FIRST QUARTER REPORT

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CI Financial

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FINANCIAL HIGHLIGHTS

[millions of dollars, except share amounts]	As at and for the quarters ended Mar. 31, 2015	Dec. 31, 2014	Sep. 30, 2014	Jun. 30, 2014	Mar. 31, 2014	% change quarter-over-quarter	% change year-over-year
Assets under management	109,137	102,886	100,810	99,882	96,445	6	13
Assets under administration	31,595	29,695	29,201	28,951	28,206	6	12
Total assets	140,732	132,581	130,011	128,833	124,651	6	13
Average assets under management	106,531	101,120	101,016	97,895	93,488	5	14
Management fees	439.9	428.5	430.7	415.6	394.4	3	12
Total revenues	501.0	485.0	480.6	464.7	445.6	3	12
Selling, general & administrative	90.8	87.0	86.2	84.9	83.7	4	8
Trailer fees	135.8	131.8	132.3	127.4	120.1	3	13
Net income attributable to shareholders	144.5	140.4	135.1	127.8	121.7	3	19
Basic earnings per share	0.51	0.50	0.48	0.45	0.43	2	19
Diluted earnings per share	0.51	0.50	0.48	0.45	0.43	2	19
EBITDA[1]	235.4	230.0	230.8	221.5	212.2	2	11
EBITDA[1] per share	0.84	0.82	0.81	0.78	0.75	2	12
Return on equity[2]	28.8%	27.9%	26.8%	25.8%	25.1%	3	15
Dividends recorded per share	0.315	0.310	0.300	0.295	0.285	2	11
Dividend yield	3.6%	3.9%	3.6%	3.4%	3.3%		
Average shares outstanding	281,740,107	282,056,756	283,484,029	284,542,521	284,615,785	—	(1)
Shares outstanding	280,597,610	281,708,663	282,860,534	284,423,806	284,520,332	—	(1)
Share price							
High	36.00	34.51	36.05	37.00	36.14		
Low	31.07	30.56	33.55	32.88	33.49		
Close	35.41	32.29	33.77	35.05	34.87		
Increase (decrease) in share price	9.7%	(4.4%)	(3.7%)	0.5%	(1.4%)		
Total shareholder return	10.7%	(3.5%)	(2.8%)	1.4%	(0.6%)		
Market capitalization	9,936	9,096	9,552	9,969	9,921		
Price to earnings multiple[2]	18.3	17.4	19.2	21.0	22.0		
Long-term debt (including the current portion)	311.5	307.4	499.3	499.1	499.0		
Net debt[1]	210.7	185.2	220.2	252.6	334.3		
Net debt to EBITDA	0.22	0.20	0.24	0.28	0.39		

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

[2] *Trailing twelve months*

LETTER TO SHAREHOLDERS

DEAR SHAREHOLDERS,

The first quarter of 2015 provided a strong start to the year. The performance of equity markets continues to be driven by investors looking for more than the near-zero yields available on most fixed-income securities, as well as slow and steady economic growth across much of the globe. While this quarter's global equity market returns were moderate, they were enhanced by a weak Canadian dollar, which led to solid foreign fund performance. This performance and CI's continued focus on providing a high level of service to its distribution channels provided the conditions for another quarter of robust fund sales.

The S&P/TSX Composite Index rose 2.6% during the quarter while the MSCI World Index climbed 2.5% and the S&P 500 Index managed a 1.0% gain. However, in Canadian dollar terms, the MSCI World Index returned 11.9% and the S&P 500 Index was up 10.2%. It has not only been equity markets that have contributed to strong fund performance. Bond yields continued to slide back towards the lows of mid-2012 and the FTSE TMX Canada Universe Bond Index gained 4.2% during the quarter.

CI's assets under management ("AUM") finished the quarter at $109.1 billion, an increase of 6.1% from the end of 2014 and up 13.2% year over year. Average AUM of $106.5 billion for the quarter was 5.4% above the $101.1 billion average for the fourth quarter and 14.0% above the $93.5 billion average for the same quarter a year ago. Net income, driven by the increases in AUM, has grown at a similar pace, reaching $141.4 million ($0.50 per share) this quarter, up 4.2% from $135.4 million ($0.48 per share) last quarter and up 15.9% from $121.7 million ($0.43 per share) in the first quarter of last year.

Gross sales of funds at $4.504 billion were up 2.2% from $4.406 billion in the first quarter of last year. However, redemptions of funds were $3.292 billion in the first quarter versus $2.687 billion last year. Net sales were $1.212 billion during the quarter, compared to net sales of $1.719 billion in the first quarter of 2014.

Dealer revenues at Assante were up 8.1% year over year to $79.7 million from $73.7 million, as administered assets grew 11.7% from $28.3 billion as at March 31, 2014 to $31.6 billion as at March 31, 2015. Assante continues to benefit from strong market performance and new sales of CI and third-party investment products.

Equity markets continued to edge higher in April, while a strengthening in the Canadian dollar whittled away some of this year's gains in non-Canadian funds. CI's AUM ended April at $109.0 billion, down 0.1% from March. Average assets for the month were $$109.9 billion, or 3.1% above the average for the first quarter. As well, gross sales remained strong for April.

The Board of Directors declared an increase in the monthly cash dividend to $0.11 per share payable on June 15, July 15 and August 14, 2015 to shareholders of record on May 31, June 30 and July 31, 2015, respectively.

Sincerely,

William T. Holland
Chairman

Stephen A. MacPhail
President and Chief Executive Officer

MAY 7, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

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CI FINANCIAL CORP.

This Management's Discussion and Analysis ("MD&A") dated May 7, 2015 presents an analysis of the financial position of CI Financial Corp. and its subsidiaries ("CI") as at March 31, 2015, compared with December 31, 2014, and the results of operations for the quarter ended March 31, 2015, compared with the quarter ended December 31, 2014 and the quarter ended March 31, 2014.

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

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

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

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

TABLE 1: SUMMARY OF QUARTERLY RESULTS

[millions of dollars, except per share amounts]	2015	2014				2013		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
INCOME STATEMENT DATA								
Management fees	439.9	428.5	430.7	415.6	394.4	382.2	363.5	351.0
Administration fees	36.2	35.4	36.2	34.7	35.1	33.3	31.8	33.0
Other revenues	24.9	21.1	13.7	14.4	16.1	16.1	10.6	13.2
Total revenues	501.0	485.0	480.6	464.7	445.6	431.6	405.9	397.2
Selling, general & administrative	90.8	87.0	86.2	84.9	83.7	82.4	78.5	77.5
Trailer fees	135.8	131.8	132.3	127.4	120.1	115.5	109.2	104.9
Investment dealer fees	29.4	28.4	29.0	27.7	28.0	26.4	25.1	25.9
Amortization of deferred sales commissions	36.7	37.4	37.9	38.3	38.4	38.6	38.5	39.0
Interest expense	3.2	4.4	4.6	4.5	4.6	4.5	4.7	4.9
Other expenses	12.3	5.5	5.6	5.9	4.4	5.0	2.8	2.5
Total expenses	308.1	294.5	295.6	288.7	279.2	272.4	258.8	254.7
Income before income taxes	192.9	190.5	185.0	176.0	166.4	159.2	147.1	142.5
Income taxes	49.2	50.1	50.0	47.9	44.5	42.8	39.3	38.5
Non-controlling interest	(0.9)	—	(0.1)	0.3	0.2	0.2	—	—
Net income attributable to shareholders	144.5	140.4	135.1	127.8	121.7	116.2	107.8	104.0
Earnings per share	0.51	0.50	0.48	0.45	0.43	0.41	0.38	0.37
Diluted earnings per share	0.51	0.50	0.48	0.45	0.43	0.41	0.38	0.37
Dividends recorded per share	0.315	0.310	0.300	0.295	0.285	0.280	0.270	0.265

OVERVIEW

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

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

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

NON-IFRS MEASURES

EBITDA AND EBITDA MARGIN

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

TABLE 2: EBITDA AND EBITDA MARGIN

[millions of dollars, except per share amounts]	Quarter ended Mar. 31, 2015	Quarter ended Dec. 31, 2014	Quarter ended Mar. 31, 2014
Net Income	143.7	140.4	121.9
Add:			
Interest expense	3.2	4.4	4.6
Provision for income taxes	49.2	50.1	44.5
Amortization of DSC and fund contracts	40.4	38.1	39.3
Amortization of other items	2.3	2.0	2.3
Provision for future legal costs	4.0	—	—
Fair value adjustment to contingent consideration	(7.5)	(5.0)	—
Non-controlling interest	0.1	—	(0.4)
EBITDA	**235.4**	**230.0**	**212.2**
EBITDA per share	0.84	0.82	0.75
Total revenue	501.0	485.0	445.6
Less:			
Fair value adjustment to contingent consideration	7.5	5.0	—
	493.5	480.0	445.6
EBITDA margin	**47.7%**	**47.9%**	**47.7%**

