

CI Financial  
Fiscal 2015 Q1 Results

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# Important Information

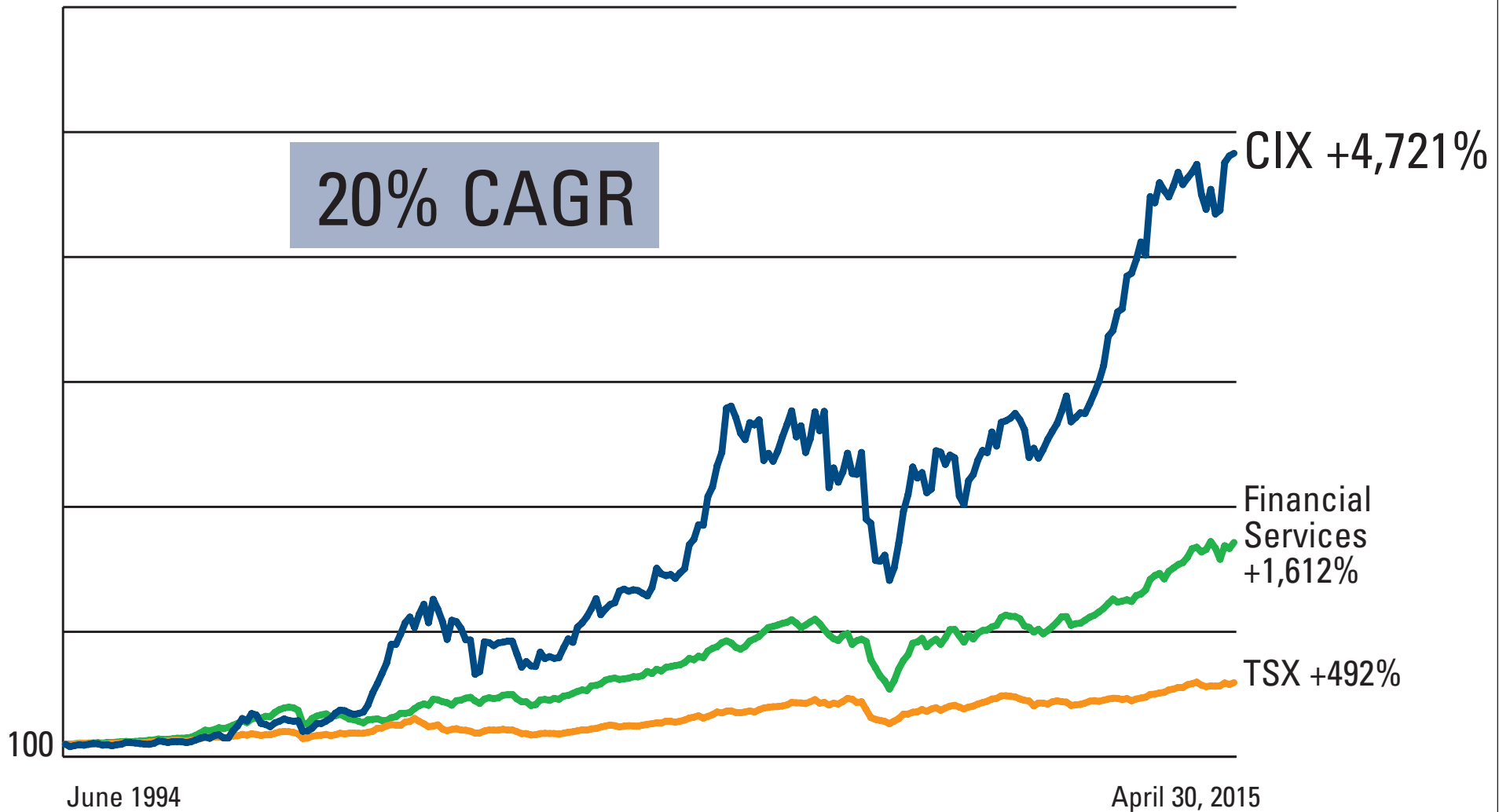
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This presentation contains forward-looking statements concerning anticipated future events, results, circumstances, performance or expectations with respect to CI and its products and services, including its business operations, strategy and financial performance and condition. Although management believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, such statements involve risks and uncertainties. For further information regarding factors that could cause actual results to differ from expectations, please refer to Management's Discussion and Analysis available at [www.cifinancial.com](http://www.cifinancial.com).

