal and external, the cost of administering Assante and the cost of administering our mutual funds. We did this all for 40 basis points.

Lastly, we paid dividends of 22.5 cents per share in the quarter, up 22% from the prior year. I will now pass it over to Derek Green, President of CI Investments, to talk about our sales and marketing activities. Derek?

GREEN: Thanks Steve. As Steve said, clearly markets have been very challenging for the last couple of months, but our gross sales came in at $2.5 billion. We had net sales of $300 million and continue to have positive momentum. Our sales support has been strong across almost all channels – Sun Life and Assante at 17% and 13%, respectively, and Edward Jones up almost 150%. IIROC at positive 28% rounds out that group and just the MFDA slightly down at minus 6%.

The next slide is an update on our Castlerock business. As Steve said, this has turned out to be a terrific acquisition. As of June 30, the assets were just shy of $2 billion. We had net sales of $100 million. Today, we have a current run rate of $23 million annually. This is really an excellent achievement given the effective purchase of $95 million.

Our institutional business continues to do extremely well; in fact, I would say that sales momentum is building. We're in line to exceed our forecast of $600 million in sales this year, and of the 14 short lists that we've been on, we've won 10 of them. Currently, we've funded just over $300 million and we have a little more money in the pipeline that will be going into the funds in the next month or so.

We'll be expanding our product offering in 2012 to include a Cambridge mandate. I think many of you are aware that we've built out the Cambridge team. Three new people, four new people, actually, have joined Cambridge and we're very excited about having that product in 2012.

As I mentioned earlier, clearly the markets have been very challenging for the last couple of months. In our business, there's nothing more important than performance. I know that this chart is a little out of date, the numbers are as of June 30, but as you can see, the numbers are very strong across all of our mandates – different managers and in balanced product, income and equity product, but also in our global equity space as well.

The next page really just shows the strength and the longevity of our sales success since going public. This is one of our proudest achievements and if you look at that number, we have a stunning 91% of quarters with positive sales since going public in 1994.

The next slide just talks about some of the current initiatives that we're working on. As you recall the last time we spoke, we were just in process of getting ready to host our Leadership Forum in Las Vegas. It was a huge, huge success. We had close to 600 advisors in Las Vegas, where we were able to showcase our products and our portfolio managers and we have made a commitment to the advisors that we'll be doing another conference next May in Las Vegas. As Steve touched on earlier, we've made significant reinvestments into our sales and marketing group. We'll be implementing a new contact management system this fall and we've added 20 new marketing people. I think we've a great story to tell. I'd just like the markets to perform a little better so we get out and tell that story more effectively.

In the second quarter, we ended two relationships with sub-advisors and we moved approximately $3 billion in assets to the Signature Global Advisors Group and Cambridge, and our expectation is we'll have better performance at a lower cost, as well. So at this time I'd like to hand the presentation over to Doug. Doug, go ahead.

JAMISON: Thank you Derek. I'll start by taking a look at how CI performed on a quarter-over-quarter basis and we show that average AUM grew by 1% from last quarter. CI's earnings per share were flat when we adjusted for the $3.5 million dollar after-tax insurance settlement recorded last quarter. Pre-tax operating earnings per share were up a penny from 59 cents to 60 cents this quarter, and here we take out non-recurring items, as well as the effects of deferred sales commission financing and redemption fee revenue. Similarly, EBITDA was up from 64 cents last quarter to 65 cents this quarter, an increase of 2%. SG&A spend was up slightly, but in line with the growth in CI's average AUM, so as a percentage of average assets, it stayed at 40 basis points. And CI paid out dividends of 22.5 cents per share for the quarter at a rate of 7.5 cents per month, up from seven cents per month last quarter.

This next slide highlights CI's daily assets under management, which is the dark line and the quarterly average is the shaded area. You can see the significant climb in CI's AUM from below $65 billion in the middle of last year to over $75 billion as recently as early July. Since then, markets have tumbled and CI's assets under management are now below $70 billion, meaning that the average for Q3 will be below the average for Q2.