NET DEBT

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

TABLE 3: NET DEBT

[millions of dollars]	As at Mar. 31, 2015	As at Dec. 31, 2014
Current portion of long-term debt	0.8	2.0
Long-term debt	310.7	305.4
	311.5	307.4
Less:		
Cash and short-term investments	38.8	51.2
Marketable securities	78.9	83.7
Add:		
Regulatory capital and non-controlling interests	17.0	12.7
Net Debt	**210.7**	**185.2**

PRE-TAX OPERATING EARNINGS

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

TABLE 4: PRE-TAX OPERATING EARNINGS

[millions of dollars, except per share amounts]	Quarter ended Mar. 31, 2015	Quarter ended Dec. 31, 2014	Quarter ended Mar. 31, 2014
Net Income	143.7	140.4	121.9
Add:			
Amortization of DSC and fund contracts	40.4	38.1	38.8
Provision for income taxes	49.2	50.1	44.5
Provision for future legal costs	4.0	—	—
Less:			
Redemption fees	5.4	4.9	5.3
Performance fees	0.2	—	—
Fair value adjustment to contingent consideration	7.5	5.0	—
Gain on marketable securities	2.8	—	0.2
Non-controlling interest	(0.1)	—	0.4
Pre-tax operating earnings	**221.6**	**218.7**	**199.8**
Pre-tax operating earnings per share	0.79	0.78	0.70

DEALER GROSS MARGIN

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

TABLE 5: DEALER GROSS MARGIN

[millions of dollars]	Quarter ended Mar. 31, 2015	Quarter ended Dec. 31, 2014	Quarter ended Mar. 31, 2014
Administration fees	73.9	69.7	68.8
Less:			
Investment dealer fees	60.3	56.4	55.3
	13.6	13.3	13.5
Dealer gross margin	**18.4%**	**19.1%**	**19.6%**

OPERATING CASH FLOW AND FREE CASH FLOW

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

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

TABLE 6: OPERATING CASH FLOW AND FREE CASH FLOW

[millions of dollars]	Quarter ended Mar. 31, 2015	Quarter ended Dec. 31, 2014	Quarter ended Mar. 31, 2014
Cash provided by operating activities	146.0	187.2	116.5
Add:			
Income taxes paid	84.0	41.7	58.3
Interest paid	0.4	9.0	0.3
Less:			
Net change in operating assets and liabilities	55.4	66.3	10.1
Operating cash flow	**175.0**	**171.6**	**165.0**
Less:			
Sales commissions paid	32.0	23.3	41.8
Free cash flow	**143.0**	**148.3**	**123.2**

ASSET MANAGEMENT MARGIN

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

TABLE 7: ASSET MANAGEMENT MARGIN

[millions of dollars – trailing 12 months]	Quarter ended Mar. 31, 2015	Quarter ended Dec. 31, 2014	Quarter ended Sep. 30, 2014	Quarter ended Jun. 30, 2014	Quarter ended Mar. 31, 2014
Management fees	**1,714.6**	**1,669.1**	**1,622.7**	**1,555.7**	**1,491.1**
Less:					
Amortization of DSC	154.0	155.7	156.9	157.6	158.4
Trailer fees	549.9	533.4	516.3	492.1	468.5
Net management fees	1,010.7	980.0	949.5	906.0	864.2
Less:					
SG&A	285.1	279.2	275.6	269.1	263.0
	725.6	700.8	673.9	636.9	601.2
Asset management margin	**42.3%**	**42.0%**	**41.5%**	**40.9%**	**40.3%**

SG&A EFFICIENCY MARGIN

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

TABLE 8: SG&A EFFICIENCY MARGIN

[millions of dollars – trailing 12 months]	Quarter ended Mar. 31, 2015	Quarter ended Dec. 31, 2014	Quarter ended Sep. 30, 2014	Quarter ended Jun. 30, 2014	Quarter ended Mar. 31, 2014
Management fees	1,714.6	1,669.1	1,622.7	1,555.7	1,491.1
Less:					
Amortization of DSC	154.0	155.7	156.9	157.6	158.4
Trailer fees	549.9	533.4	516.3	492.1	468.5
Net management fees	**1,010.7**	**980.0**	**949.5**	**906.0**	**864.2**
Less:					
SG&A	285.1	279.2	275.6	269.1	263.0
	725.6	700.8	673.9	636.9	601.2
SG&A efficiency margin	**71.8%**	**71.5%**	**71.0%**	**70.3%**	**69.6%**

ASSETS AND SALES

Total assets, which include mutual, segregated and hedge funds, separately managed accounts, structured products, pooled assets and assets under administration, were $140.7 billion at March 31, 2015, an increase of 13% from $124.7 billion at March 31, 2014. As shown in Table 9, these assets consisted of $109.1 billion in assets under management and $31.6 billion in assets under administration at March 31, 2015. The respective increases of 13% and 12% were primarily due to market performance and net sales of funds. CI is the third-largest investment fund company in Canada with AUM of $109.1 billion and AUA of $31.6 billion at March 31, 2015.

TABLE 9: TOTAL ASSETS

[billions of dollars]	As at March 31, 2015	As at March 31, 2014	% change
Assets under management	109.1	96.4	13
Assets under administration[1]	31.6	28.3	12
Total assets	**140.7**	**124.7**	**13**

[1]*Includes $17.6 billion and $14.8 billion of managed assets in CI and United funds in 2015 and 2014, respectively.*

The change in AUM during each of the past five quarters is detailed in Table 10. Fund performance of 10% contributed $9.3 billion of the $12.7 billion increase in AUM from $96.4 billion at the end of March 2014 and net sales were $3.4 billion. Ending AUM for the first quarter were up 6.1% from the end of the fourth quarter. CI's average AUM in the first quarter of 2015 increased 14.0% from the same period in 2014 and 5.4% from the prior quarter.

TABLE 10: CHANGE IN AVERAGE ASSETS UNDER MANAGEMENT

[billions of dollars]	Quarter ended Mar. 31, 2015	Quarter ended Dec. 31, 2014	Quarter ended Sep. 30, 2014	Quarter ended Jun. 30, 2014	Quarter ended Mar. 31, 2014
Assets under management, beginning	102.886	100.810	99.882	96.445	91.090
Gross sales	4.504	3.453	3.042	3.504	4.406
Redemptions	3.292	2.942	2.340	2.508	2.687
Net sales	1.212	0.511	0.702	0.996	1.719
Fund performance	5.039	1.565	0.226	2.441	3.636
Assets under management, ending	109.137	102.886	100.810	99.882	96.445
Average assets under management for the quarter	106.531	101.120	101.016	97.895	93.488

RESULTS OF OPERATIONS

QUARTER ENDED MARCH 31, 2015

For the quarter ended March 31, 2015, CI reported net income attributable to shareholders of $144.5 million ($0.51 per share) versus $121.7 million ($0.43 per share) for the quarter ended March 31, 2014 and $140.4 million ($0.50 per share) for the quarter ended December 31, 2014. The first quarter of 2015 included a $7.5 million fair value adjustment to contingent consideration, a $3.0 million ($1.4 million after tax and non-controlling interest) acceleration in the amortization of fund management contracts and a $4.0 million ($2.9 million after tax) provision for future legal costs. The fourth quarter of 2014 included a $5.0 million fair value adjustment to contingent consideration. Net income adjusted for these items was $141.4 million ($0.50 per share) in the quarter ended March 31, 2015, up 4.4% from $135.4 million ($0.48 per share) in the quarter ended December 31, 2014 and up 16.2% from $121.7 million ($0.43 per share) in the quarter ended March 31, 2014. Average assets under management for the first quarter of 2015 were up 5.4% from the fourth quarter of 2014 and up 14.0% from the first quarter of 2014. All further discussion of earnings measures in this document are assumed to adjust for the above items where this will assist in a comparison of results across reporting periods.