This presentation contains several non-IFRS financial measures including EBITDA, pre-tax operating earnings, free cash flow, operating cash flow, net debt, asset management margin, SG&A efficiency margin, and adjusted net income 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. These non-IFRS measures and reconciliations to IFRS, where necessary, are included in Management's Discussion and Analysis available at [www.cifinancial.com](http://www.cifinancial.com).

# CIX Historical Performance

(Total returns from IPO to April 30, 2015)



**Sixth best performing stock on TSX since 1994 & Top 10, last 16 years**

# 2015 Highlights

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- EPS of \$0.51, up 19% from \$0.43 in Q1-2014
- EPS up 2% from \$0.50 in Q4-2014
- Q1-2015 average AUM up 14% year over year, up 5% from Q4-2014
- Assante and Stonegate Private Counsel assets of \$34 billion, up 13% from Q1-2014
- Q1-2015 net sales of \$1.2 billion compared to \$1.7 billion in Q1-2014
- Net debt down 37% from Q1-2014
- Dividend increased six times since Q1-2013, now \$0.11 per month

# Sales Overview

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- Q1-2015 gross sales of \$4.5 billion, 2% higher than Q1-2014
- Q1-2015 net sales of \$1.2 billion
- YTD net sales over \$2 billion, in line with prior year
- Since 1994, CI achieved positive net sales in 88% of all quarters

# Strong Performance

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- 70% of CI's long-term AUM 1st or 2nd quartile over 10 years
- 73% of CI's managed solutions AUM 1st or 2nd quartile over 10 years
- Continue to build brand and deliver premier advisor education events

# Sales and Advisor Events

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**2014**

Major Conferences	3
Advisor events, roadshows, training sessions	1,050
One-on-one / branch / group meetings, conference calls	30,991
Regulatory reform training sessions	109

# Assante Wealth Management Stonegate Private Counsel

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- \$34 billion in assets, up 13% year over year and 6% from Q4-2014
- Strong inflows, both relative and absolute
- Significant increase in HNW accounts
- Continuing investment:
  - Wealth planning support
  - Technology
  - Branding
- Status of regulatory change



# Financial Highlights

(year-over-year)

<b>[millions, except per share]</b>	<b>Q1-2015</b>	<b>Q1-2014</b>	<b>Change</b>
Average AUM	\$106,531	\$93,488	14%
Net Income <sup>1</sup>	\$144.5	\$121.7	19%
per share	\$0.51	\$0.43	19%
Adjusted net income <sup>1</sup>	\$141.4	\$121.7	16%
per share	\$0.50	\$0.43	16%
EBITDA per share	\$0.84	\$0.75	12%
Dividends paid	\$88.9	\$81.3	9%
Long-term debt	\$311.5	\$499.0	(38%)
Net debt	\$210.7	\$334.3	(37%)