CI's EBITDA margin has expanded over the past couple of quarters. This quarter, EBITDA was at $187 million over revenue of $385.5 million, giving a margin of 48.5%, up 1% from last quarter.

Taking a look at the last five quarters of free cash flow, you can see the significant growth in this number over the past year as CI's AUM grew. CI's free cash flow is its operating cash flow less the amounts spent on deferred sales commission and this quarter, CI was also able to utilize the tax losses acquired with the Hartford Investments purchase and that resulted in a $20 million cash flow item. Free cash flow was $127 million this quarter and even after adjusting for the $20 million, was up from $98 million last quarter and $85 million last year.

On the next slide, we look at the uses of cash on a year-over-year basis, and CI generated operating cash flow of $162 million this quarter compared to $122 million in the same quarter last year. From that, CI paid sales commissions of $35 million and $37 million, leaving free cash flow of $127 million and $85 million, respectively. Last year, CI returned more than its reported free cash to shareholders with $63 million in share buybacks and $54 million in dividends. This year, CI paid out $65 million in dividends but did not buy back any stock. This leaves a surplus of $62 million available to buy back stock in the future and CI's long-term goal is to return its free cash flow to its shareholders. CI's ratio of net debt to EBITDA is currently just below one to one, and we have over $100 million in excess cash. So we have significant flexibility here.

And over the last two years, the monthly dividend has increased from four cents per share to 7.5 cents per share, and annualized, that's 90 cents per share for about a 4.5% yield based on where CI stock is today. And I'll now turn it back to Steve.

MACPHAIL: Thank you, Doug. I'll summarize by reiterating that CI currently has an exceptional lineup of investment managers, excellent performance, as Derek pointed out, arguably the best in the history of CI. Our relative performance has been very good during the recent downturn as a result of conservative positioning by our large fund managers. Our institutional business is poised for growth and expected to increasingly contribute to our bottom line. All our financial metrics are best in class and, as a result of that, CI is well positioned to handle the current market challenges, but equally important, take advantage of opportunities the current market downturn might make available for us.

That concludes our formal remarks and I'd now like to open it up for questions.

OPERATOR: Thank you. We will now begin the question and answer session. If you have a question, please press star then one on your touch-tone phone. If you wish to be removed from the queue, please press the pound sign or the hash key. If you are using a speaker phone, you may need to pick up the handset first before pressing the numbers. Our first question comes from Scott Chan of Canaccord Genuity. Please go ahead.

CHAN: Hi guys. First question is for Derek. Just trying to sort out the institutional numbers. You said that you had won 10 of 14 mandates year-to-date. As of Q2, what was the full amount of net sales of those 10 mandates? I'm just trying to sense of the expectation of the target of achieving $600 million for the year.

GREEN: Around $300 million and, as I said, we've got approximately $100 million left to fund in the pipeline. The actual sales were very similar first quarter to second quarter.

CHAN: Okay. On the segregated fund front, any update there? I guess on a quarter-over-quarter basis, we're still going through on a total basis of net redemptions just based on the Transamerica GIF stuff maturing?

GREEN: It would also be anything that's 10 years old that had a 10-year cap guarantee is maturing, but the redemptions on our product have actually slowed. Our sales and our redemptions were basically dead even. Other seg products that we're involved with, where we're a partner, we are in net redemptions.

CHAN: Okay, and my last question is just for Steve. Steve, I was just wondering if you could provide us an update regarding your BNS relationship, post-vote. Are you guys still in contact with them or how is that playing out right now in the summer?

MACPHAIL: Scott, first I would just say that the challenges we encountered this spring were business issues only and I feel reasonably confident saying that both parties have put this issue behind them. I'd also say that I'm cautiously optimistic that we can move forward in our relationship with the Bank of Nova Scotia and in the past month, Bill Holland, Peter Anderson and most recently myself have met with Chris Hodgson, who as you know heads up all the wealth management at the Bank of Nova Scotia. Without going into details, I can say the conversation was primarily about building the relationship going forward. I don't think Chris would have a problem with me saying that he was supportive of Tom Muir joining our board and was pleased with the financial performance of CI. Lastly, we agreed to meet regularly over the foreseeable future and I would think everyone would agree this was a pretty positive step forward in the relationship between the two firms.