For the first quarter of 2015, CI recorded $49.2 million in income tax expense for an effective tax rate of 25.5% compared to $44.5 million in the first quarter of 2014 for an effective tax rate of 26.7%. The fourth quarter of 2014 included $50.1 million in income tax expense, for an effective tax rate of 26.3%. The decrease in the effective tax rate for the first quarter of 2015 and the fourth quarter of 2014 reflects the non-taxable fair value adjustments to contingent consideration and variations in the level of non-deductible items and items taxed as capital gains. CI's statutory tax rate for 2015 is 26.5%.

Total adjusted revenues increased 10.7% in the first quarter of 2015 to $493.5 million compared with $445.6 million in the same period in 2014. The main contributor to this change was the 11.5% increase in management fee revenues as average AUM rose 14.0%. However, administration fee revenue from third-party fund companies grew 3.2%, representing the growth in Assante's revenues net of intercompany eliminations, and redemption fee revenue was flat. On a quarter-over-quarter basis, total adjusted revenues increased 2.8% from $480.0 million in the fourth quarter of 2014 as average AUM increased 5.4%, but there were two fewer days in the first quarter relative to the fourth. As well, Assante administration fee revenues increased 2.4% net of intercompany eliminations and redemption fee revenue grew 9.1% as there are typically more redemptions of deferred load funds in the first quarter.

SG&A expenses for the first quarter of 2015 were $90.8 million, up 8.5% from $83.7 million for the same period in 2014 – an increase that was significantly less than the 14.0% growth in average AUM. This level of spend is a 4.4% increase from $87.0 million in the fourth quarter of 2014. Included in SG&A expenses are portfolio management fees, which are largely driven by the level of average AUM; however, CI has also added staff to its in-house portfolio management teams and increased the amount of discretionary spend on sales and marketing. While SG&A has increased in dollar terms because of this, as an annualized percentage of average AUM, the level of SG&A spend declined to 34.6 basis points from 36.3 basis points in the first quarter of 2014 and increased slightly from 34.1 basis points in the fourth quarter of 2014 due to the fewer number of days in the quarter.

Amortization of deferred sales commissions and fund contracts was $37.4 million in the first quarter of 2015, a decrease from $39.3 million in the first quarter of 2014 and a decrease from $38.1 million in the fourth quarter of 2014. The trend of lower amortization expense is consistent with the trend of reduced spending on deferred sales commissions in recent years as a smaller proportion of sales have been deferred load funds versus front-end load funds.

Interest expense of $3.2 million was recorded for the quarter ended March 31, 2015 compared with $4.6 million for the quarter ended March 31, 2014 and $4.4 million for the quarter ended December 31, 2014. The decrease in interest expense reflects lower average debt levels, as discussed under "Liquidity and Capital Resources."

As discussed in the "Non-IFRS Measures" section and as set out in Table 4, pre-tax operating earnings were $221.6 million ($0.79 per share) in the first quarter of 2015, an increase of 10.9% from the same quarter of 2014 and up 1.3% from the prior quarter. These changes primarily reflect the change in average AUM, which was up 14.0% from the first quarter of 2014 and up 5.4% from the prior quarter, offset by the two fewer days in the first quarter relative to the fourth.

EBITDA for the quarter ended March 31, 2015 was $235.4 million ($0.84 per share), up 10.9% from $212.2 million ($0.75 per share) for the quarter ended March 31, 2014 and up 2.3% from $230.0 million ($0.82 per share) for the quarter ended December 31, 2014. The changes in quarterly EBITDA generally reflect the changes in average assets under management, offset by the impact of the change in asset mix. EBITDA margin for the first quarter of 2015 was 47.7%, up from 47.6% in the first quarter of 2014 and down slightly from the prior quarter. For detailed calculations and reconciliations of net income to EBITDA, refer to the "Non-IFRS Measures" section and Table 2.

In March 2015, CI received notices of reassessment ("NOR") from the Canada Revenue Agency ("CRA") relating to the interest rate charged on subordinated notes within CI's income trust structure from 2006 to 2008. The NOR were in the amount of approximately $220 million, with provincial NOR expected to follow in the amount of approximately $40 million. CI strongly disagrees with CRA's position, and believes it is without merit. CI has filed a notice of objection. However, notwithstanding the filing of a notice of objection, CI is required to make a minimum payment of 50% of the amount payable under the NOR, estimated to be $130 million, which would remain on account until the dispute is resolved, which may take considerable time.

The interest rate in dispute was an integral component of the income trust structure that CI converted to in June 2006. CI adopted a well understood structure that had been used by many other public entities, and benefited from extensive professional advice, including expert valuation advice to support the interest rate in question. CI has strong support for its position whereas CI believes that the position being taken by CRA lacks proper support.

CI believes it will be able to successfully defend its position, and has recorded a provision of $4 million for expenses to mount its defense.

ASSET MANAGEMENT SEGMENT

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

TABLE 11: RESULTS OF OPERATIONS – ASSET MANAGEMENT SEGMENT

[millions of dollars]	Quarter ended Mar. 31, 2015	Quarter ended Dec. 31, 2014	Quarter ended Mar. 31, 2014
Management fees	439.9	428.5	394.4
Other revenue	19.1	15.6	11.1
Total revenue	459.0	444.1	405.5
Selling, general and administrative	74.2	71.3	68.3
Trailer fees	141.7	137.4	125.2
Amortization of deferred sales commissions and intangibles	41.1	38.8	40.0
Other expenses	6.3	2.3	2.4
Total expenses	263.3	249.8	235.9
Non-controlling interest	(1.2)	—	0.3
Income before taxes and non-segmented items	196.9	194.3	169.3

QUARTER ENDED MARCH 31, 2015

Revenues

Revenues from management fees were $439.9 million for the quarter ended March 31, 2015, an increase of 11.5% from $394.4 million for the quarter ended March 31, 2014 and an increase of 2.7% from $428.5 million for the quarter ended December 31, 2014. The changes were mainly attributable to the levels of average assets under management, which were up 14.0% and 5.4% from the quarters ended March 31, 2014 and December 31, 2014, respectively, offset by two fewer days in the first quarter compared to the fourth quarter. The average management fee rate, as a percentage of average AUM, declined from 1.711% in the first quarter of 2014 to 1.681% in the fourth quarter of 2014 and to 1.675% in the first quarter of 2015, as a result of the change in asset mix from Class A funds to Class F, separately managed accounts, and high net worth products that generally pay a lower management fee.

While the management fee rate declined, the asset management margin increased to 42.3% from 42.0% in the 12- month period ended December 31, 2014 and from 40.3% in the 12- month period ended March 31, 2014. This shows that for every dollar of management fees earned over the past year, CI continues to be more profitable. Calculations and definitions of asset management margin can be found in the "Non-IFRS Measures" section and in Table 7.

For the quarter ended March 31, 2015, other revenue was $19.1 million versus $11.1 million and $15.6 million for the quarters ended March 31, 2014 and December 31, 2014, respectively. The first quarter of 2015 included a $7.5 million fair value adjustment to contingent consideration and the fourth quarter of 2014 included a similar $5.0 million adjustment. Excluding these adjustments, the largest component of other revenue is redemption fees, which were $5.4 million for the quarter ended March 31, 2015 compared with $5.3 million and $4.9 million for the quarters ended March 31, 2014 and December 31, 2014, respectively.

Expenses

SG&A expenses for the Asset Management segment were $74.2 million for the quarter ended March 31, 2015, an 8.6% increase from $68.3 million for the first quarter in 2014 and up 4.1% from $71.3 million for the quarter ended December 31, 2014. As a percentage of average assets under management, SG&A expenses declined to 0.283% for the quarter ended March 31, 2015 from 0.296% for the quarter ended March 31, 2014 and increased slightly from 0.280% in the quarter ended December 31, 2014. The decrease in this rate over the past year resulted from economies of scale in CI's fixed costs and operating efficiencies within the back office and support functions, which offset increased spending on sales and marketing initiatives and portfolio management. The increase from the previous quarter is a result of two fewer days in the first quarter.

Another measure that CI uses to assess its spend is the SG&A efficiency margin, as discussed in the "Non-IFRS Measures" section and as set out in Table 8. CI's trailing 12- month SG&A efficiency margin has increased over the past five quarters as CI has spent a declining proportion of the amount available after deducting trailer fees and amortization of DSC from management fees, continuing its prudent deployment of earnings to support the growth of the business.

Trailer fees were $141.7 million for the quarter ended March 31, 2015, up 13.2% from $125.2 million for the quarter ended March 31, 2014 and up 3.1% from $137.4 million for the quarter ended December 31, 2014. Net of inter-segment amounts, this expense was $135.8 million for the quarter ended March 31, 2015 versus $120.1 million for the first quarter of 2014 and $131.8 million for the fourth quarter of 2014. The increase from the first quarter of 2014 primarily reflects the increase in average assets under management, as well as a slightly larger impact from the trend towards front-end products versus the trend towards fixed-income products, which resulted in higher trailer fees as a percentage of AUM.

Amortization of deferred sales commissions and intangibles before inter-segment eliminations and after adjusting for $3.0 million of accelerated amortization was $38.1 million for the quarter ended March 31, 2015, down from $40.0 million in the same quarter a year ago and down from $38.8 million in the previous quarter. The decline in amortization expense over the comparable periods is consistent with the decline in deferred sales commissions paid in recent years.

Other expenses for the quarter ended March 31, 2015 included a $4.0 million provision for future legal costs. Adjusting for this, other expenses were flat from last quarter and down slightly from the same period a year ago.

Income before income taxes and interest expense for CI's principal segment was $196.9 million for the quarter ended March 31, 2015, up 16.3% from $169.3 million in the same period in 2014 and up 1.3% from $194.3 million in the previous quarter. This segment's adjusted pre-tax income was $195.3 million in the first quarter of 2015, an increase of 15.4% over the prior year's first quarter and an increase of 3.2% over an adjusted $189.3 million in the fourth quarter of 2014. Income has increased slightly more than the increase in average assets under management year over year to the extent that the decline in the average management fee rate has been offset by the decline in amortization of deferred sales commissions and by maintaining growth in SG&A expenses below the increase in average AUM.

ASSET ADMINISTRATION SEGMENT

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

TABLE 12: RESULTS OF OPERATIONS – ASSET ADMINISTRATION SEGMENT

[millions of dollars]	Quarter ended Mar. 31, 2015	Quarter ended Dec. 31, 2014	Quarter ended Mar. 31, 2014
Administration fees	73.9	69.7	68.8
Other revenue	5.7	5.4	4.9
Total revenue	79.7	75.1	73.7
Selling, general and administrative	16.5	15.7	15.3
Investment dealer fees	60.3	56.4	55.3
Amortization of intangibles	0.6	0.6	0.6
Other expenses	2.0	2.0	0.9
Total expenses	79.4	74.7	72.1
Income before taxes and non-segmented items	0.3	0.4	1.6

QUARTER ENDED MARCH 31, 2015

Revenues

Administration fees were $73.9 million for the quarter ended March 31, 2015, an increase of 7.4% from $68.8 million for the same period a year ago and an increase of 6.0% from the prior quarter. Net of inter-segment amounts, administration fee revenue was $36.2 million for the quarter ended March 31, 2015, up from $35.1 million for the quarter ended March 31, 2014 and up from $35.4 million in the previous quarter. The increase in administration fees is primarily attributable to the growth in average assets under administration.

Other revenues earned by the Asset Administration segment are mainly comprised of non-advisor-related activities. For the quarter ended March 31, 2015, other revenues were $5.7 million, up from $4.9 million for the first quarter of 2014 and up from $5.4 million in the fourth quarter of 2014.

Expenses

Investment dealer fees were $60.3 million for the quarter ended March 31, 2015, compared to $55.3 million for the first quarter of 2014 and $56.4 million for the quarter ended December 31, 2014.

As discussed in the "Non-IFRS Measures" section of this MD&A and as set out in Table 5, dealer gross margin was $13.6 million or 18.4% of administration fee revenue for the quarter ended March 31, 2015 compared to $13.5 million or 19.6% for the first quarter of 2014 and $13.3 million or 19.1% for the previous quarter. The changes in gross margin from the comparable quarters correspond primarily to the level of payout to financial advisors on their 12-month rolling administration fee revenues.

SG&A expenses for the segment were $16.5 million for the quarter ended March 31, 2015 compared to $15.3 million in the first quarter of 2014 and $15.7 million in the fourth quarter of 2014. The change in SG&A expenses is largely attributable to the level of discretionary spend each quarter, with the rate of change being in line with the changes in administration fee revenue.

The Asset Administration segment had income before income taxes and non-segmented items of $0.3 million for the quarter ended March 31, 2015, down from $1.6 million for the first quarter of 2014 and down from $0.4 million for the prior quarter. The decline from the quarter ended March 31, 2014 is mainly due to higher other expenses.

LIQUIDITY AND CAPITAL RESOURCES

CI generated $175.0 million of operating cash flow in the quarter ended March 31, 2015, up $10.0 million from $165.0 million for the same period of 2014. As detailed in Table 13, free cash flow was $143.0 million in the quarter ended March 31, 2015, up 16% from $123.2 million in the same period of 2014. Calculations of both measures and reconciliations to cash flow from operations are provided in the "Non-IFRS Measures" section, and set out in Table 6.

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

TABLE 13: SUMMARY OF CASH FLOWS

[millions of dollars]	Quarter ended Mar. 31, 2015	Quarter ended Mar. 31, 2014
Operating Cash Flow	175.0	165.0
Less:		
Deferred sales commissions paid	32.0	41.8
Free cash flow	143.0	123.2
Less:		
Marketable securities, net	(9.6)	4.0
Capital expenditures	0.3	0.7
Share repurchases	47.0	9.0
Dividends paid	88.9	81.3
Debt repaid	4.0	—
Working capital and other items	24.8	52.4
	155.4	147.4
Net change in cash	(12.4)	(24.2)
Cash at January 1	51.2	118.8
Cash at March 31	38.8	94.6

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

CI paid deferred sales commissions of $32.0 million in the first quarter of 2015 compared to $41.8 million in the first quarter of last year. The decrease in deferred sales commissions paid compared to the prior year is a result of the trend towards lower sales of deferred load funds as a percentage of total sales.

CI invested $6.3 million in marketable securities in the first quarter of 2015. During the same period, CI received proceeds of $15.9 million from the disposition of marketable securities, resulting in a gain of $2.8 million. The fair value of marketable securities at March 31, 2015 was $78.9 million. Marketable securities are comprised of seed capital investments in its funds and strategic investments.

During the quarter ended March 31, 2015, CI incurred capital expenditures of $0.3 million, down from $0.7 million in 2014. These related primarily to leasehold improvements and investments in technology.

During the first three months of 2015, CI repurchased 1.3 million shares under its normal course issuer bid at a total cost of $47.0 million or $35.45 per share. CI paid dividends of $88.9 million, which represented 62% of net income and 62% of free cash flow for the quarter. CI's most recent dividend payments were $0.105 per share per month, or approximately $354 million per fiscal year.

CI's working capital and other items increased $24.8 million in the first quarter of 2015 ($52.4 million in 2014), primarily due to the increase in monthly and quarterly accrued liabilities and a larger balance of income taxes payable (above required instalment payments), which were greater than the increase in management fees accrued in accounts receivable.

The statement of financial position for CI at March 31, 2015 reflects total assets of $3.008 billion, a decrease of $7.6 million from $3.016 billion at December 31, 2014. This change can be attributed primarily to a decrease in fund management contracts of $3.4 million and a decrease in deferred sales commissions of $4.6 million.

CI's cash and cash equivalents decreased by $12.4 million in the first three months of 2015, as the outlay for new investments in deferred sales commissions and capital assets, dividends paid, repurchase of shares and the repayment of outstanding debt exceeded operating cash flows. Marketable securities decreased by $4.8 million on the net redemption of $9.6 million in securities and unrealized gains recorded as a result of positive market performance. Accounts receivable and prepaid expenses increased by $11.7 million to $110.6 million, in conjunction with the growth in fee revenues at CI Investments and AWM.

Deferred sales commissions decreased $4.6 million to $396.7 million as a result of the $36.7 million in amortization expense offset by the $32.0 million in sales commissions paid. Capital assets decreased $1.6 million during the quarter as a result of $1.9 million amortized during the quarter offset by $0.3 million in capital additions.

Total liabilities decreased by $19.1 million during the first three months of 2015 to $1.090 billion at March 31, 2015. The primary contributors to this change were an $18.1 million decrease in current liabilities as well as a $3.6 million decrease in provision for other liabilities. Current liabilities decreased primarily in conjunction with the payment of incentive compensation and income taxes in February.