CHAN: Okay, perfect. Thanks for the update Steve.

MACPHAIL: You're welcome.

OPERATOR: Our next question comes from Steven Boland of GMP Securities Group. Please go ahead.

BOLAND: Thanks very much. Sorry Steve, that statement you mentioned about who joining the board?

MACPHAIL: Tom Muir.

BOLAND: Oh, right. Okay.

MACPHAIL: It's in our press release.

BOLAND: Yes. I thought it was in reference to Scotia appointing someone to your board.

MACPHAIL: No, it wasn't Scotia appointing him. He was a candidate we've identified before. He's on both on the board and the audit committee of CI. He's very well qualified in that regard.

BOLAND: Okay, on bringing the AUM in house, that number was $3 billion. Did you want to provide a cost saving, to quantify that at all?

GREEN: No, I don't think so. One of the things I would like to add though is – Steve touched on it – we've had a pretty significant build-out of both the Signature Group and the Cambridge Group this year and we believe that we'll be able to get better risk-adjusted returns for the clients and we think there will be some cost savings as well.

MACPHAIL: Steve, it's never an immediate thing because in order to put the type of team we've put together, it took significant investment on our part and you start paying for that on day one. The strategic view here is that we can grow those assets much more than they would have been with the old managers and that's where we get the economies of scale. As those assets grow, then that's how we're going to make this more profitable for us, by growing the assets with that team that we have. Our view is that, for the most part, that team [Cambridge] could manage $10 to 15 billion in assets and now we're sitting at not particularly high numbers with them.

BOLAND: And last, can you put some context around your gross sales number? Your management fee to AUM has remained pretty steady now for a couple of quarters. Is it the same type of products – balanced, more safe type investments?

GREEN: It’s been pretty consistent – where we’re seeing big sales is into balanced and balanced income. So the mix hasn’t really changed. I would say in the last two months, we actually started to see some people start moving into some of our global product, but people are a little nervous right now, so I think they’ll be sticking around the balanced income for a while longer.

BOLAND: Okay.

MACPHAIL: Steve, when you looked at the July 30th AUM numbers for CI, because we’ve seen a lot of concentration in the more conservative products that was a big contributor to our assets dropping significantly less than what the indexes were dropping over the period and that has continued for us. It’s a pretty good indicator to you where a lot of these sales are going for CI, really not into any of the high-test products.

BOLAND: Okay, and the last question just on the tax loss. Is that going to be an ongoing quarterly cash item?

JAMIESON: No, no this is a one time.

BOLAND: One time? Okay.

MACPHAIL: Yeah.

BOLAND: Okay, thanks very much guys.

OPERATOR: Our next question comes from Doug Young of TD Newcrest. Please go ahead.

YOUNG: Hi, I guess just maybe to follow up quickly, Doug. That tax loss, is there more to come in the next two quarters or are we done with that?

JAMIESON: No, that's it. One time $20 million using the losses.

YOUNG: Okay. Fair enough. Steve or Derek, the asset management expenses were up a little bit, picked up a little bit and I know it's 40 basis points overall, but just wondering, given the market, obviously you had a big conference, just wondering if you can quantify what the expense was there and then obviously with the markets coming down, do you foresee yourself pulling back a little bit on expenses to manage the expenses here?

MACPHAIL: I can answer that question for you. We're not going to tell you what we spent on our Vegas conference. That's part of our secret sauce, how we do all this for so cheap . Just to remind you, that 40 basis points, that includes the Assante costs. Our asset management costs are only 32 basis points. Remember that includes operations for funds, money management, the whole thing. I just want to clarify that. It's 32 basis points for that part because the Assante administration business costs us about eight basis points. With respect to pulling back on costs, it would probably be a little short-sighted right now. We just made a significant investment in certain areas, to turn around and to try to wind that down because within a two-week period of time markets went down, would be hurtful to our business. I would say that what we will do over the next three to four weeks is look at all areas of the business and are there things that we can just slow down expenditures that we don't feel are as critical to some of the growth expenditures that we're making today. That's the way we've always operated our business, but it would be wrong to say that we're going to try to wind down some of these strategic investments that we just made.