At March 31, 2015, CI was in a negative working capital position, which has typically been the case when there is a significant current balance of long-term debt. However this may also occur when CI has paid down its debt and has less cash on hand because CI receives the majority of its management fee revenues daily, whereas its significant expenses are accrued and paid subsequent to the period-end. There is minimal impact to CI as there has been sufficient cash on hand and availability of CI's credit facility to meet cash flow requirements.

At March 31, 2015, CI had drawn $12 million against its $250 million credit facility. Principal repayments on any drawn amounts are only required should the bank decide not to renew the facility on its anniversary, in which case 6.25% of the principal would be repaid at each calendar quarter-end, with the balance payable at the end of the credit facility term (March 11, 2018). These payments would be payable beginning March 31, 2016 should the bank not renew the facility.

At March 31, 2015, CI had $300 million in outstanding debentures at an interest rate of 3.94% with a carrying value of $299.5 million, essentially unchanged from December 31, 2014. Net debt, as discussed in the "Non-IFRS Measures" section and as set out in Table 3, was $210.7 million at March 31, 2015, up from $185.2 million at December 31, 2014. The average debt level for the three months ended March 31, 2015 was approximately $317 million, compared to $500 million for the same period last year.

CI's ratio of debt to EBITDA and net debt to EBITDA are 0.3 to 1 and 0.2 to 1, respectively, giving CI significant financial flexibility for future debt financing. CI expects that, absent acquisitions in which debt is increased, excess cash flow will be used to pay down debt and the ratio of debt to EBITDA will trend lower. CI is within its financial covenants with respect to its credit facility, which requires that the debt to EBITDA ratio remain below 2.5 to 1, and assets under management not fall below $60 billion, based on a rolling 30-day average.

Shareholders' equity was $1.915 billion at March 31, 2015, an increase of $12.3 million during the first three months of 2015, which approximates net income less dividends and share repurchases.

RISK MANAGEMENT

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

MARKET RISK

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

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

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

ASSET MANAGEMENT SEGMENT

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

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

At March 31, 2015, approximately 28% of CI's assets under management were held in fixed-income securities, which are exposed to interest rate risk. An increase in interest rates causes market prices of fixed-income securities to fall, while a decrease in interest rates causes market prices to rise. CI estimates that a 50 basis point change in interest rates would cause a change of about $5 million in annual pre-tax earnings in the Asset Management segment.

At March 31, 2015, about 55% of CI's assets under management were based in Canadian currency, which diminishes the exposure to foreign exchange risk. However, at the same time, approximately 27% of CI's assets under management were based in U.S. currency. Any change in the value of the Canadian dollar relative to U.S. currency will cause fluctuations in CI's assets under management upon which CI's management fees are calculated. CI estimates that a 10% change in Canadian/U.S. exchange rates would cause a change of about $29 million in the Asset Management segment's annual pre-tax earnings.

About 61% of CI's assets under management were held in equity securities at March 31, 2015, which are subject to equity risk. Equity risk is classified into two categories: general equity risk and issuer-specific risk. CI employs internal and external fund managers to take advantage of these individuals' expertise in particular market niches, sectors and products and to reduce issuer-specific risk through diversification. CI estimates that a 10% change in the prices of equity indexes would cause a change of about $67 million in annual pre-tax earnings.

ASSET ADMINISTRATION SEGMENT

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

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

CI's operating results are not materially exposed to market risk impacting the asset administration segment given that this segment usually generates less than 1% of the total income before non-segmented items (this segment had income of $0.3 million before income taxes and non-segmented items for the quarter ended March 31, 2015). Investment advisors regularly review their client portfolios to assess market risk and consult with clients to make appropriate changes to mitigate it. The effect of a 10% change in any component of market risk (comprised of interest rate risk, foreign exchange risk and equity risk) would have resulted in a change of less than $2 million to the Asset Administration segment's annual pre-tax earnings.

CREDIT RISK

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

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

LIQUIDITY RISK

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

STRATEGIC RISKS

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

DISTRIBUTION RISK

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

OPERATIONAL RISKS

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

INFORMATION TECHNOLOGY RISK

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

TAXATION RISK

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

COMPETITION

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

REGULATORY AND LEGAL RISK

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

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

CAPITAL RISK

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

KEY PERSONNEL RISK

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

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

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

INSURANCE RISK

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

INFORMATION REGARDING GUARANTORS

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

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014 (unaudited)

	CI Financial		CI Investments		Other Subsidiaries		Consolidating Adjustments		Total Consolidated Amounts	
[millions of dollars]	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Revenue	140.7	91.1	444.0	398.0	99.9	145.5	(183.6)	(189.0)	501.0	445.6
Net income	137.3	89.2	136.1	115.6	10.5	35.4	(140.2)	(118.3)	143.7	121.9
Net income attributable to shareholders	137.3	89.2	136.1	115.6	11.4	35.2	(140.2)	(118.3)	144.6	121.7

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

	CI Financial		CI Investments		Other Subsidiaries		Consolidating Adjustments		Total Consolidated Amounts	
[millions of dollars]	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Current assets	295.4	295.2	366.8	373.0	235.0	232.1	(533.7)	(535.8)	363.5	364.5
Non-current assets	2,042.5	2,054.3	2,857.8	3,000.3	156.1	280.4	(2,411.5)	(2,683.5)	2,644.9	2,651.5
Current liabilities	398.3	402.2	140.1	180.8	168.5	174.1	(322.3)	(354.3)	384.6	402.8
Non-current liabilities	10.1	12.4	1,067.0	1,164.1	8.5	8.2	(379.8)	(478.0)	705.8	706.7

SHARE CAPITAL

As at March 31, 2015, CI had 280,597,610 shares outstanding.

At March 31, 2015, 7.5 million options to purchase shares were outstanding, of which 2.5 million options were exercisable.

CONTRACTUAL OBLIGATIONS

The table that follows summarizes CI's contractual obligations at March 31, 2015.

PAYMENTS DUE BY YEAR

[millions of dollars]	Total	1 year or less	2	3	4	5	More than 5 years
Long-term debt	312.0	0.8	303.0	8.3	—	—	—
Operating leases	85.9	10.9	9.9	9.1	8.6	8.3	39.1
Total	397.9	11.6	312.9	17.4	8.6	8.3	39.1

SIGNIFICANT ACCOUNTING ESTIMATES

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

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), together with management, are responsible for the design of CI's disclosure controls and procedures. Management has evaluated, with participation of the CEO and CFO, the effectiveness of the disclosure controls and procedures as at March 31, 2015. Based on this evaluation, the CEO and CFO have concluded that they are reasonably assured these Disclosure Controls and Procedures were effective and that material information relating to CI was made known to them within the time periods specified under applicable securities legislation.

Management, under the supervision of the CEO and CFO, is responsible for the design and maintenance of adequate internal controls over financial reporting for the purposes of providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. However, due to its inherent limitations, internal controls over financial reporting can only provide reasonable, not absolute, assurance that the financial statements are free of misstatements. The COSO framework was used to assist management, along with the CEO and CFO, in the evaluation of these internal control systems. Management, under the direction of the CEO and CFO, have concluded that the internal controls over financial reporting are effective. Management used various tools to evaluate internal controls over financial reporting which included interaction with key control systems, review of policy and procedure documentation, observation or reperformance of control procedures to evaluate the effectiveness of controls and concluded that these controls are effective. For the quarter ended March 31, 2015, there have been no changes to the internal controls over financial reporting that have materially affected, or are reasonably likely to affect, internal controls over financial reporting.

Additional information relating to CI, including the most recent audited financial statements, management information circular and annual information form, is available on SEDAR at www.sedar.com.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 | MARCH | 2015

(UNAUDITED)

CI FINANCIAL CORP.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (unaudited)

[in thousands of Canadian dollars]	As at March 31, 2015 $	As at December 31, 2014 $
ASSETS		
Current		
Cash and cash equivalents	**38,845**	51,246
Client and trust funds on deposit	**135,145**	130,665
Marketable securities	**78,910**	83,718
Accounts receivable and prepaid expenses	**110,552**	98,881
Total current assets	**363,452**	364,510
Capital assets, net	**36,340**	37,952
Deferred sales commissions, net of accumulated amortization of $454,459 [December 31, 2014 – $469,645]	**396,685**	401,321
Intangibles	**2,185,042**	2,189,091
Other assets	**26,833**	23,093
Total assets	**3,008,352**	3,015,967
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	**182,672**	172,674
Provision for other liabilities *[note 3]*	**1,596**	1,293
Dividends payable *[note 5]*	**58,927**	59,161
Client and trust funds payable	**133,935**	128,715
Income taxes payable	**6,775**	38,940
Current portion of long-term debt *[note 2]*	**750**	2,000
Total current liabilities	**384,655**	402,783
Deferred lease inducement	**14,016**	14,238
Long-term debt *[note 2]*	**310,717**	305,392
Provision for other liabilities *[note 3]*	**15,696**	19,251
Deferred income taxes	**365,387**	367,865
Total liabilities	**1,090,471**	1,109,529
Equity		
Share capital *[note 4(a)]*	**1,961,063**	1,968,692
Contributed surplus	**10,434**	10,386
Deficit	**(66,504)**	(84,692)
Accumulated other comprehensive income	**10,028**	8,311
Total equity attributable to the shareholders of the Company	**1,915,021**	1,902,697
Non-controlling interests	**2,860**	3,741
Total equity	**1,917,881**	1,906,438
Total liabilities and equity	**3,008,352**	3,015,967

(see accompanying notes)

On behalf of the Board of Directors:

William T. Holland
Director

Paul Derksen
Director

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (unaudited)

For the three-month period ended March 31

[in thousands of Canadian dollars, except per share amounts]	2015 $	2014 $
REVENUE		
Management fees	**439,879**	394,380
Administration fees	**36,232**	35,104
Redemption fees	**5,372**	5,341
Gain on sale of marketable securities	**2,775**	123
Other income	**16,719**	10,614
	500,977	445,562
EXPENSES		
Selling, general and administrative *[note 9]*	**90,771**	83,683
Trailer fees	**135,792**	120,100
Investment dealer fees	**29,385**	28,036
Amortization of deferred sales commissions	**36,676**	38,381
Amortization of intangibles	**4,049**	1,208
Interest *[note 2]*	**3,193**	4,583
Other	**8,245**	3,187
	308,111	279,178
Income before income taxes	**192,866**	166,384
Provision for income taxes		
Current	**51,939**	43,951
Deferred	**(2,740)**	527
	49,199	44,478
Net income for the period	**143,667**	121,906
Net income (loss) attributable to non-controlling interests	**(881)**	206
Net income attributable to shareholders	**144,548**	121,700
Other comprehensive income, net of tax		
Unrealized gain on available-for-sale financial assets, net of income taxes of $610 [2014 – $316]	**3,996**	2,072
Reversal of gains to net income on available-for-sale financial assets, net of income taxes of ($348) [2014 – ($14)]	**(2,279)**	(94)
Total other comprehensive income, net of tax	**1,717**	1,978
Comprehensive income for the period	**145,384**	123,884
Comprehensive income (loss) attributable to non-controlling interests	**(881)**	206
Comprehensive income attributable to shareholders	**146,265**	123,678
Basic earnings per share attributable to shareholders *[note 4(c)]*	**$0.51**	$0.43
Diluted earnings per share attributable to shareholders *[note 4(c)]*	**$0.51**	$0.43

(see accompanying notes)

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (unaudited)

For the three-month period ended March 31

[in thousands of Canadian dollars]	Share capital *[note 4(a)]* $	Contributed surplus $	Deficit $	Accumulated other comprehensive income $	Total shareholders' equity $	Non-controlling interests $	Total equity $
Balance, January 1, 2015	**1,968,692**	**10,386**	**(84,692)**	**8,311**	**1,902,697**	**3,741**	**1,906,438**
Comprehensive income	**—**	**—**	**144,548**	**1,717**	**146,265**	**(881)**	**145,384**
Dividends declared *[note 5]*	**—**	**—**	**(88,655)**	**—**	**(88,655)**	**—**	**(88,655)**
Shares repurchased	**(9,259)**	**—**	**(37,705)**	**—**	**(46,964)**	**—**	**(46,964)**
Issuance of share capital on exercise of options	**1,630**	**(1,609)**	**—**	**—**	**21**	**—**	**21**
Compensation expense for equity-based plans	**—**	**1,657**	**—**	**—**	**1,657**	**—**	**1,657**
Change during the period	**(7,629)**	**48**	**18,188**	**1,717**	**12,324**	**(881)**	**11,443**
Balance, March 31, 2015	**1,961,063**	**10,434**	**(66,504)**	**10,028**	**1,915,021**	**2,860**	**1,917,881**
Balance, January 1, 2014	1,987,642	8,350	(183,349)	6,684	1,819,327	4,295	1,823,622
Comprehensive income	—	—	121,700	1,978	123,678	206	123,884
Dividends declared *[note 5]*	—	—	(81,192)	—	(81,192)	—	(81,192)
Shares repurchased	(1,852)	—	(7,117)	—	(8,969)	—	(8,969)
Issuance of share capital on exercise of options	2,636	(2,569)	—	—	67	—	67
Compensation expense for equity-based plans	—	1,065	—	—	1,065	—	1,065
Change during the period	784	(1,504)	33,391	1,978	34,649	206	34,855
Balance, March 31, 2014	1,988,426	6,846	(149,958)	8,662	1,853,976	4,501	1,858,477

(see accompanying notes)

CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

For the three-month period ended March 31

[in thousands of Canadian dollars]	2015 $	2014 $
OPERATING ACTIVITIES (*)		
Net income	143,667	121,906
Add (deduct) items not involving cash		
Gain on sale of marketable securities	(2,775)	(123)
Fair value adjustment to contingent consideration	(7,500)	—
Equity-based compensation	1,657	1,065
Amortization of deferred sales commissions	36,676	38,381
Amortization of intangibles	4,049	1,208
Amortization and depreciation of other	2,012	2,036
Deferred income taxes	(2,740)	527
Cash provided by operating activities before changes in operating assets and liabilities	175,046	165,000
Net change in operating assets and liabilities	(29,072)	(48,483)
Cash provided by operating activities	145,974	116,517
INVESTING ACTIVITIES		
Purchase of marketable securities	(6,330)	(4,670)
Proceeds on sale of marketable securities	15,892	711
Additions to capital assets	(325)	(709)
Deferred sales commissions paid	(32,040)	(41,776)
Increase in other assets	(3,740)	(3,996)
Additions to intangibles	—	(129)
Cash used in investing activities	(26,543)	(50,569)
FINANCING ACTIVITIES		
Increase in long-term debt	4,000	—
Repurchase of share capital	(46,964)	(8,969)
Issuance of share capital	21	67
Dividends paid to shareholders	(88,889)	(81,276)
Cash used in financing activities	(131,832)	(90,178)
Net decrease in cash and cash equivalents during the period	(12,401)	(24,230)
Cash and cash equivalents, beginning of period	51,246	118,812
Cash and cash equivalents, end of period	38,845	94,582
(*) Included in operating activities are the following:		
Interest paid	409	340
Income taxes paid	84,033	58,260

(see accompanying notes)

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

These unaudited interim condensed consolidated financial statements were authorized for issuance by the Board of Directors of CI on May 7, 2015.

BASIS OF PRESENTATION

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

BASIS OF CONSOLIDATION

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

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

MARCH 31, 2015 and 2014 ▪ [in thousands of dollars, except per share amounts]

2. LONG-TERM DEBT

Long-term debt consists of the following:

	As at March 31, 2015 $	As at December 31, 2014 $
Credit facility		
Banker's acceptances	**12,000**	8,000
	12,000	8,000
Debentures		
$300 million, 3.94% until December 13, 2015 and floating rate until December 14, 2016	**299,467**	299,392
	299,467	299,392
Long-term debt	**311,467**	307,392
Current portion of long-term debt	**750**	2,000

Credit facility

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

Debentures

The 2016 Debentures are fully and unconditionally guaranteed by CI.

MARCH 31, 2015 and 2014 ▪ [in thousands of dollars, except per share amounts]

3. PROVISION FOR OTHER LIABILITIES AND CONTINGENCIES

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

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

	3 months 2015 $	2014 $
Provision for other liabilities, beginning of period	**20,544**	22,636
Additions	**5,251**	4,767
Amounts used	**(536)**	(1,773)
Amounts reversed	**(7,967)**	(5,086)
Provision for other liabilities, end of period	**17,292**	20,544
Current portion of provision for other liabilities	**1,596**	1,293

CI maintains insurance policies that may provide coverage against certain claims. Amounts receivable under these policies are not accrued for unless the realization of income is virtually certain. During the three months ended March 31, 2015, CI received insurance proceeds of nil related to the settlement of legal claims [Year 2014 – $499]. As at March 31, 2015 and December 31, 2014, CI has accrued $955 and $906, respectively, for amounts to be received under insurance policies, which is included in accounts receivable.