YOUNG: Fair enough and so this quarter is probably indicative of what we should be looking for, give or take, going forward with the addition of all the individuals with Hartford and so forth?

MACPHAIL: Well, I think in absolute dollar terms, when the market drops 10 to 12% almost overnight, there's not a chance that we can reduce absolute costs that fast. I mean, a number of these are variable expenses in there but not 100%. So, we don't see absolute costs going up on a quarter-over-quarter basis. They might be down a little bit. So that would result in, on a short-term basis, the basis point cost having to go up.

YOUNG: Okay, and obviously we're getting a lot of questions taking a look at July and even, I know it's early days in August, but can you talk about – you're not going to, I'm sure, quantify it – but what net flows have been, have they positive over the last month and a half?

GREEN: It's Derek. In July, I would say it was consistent with the previous few months – we were in net sales. In August, when you get that type of downdraft, people have moved to the sidelines. August, it's hard to say, it's the early part of the month, but I think a lot of people are sitting on the sidelines just waiting to see what's going to develop.

YOUNG: Okay, and then on the free cash flow side, Steve, you've given targets before and sorry if I didn't see, but I don't recall you saying it in the presentation. I think it used to be around $400 million. Is that still roughly what you're hoping to generate? Am I remembering that correctly?

MACPHAIL: Yeah, that's right. Actually our target number was probably north of $400 million and our forecasts are changing by the day now as you can appreciate, but we certainly would expect today free cash flow in the vicinity somewhere above $400 million.

YOUNG: And your priority, I would imagine, dividend increase first, then stock buyback and is that correct, and then obviously strategically if there's any opportunities out there?

MACPHAIL: Well, it's interesting. We had actually contemplated a dividend increase up to about two weeks ago and then we sat down and had a bit of a change of heart the last five or six days on it based on the strength of our free cash flow. But I would say, just looking at what's happened today, that there may be some buying opportunities on buying back stock and we'll be taking a pretty close look at that every day. We're in blackout right now, of course, we can't buy anything, but once the company is out of blackout we'll take a pretty hard look to see if there's an opportunity to build value for CI by buying back stock. So I'm not going to say that right now our priority is to increase the dividend over buying stock.

YOUNG: And just how do you think about that considering buying back stock pushes up the ownership of Bank of Nova Scotia? Does that factor into your thought process?

MACPHAIL: On a very marginal basis, I don't think it particularly matters at all with us right now. If you're talking about pushing it up materially, I guess we would to think about that and a lot of that will depend on where things go between CI and the Bank of Nova Scotia going forward, but I don't think today we're going to sit down and say look, we're not going to miss on an opportunity to buy back stocks strategically just to freeze Bank of Nova Scotia at their current level. That seems a little short-sighted.

YOUNG: Just last, on the M&A side, you mentioned it was domestic in the U.S. I just wanted to confirm domestically, M&A wise, you're looking at institutional and distribution and I want to confirm the U.S., when you're talking about it, you are talking more smaller in size and can you talk about the pipeline and opportunity out there over the last few months?

MACPHAIL: Well, I'll start with Canada. Whenever there's a correction like we're facing today, it definitely creates opportunities. CI's very well positioned to weather these types of things because we've got a lot of free cash flow, but I think it's a lot tougher on some of the smaller firms. I think we'll see more coming available to us. There's been a lot of things bandied about over the last two months. I think over the next two months I will see a lot more presented to CI. On the U.S. side, the pipeline's very good. We're seeing a lot of things being presented to us, but we're cautious as to what we may or may not want to do for CI. I don't think we'd ever take the position that we're experts in running U.S. businesses, so in many cases we're looking for businesses that have decent U.S. management where we can work together with them. So there's a lot of metrics that go into play.

YOUNG: How big would you be willing to go in the U.S.?

MACPHAIL: That's a tough question. I couldn't answer that. I think it really would depend on the opportunity. If it was a brilliant opportunity, north of a billion dollars, we wouldn't say no to something like that.