LITIGATION

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

TAXATION

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

In March 2015, CI received notices of reassessment ("NOR") from CRA relating to the interest rate charged on subordinated notes within CI's income trust structure from 2006 to 2008. The NOR were in the amount of approximately $220,000, with provincial NOR expected to follow in the amount of approximately $40,000. CI strongly disagrees with CRA's position and has filed a notice of objection. However, notwithstanding the filing of a notice of objection, CI is required to make a minimum payment of 50% of the amount payable under the NOR, estimated to be $130,000, which would remain on account until the dispute is resolved, which may take considerable time. While CI believes it will be able to successfully defend its position, CI has recorded a provision of $4,000 for expenses to mount this defense.

CONTINGENT CONSIDERATION

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

4. SHARE CAPITAL

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

[A] AUTHORIZED AND ISSUED

	Number of shares *[in thousands]*	Stated value $
Authorized		
An unlimited number of common shares of CI		
Issued		
Common shares, balance, December 31, 2013	**284,396**	**1,987,642**
Issuance of share capital on exercise of share options	493	3,279
Share repurchase	(3,181)	(22,229)
Common shares, balance, December 31, 2014	**281,708**	**1,968,692**
Issuance of share capital on exercise of share options	214	1,630
Share repurchases	(1,325)	(9,259)
Common shares, balance, March 31, 2015	**280,597**	**1,961,063**

[B] EMPLOYEE INCENTIVE SHARE OPTION PLAN

CI has an employee incentive share option plan [the "Share Option Plan"], as amended and restated, for the executives and key employees of CI.

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

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

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

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

	Number of options *[in thousands]*	Weighted average exercise price $
Options outstanding, December 31, 2013	**4,771**	**24.00**
Options exercisable, December 31, 2013	**807**	**20.47**
Options granted	2,223	35.47
Options exercised (*)	(1,338)	22.22
Options cancelled	(104)	30.12
Options outstanding, December 31, 2014	**5,552**	**28.91**
Options exercisable, December 31, 2014	**1,335**	**23.48**
Options granted	2,772	33.96
Options exercised (*)	(754)	23.12
Options cancelled	(25)	29.68
Options outstanding, March 31, 2015	**7,545**	**31.34**
Options exercisable, March 31, 2015	**2,454**	**27.29**

(*) Weighted-average share price of options exercised was $34.00 during the three months ended March 31, 2015 [year ended December 31, 2014 – $35.07]

Options outstanding and exercisable as at March 31, 2015 are as follows:

Exercise price $	Number of options outstanding *[in thousands]*	Weighted average remaining contractual life *[years]*	Number of options exercisable *[in thousands]*
19.48	17	0.1	17
21.55	199	0.8	199
21.73	93	2.2	16
21.98	670	1.9	670
22.45	53	0.9	53
27.03	1,455	2.9	822
30.27	125	3.2	42
33.96	2,767	4.9	—
34.52	260	4.2	—
35.60	1,906	3.9	635
19.48 to 35.60	**7,545**	**3.8**	**2,454**

[C] BASIC AND DILUTED EARNINGS PER SHARE

The following table presents the calculation of basic and diluted earnings per common share for the three months ended March 31:

[in thousands]	3 months ended March 31, 2015	3 months ended March 31, 2014
Numerator:		
Net income attributable to shareholders – basic and diluted	**$144,548**	$121,700
Denominator:		
Weighted average number of common shares – basic	**281,740**	284,616
Weighted average effect of dilutive stock options (*)	**773**	1,086
Weighted average number of common shares – diluted	**282,513**	285,702
Net earnings per common share attributable to shareholders		
Basic	**$0.51**	$0.43
Diluted	**$0.51**	$0.43

(*) *The determination of the weighted average number of common shares – diluted excludes 4,933 shares related to stock options that were anti-dilutive for the three months ended March 31, 2015 [1,964 shares for the three months ended March 31, 2014]*

[D] MAXIMUM SHARE DILUTION

The following table presents the maximum number of shares that would be outstanding if all the outstanding options as at April 30, 2015 were exercised:

[in thousands]	
Shares outstanding at April 30, 2015	280,590
Options to purchase shares	7,711
	288,301

MARCH 31, 2015 and 2014 ▪ [in thousands of dollars, except per share amounts]

5. DIVIDENDS

The following dividends were paid by CI during the three months ended March 31, 2015:

Record date	Payment date	Cash dividend per share $	Total dividend amount $
December 31, 2014	January 15, 2015	0.105	29,640
January 31, 2015	February 13, 2015	0.105	29,600
February 28, 2015	March 13, 2015	0.105	29,649
Paid during the three months ended March 31, 2015			88,889

The following dividends were declared but not paid during the three months ended March 31, 2015:

Record date	Payment date	Cash dividend per share $	Total dividend amount $
March 31, 2015	April 15, 2015	0.105	29,463
April 30, 2015	May 15, 2015	0.105	29,464
Declared and accrued as at March 31, 2015			58,927

The following dividends were paid by CI during the three months ended March 31, 2014:

Record date	Payment date	Cash dividend per share $	Total dividend amount $
December 31, 2013	January 15, 2014	0.095	27,072
January 31, 2014	February 14, 2014	0.095	27,099
February 28, 2014	March 14, 2014	0.095	27,105
Paid during the three months ended March 31, 2014			81,276

MARCH 31, 2015 and 2014 ▪ [in thousands of dollars, except per share amounts]

The following dividends were declared but not paid during the three months ended March 31, 2014:

Record date	Payment date	Cash dividend per share $	Total dividend amount $
March 31, 2014	April 15, 2014	0.095	27,029
April 30, 2014	May 15, 2014	0.095	27,030
Declared and accrued as at March 31, 2014			54,059

On May 7, 2015, The Board of Directors declared monthly cash dividends of $0.11 per share payable on June 15, July 15 and August 14, 2015 to shareholders of record on May 31, June 30 and July 31, 2015, respectively.

6. FINANCIAL INSTRUMENTS

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

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

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

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

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

MARCH 31, 2015 and 2014 ▪ [in thousands of dollars, except per share amounts]

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

	March 31, 2015 $	December 31, 2014 $
Financial assets		
Fair value through profit or loss		
Cash and cash equivalents	**38,845**	51,246
Loans and receivables		
Client and trust funds on deposit	**135,145**	130,665
Accounts receivable	**96,847**	88,154
Other assets	**15,029**	15,702
Available-for-sale		
Marketable securities	**78,910**	83,718
Total financial assets	**364,776**	369,485
Financial liabilities		
Fair value through profit or loss		
Provisions for other liabilities	**—**	7,500
Other financial liabilities		
Accounts payable and accrued liabilities	**174,773**	161,923
Provisions for other liabilities	**17,292**	13,044
Dividends payable	**58,927**	59,161
Client and trust funds payable	**133,935**	128,715
Long-term debt	**311,467**	307,392
Total financial liabilities	**696,394**	677,735

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

CI's financial assets at March 31, 2015 and December 31, 2014 include CI's marketable securities which consist of investments in mutual fund securities. Mutual fund securities are valued using the net asset value per unit of each fund, which represents the underlying net assets at fair values determined using closing market prices. CI considers mutual fund securities that are valued daily to be in the Level 1 fair value hierarchy and those mutual fund securities valued less frequently to be in the Level 2 fair value hierarchy. As at March 31, 2015, CI's marketable securities of $78,910 [December 31, 2014 – $83,718] are carried at fair value of which $17,803 have been classified in the Level 1 fair value hierarchy and $61,107 in the Level 2 fair value hierarchy [December 31, 2014 – $13,226 in the Level 1 fair value hierarchy and $70,492 in the Level 2 fair value hierarchy]. There have been no transfers between Level 1 and Level 2 during the three month period.

MARCH 31, 2015 and 2014 ▪ [in thousands of dollars, except per share amounts]

Included in provision for other liabilities, as at March 31, 2015 is contingent consideration of nil [December 31, 2014 – $7,500] carried at fair value and classified in the Level 3 fair value hierarchy. Long-term debt as at March 31, 2015 includes Debentures with a fair value of $304,887 [December 31, 2014 – $305,601], as determined by quoted market prices and have been classified in the Level 1 fair value hierarchy.

7. CAPITAL MANAGEMENT

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

CI and its subsidiaries are subject to minimum regulatory capital requirements whereby sufficient cash and other liquid assets must be on hand to maintain capital requirements rather than using them in connection with its business. As at March 31, 2015, cash and cash equivalents of $16,287 [December 31, 2014 – $12,552] was required to be on hand for regulatory capital maintenance. Failure to maintain required regulatory capital by CI may result in fines, suspension or revocation of registration by the relevant securities regulator. CI from time to time provides loans to its subsidiaries for operating purposes and may choose to subordinate these loans in favour of general creditors. The repayment of subordinated loans is subject to regulatory approval. As at March 31, 2015 and December 31, 2014, CI met its capital requirements.

CI's capital consists of the following:

	As at March 31, 2015 $	As at December 31, 2014 $
Shareholders' equity	**1,915,021**	1,902,697
Long-term debt	**311,467**	307,392
Total capital	**2,226,488**	2,210,089

MARCH 31, 2015 and 2014 ▪ [in thousands of dollars, except per share amounts]

8. SEGMENTED INFORMATION

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

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

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

Segmented information as at and for the three-month period ended March 31, 2015 is as follows:

	Asset Management $	Asset Administration $	Intersegment eliminations $	Total $
Management fees	439,879	—	—	439,879
Administration fees	—	73,940	(37,708)	36,232
Other revenue	19,124	5,742	—	24,866
Total revenue	459,003	79,682	(37,708)	500,977
Selling, general and administrative	74,227	16,544	—	90,771
Trailer fees	141,725	—	(5,933)	135,792
Investment dealer fees	—	60,349	(30,964)	29,385
Amortization of deferred sales commissions and intangibles	41,104	551	(930)	40,725
Other expenses	6,268	1,977	—	8,245
Total expenses	263,324	79,421	(37,827)	304,918
Income before income taxes and non-segmented items	195,679	261	119	196,059
Interest expense				(3,193)
Provision for income taxes				(49,199)
Net income for the period				143,667
Identifiable assets	614,005	268,321	(10,364)	871,962
Indefinite life intangibles				
Goodwill	944,726	192,582	—	1,137,308
Fund contracts	999,082	—	—	999,082
Total assets	2,557,813	460,903	(10,364)	3,008,352

MARCH 31, 2015 and 2014 ▪ [in thousands of dollars, except per share amounts]

Segmented information for the three-month period ended March 31, 2014 is as follows:

	Asset Management $	Asset Administration $	Intersegment eliminations $	Total $
Management fees	394,380	—	—	394,380
Administration fees	—	68,771	(33,667)	35,104
Other revenue	11,131	4,947	—	16,078
Total revenue	405,511	73,718	(33,667)	445,562
Selling, general and administrative	68,339	15,344	—	83,683
Trailer fees	125,232	—	(5,132)	120,100
Investment dealer fees	—	55,349	(27,313)	28,036
Amortization of deferred sales commissions and intangibles	39,986	551	(948)	39,589
Other expenses	2,353	834	—	3,187
Total expenses	235,910	72,078	(33,393)	274,595
Income before income taxes and non-segmented items	169,601	1,640	(274)	170,967
Interest expense				(4,583)
Provision for income taxes				(44,478)
Net income for the period				121,906
As at December 31, 2014				
Identifiable assets	560,572	329,481	(10,476)	879,577
Indefinite life intangibles				
Goodwill	944,726	192,582	—	1,137,308
Fund contracts	999,082	—	—	999,082
Total assets	2,504,380	522,063	(10,476)	3,015,967

9. SELLING, GENERAL AND ADMINISTRATIVE

Included in selling, general and administrative expenses ["SG&A"] are salaries and benefits of $48,789 for the three months ended March 31, 2015 [three months ended March 31, 2014 – $44,480]. Also included in SG&A is depreciation of capital assets of $1,935 for the three months ended March 31, 2015 [three months ended March 31, 2014 – $1,906]. Other SG&A of $40,047 for the three months ended March 31, 2015, primarily includes marketing, lease and information technology expenses as well as professional and regulatory fees [three months ended March 31, 2014 – $37,297].

This Report contains forward-looking statements with respect to CI, including its business operations and strategy and financial performance and condition. Although management believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause results to differ materially include, among other things, general economic and market factors, including interest rates, business competition, changes in government regulations or in tax laws, and other factors discussed in materials filed with applicable securities regulatory authorities from time to time.

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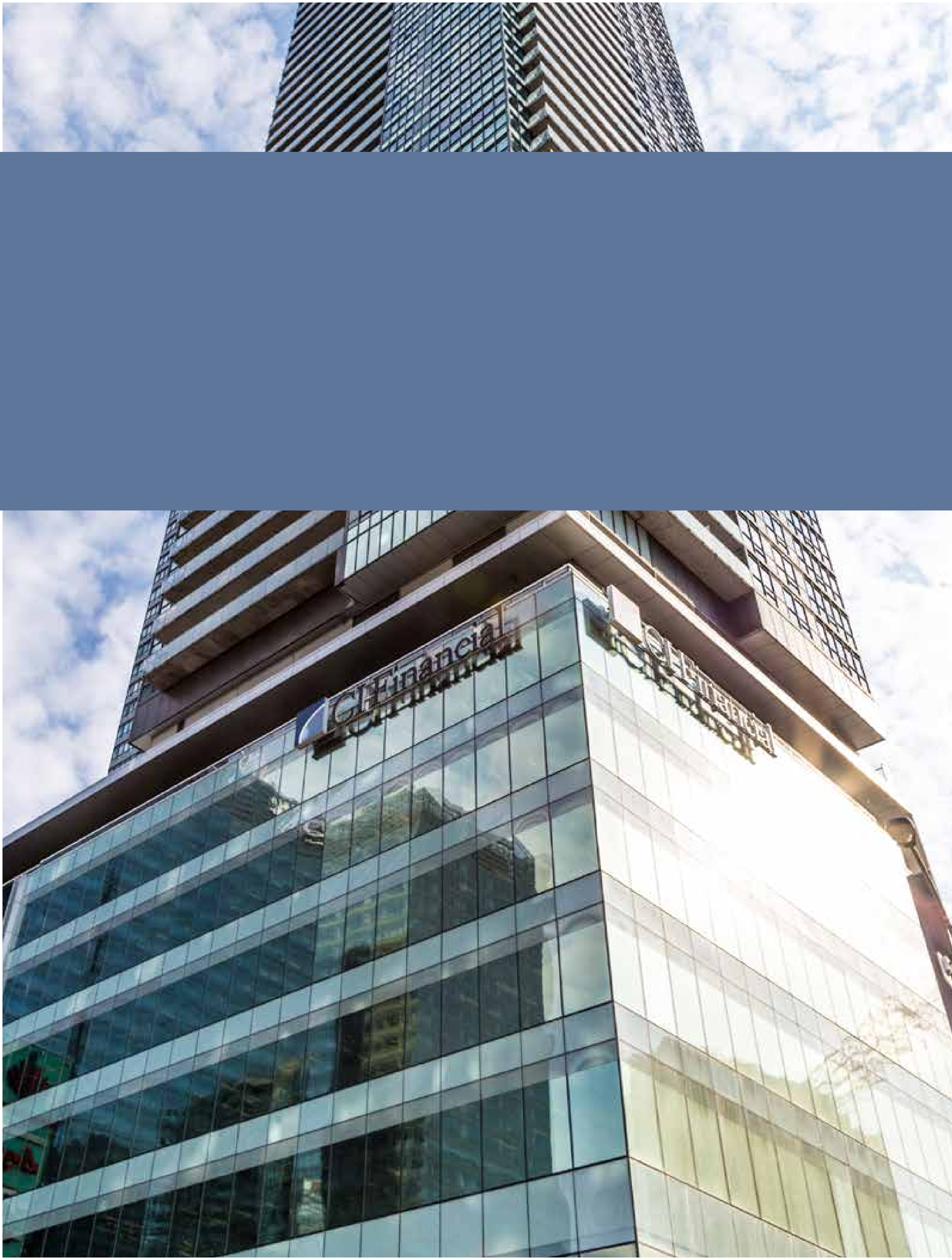
CI Financial