YOUNG: Thank you.

OPERATOR: Once again, for any questions please press star, then one on your touch-tone phone. Our next question comes from Geoff Kwan of RBC Capital Markets.

KWAN: Hi, just still wanted to follow up on Doug's question for Derek. The sales activity over the past couple of weeks, has it been more of a gross sales issue or has it been a redemption issue or both?

GREEN: I would say it's a combination of both. The redemptions are fairly constant. After we had a couple of big down days, that's when people, if there's a purchase that they're thinking of making, I think that they may not agree with market timing, but when you see a 3 or 4% down day, I think people move to the side and say, "Hey, maybe I can get this a little cheaper. Why don't I just wait and see what's going to happen here?" So I would say it's more people are just sitting, waiting to see what's going to happen.

KWAN: Okay, and then on the institutional business, if I understood that right, you had $300 million that was funded so far this year, have another $100 million dollars in the pipeline. So from a …

GREEN: Approximately, yes.

KWAN: Yes, sorry, approximately, that I guess for the first half of the year, then you're saying roughly even so I mean the flows would have been, roughly call it 150 in each of the first couple of quarters. Is that the right way to be thinking about it?

GREEN: Yes, and the business is fairly seasonal. In January, February, March, the beginning of the year, they tend to get together with their committees and in the summer, it's not too dissimilar from the retail business, when people come back after Labour Day and get to work. We've tried to maintain very good activity throughout the year, but there is some seasonality. So, I would expect to see a decent finish to the year.

KWAN: Okay, and the last question I had was just on the M&A front, with potentially some more volatility in the markets, how is that impacting its ability to kind of come to a bid-ask spread that would narrow to something you might be okay with? Is that maybe an issue that might arise again as we would have seen a few years ago?

MACPHAIL: I think I know what you just asked me. I'll just say I'm a lot happier looking at things today when prices have adjusted downwards than I might have been had I bought a month and a half ago. So I'll just start with that, but I certainly would say that like anything, when markets move down like this, sellers' expectations clearly have to reflect the market and that's why I think we're in a better position to do something at a more relatively attractive price.

KWAN: And so far, from you've seen, I don't know if it's maybe a little bit premature, but people's asking prices, it's not as much of an issue today as it might have been a few years ago.

MACPHAIL: Well, I would say it's premature. The market changed so dramatically in the last week and a half. What I'm really reflecting on is my expectations now over the next two months, especially once we get into September, people really start to focus on what their strategic options are.

KWAN: Okay. Thank you.

OPERATOR: The next question comes from John Reucassel of BMO Capital Markets.

REUCASSEL: Thank you. Just a couple of questions of clarification to start. On slide 12, the last date on that slide, is that as of yesterday's close?

JAMIESON: That is as of Friday's close.

REUCASSEL: Friday's close, okay. Okay, thank you. And Derek, on slide five, the IIROC sales of 28%, I'm sorry if you mentioned it, but is this mainly related to the Edward Jones group or what's going on there? Is there a particular product?

GREEN: That doesn't include Edward Jones. That would be the traditional. Edward Jones, we broke out on its own. It's gross sales. The gross sales are up that amount, but the redemptions are also up too.

REUCASSEL: Gotcha.

GREEN: There's been a tremendous amount of interest in the Cambridge group with Alan Radlo and the new colleagues that have joined him.

REUCASSEL: Okay, and the Edward Jones sales, is that because you're selling more? It's not the traditional Hartford or Castlerock products, it's more CI product?

GREEN: It's a combination of the two. They were significant supporters of Hartford, and the sales remain strong. They've improved pretty dramatically.

REUCASSEL: Okay. Steve, just a question on the cost, the 32 basis points. I understand the markets go up and down, it's going to drive the 32 basis points, but you've also talked about significant investments and whatnot. So is the 32 basis points too tight a number? It seems like it's a pretty low number and you mentioned significant investments. Are you signalling that's going higher or how should we think about that?

MACPHAIL: Well, I guess what I'm saying, John, is that in the second quarter, if we'd wanted to earn 35 cents, we could have earned 35 cents or 36. We could have met all the analysts' targets or exceeded them, but we strategically chose to spend more money in that quarter. We felt that we were more than happy to give up a cent of earnings per share in order to get long-term growth and so that's what we did. I'm not suggesting it's building from there. I'm saying that we've made that investment and the level that you saw us spending in the most recent quarter is the level that we see going forward. But we anticipated generating more assets than we otherwise would have got had we not made that investment and when we get more assets, then because we've taken variable costs on a number of those assets which were with Trilogy etc., and created a more fixed-cost environment with Cambridge, that's how we will get the cost down over time. We get more assets and our money management expense doesn't go up with every asset. So that's a bet you make when you're running a business. I just want to position it that way. We're not saying that we're going to keep spending more money, what we're saying is we already did spend a lot of the money at a time when typically in the second quarter you would anticipate us spending less money. Derek pointed out we're going to do the conference again next year because it was so successful. But the reality is when I look at what we spent on that conference, we went all out to create a great experience for the advisor by having so many people there, and our effective cost per advisor was very, very cost efficient for that type of venue. Remember, they pay their way to get there and they pay their own hotel rooms. Because of the economies of scale, we can create very cheap hotel rooms for them and get a lot of other costs way down.

REUCASSEL: Okay.

GREEN: The one thing I would add to that is, we are tracking the sales support we're getting and there are lots of new people or old friends that haven't been supporters. This is retail business and they were retail advisors that went to Las Vegas. So the sales support was, for the people that have attended, is up 25% year over year, and if you look at our overall business in retail, it's up above 13%. So as Steve said, that's pretty cost-effective.

REUCASSEL: That's very helpful. Just the next question is on U.S. expansion. You guys have, historically in the past, sometimes backed different portfolio managers that you liked down there and supported them as they grow their business. Is that what we're talking about here in U.S. expansion or is this that you're looking for existing companies to buy?

MACPHAIL: I think it's both, John. We don't rule out any opportunity. Is our number one mandate to go in and buy 100% of a company? Not necessarily. You know, we could end up being a 20% owner of another company just like we had with Altrinisic, and then over time maybe build up our ownership as we develop a better relationship with that organization. I think the best way to describe it, for us it's all about generating management fees cost-effectively. If there are cost-effective ways to generate management fees for CI that don't involve buying 100% of the company, well, maybe we should look at that – think outside of the box a little bit.

REUCASSEL: Okay, and then last question for either of you. Do you guys anticipate any impact from Vanguard up here? You've both have been around a long time.

GREEN: I think we both can weigh into this. You know, they've been around for a very long time and I don't necessarily think that they're going to price their product in Canada the way they've priced their product in the U.S. As you know, it's a mutual fund company that is owned by the unitholders. When you get markets that have misbehaved the way they have in the last, say, five weeks, that's when you want active management and so I'm not nearly as concerned today about indexers or passively managed strategies as when markets are rocking and rolling. So I just feel a little better today than I might have.

REUCASSEL: Okay. Thank you.

MACPHAIL: Thanks John.

OPERATOR: Our next question comes from Paul Holden of CIBC.

HOLDEN: Yeah, just one question for you. So if I look at net sales and take off, let's say, $300 million for the institutional to do a year-over-year comparison, is it fair to say that retail net sales are about half of what they were last year for the first six months of 2011?

GREEN: You know what, I'm not sure I can answer that accurately. I don't have that number right in front of me.

HOLDEN: Okay, but if I take the simple year-to-date net sales and exclude institutional to get a comparable figure of retail year over year, that's kind of what I'm coming up with. Would that be a correct approach?

MACPHAIL: I think it's roughly there. We haven't disclosed the details, even for last year of where we did all the business, but it's fairly close. The institutional business certainly is up in the mix of business that we have and the net retail business is slightly lower than where we would have had it before.

HOLDEN: Okay, thanks.

OPERATOR: We have no further questions, thank you. I will now turn the call back over to Stephen MacPhail for any closing remarks.

MACPHAIL: I'll just conclude by saying thank you very much for joining in on our second quarter conference call and I look forward to speaking to you again in three months. Thank you.