<sup>1</sup> Excluding non-controlling interests

# Financial Highlights

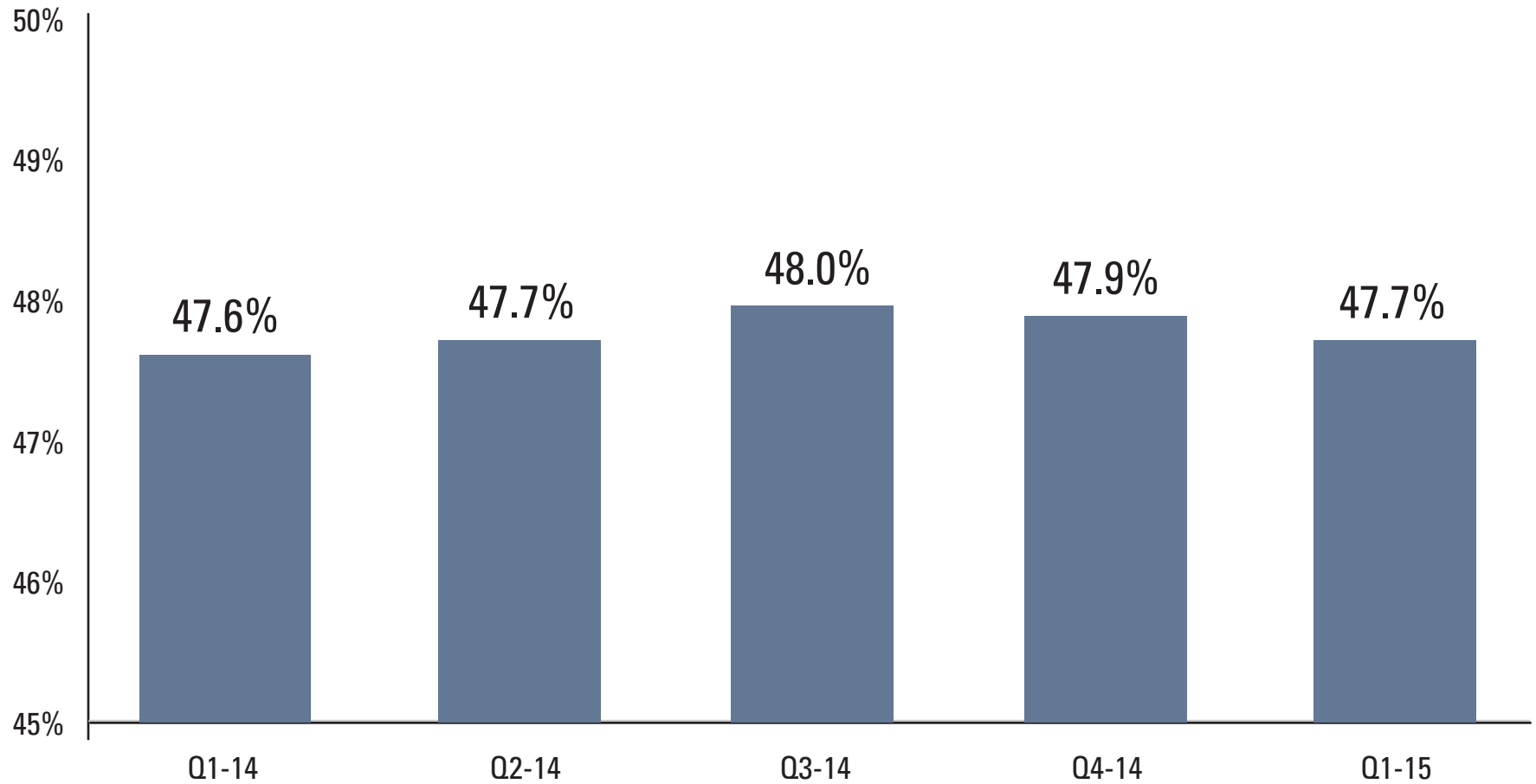
(consecutive)

<b>[millions, except per share]</b>	<b>Q1-2015</b>	<b>Q4-2014</b>	<b>Change</b>
Average AUM	\$106,531	\$101,120	5%
Net Income <sup>1</sup>	\$144.5	\$140.4	3%
per share	\$0.51	\$0.50	2%
Adjusted net income <sup>1</sup>	\$141.4	\$135.4	4%
per share	\$0.50	\$0.48	4%
EBITDA	\$235.4	\$230.0	2%
per share	\$0.84	\$0.82	2%
Dividends paid	\$88.9	\$86.3	3%

<sup>1</sup> Excluding non-controlling interests

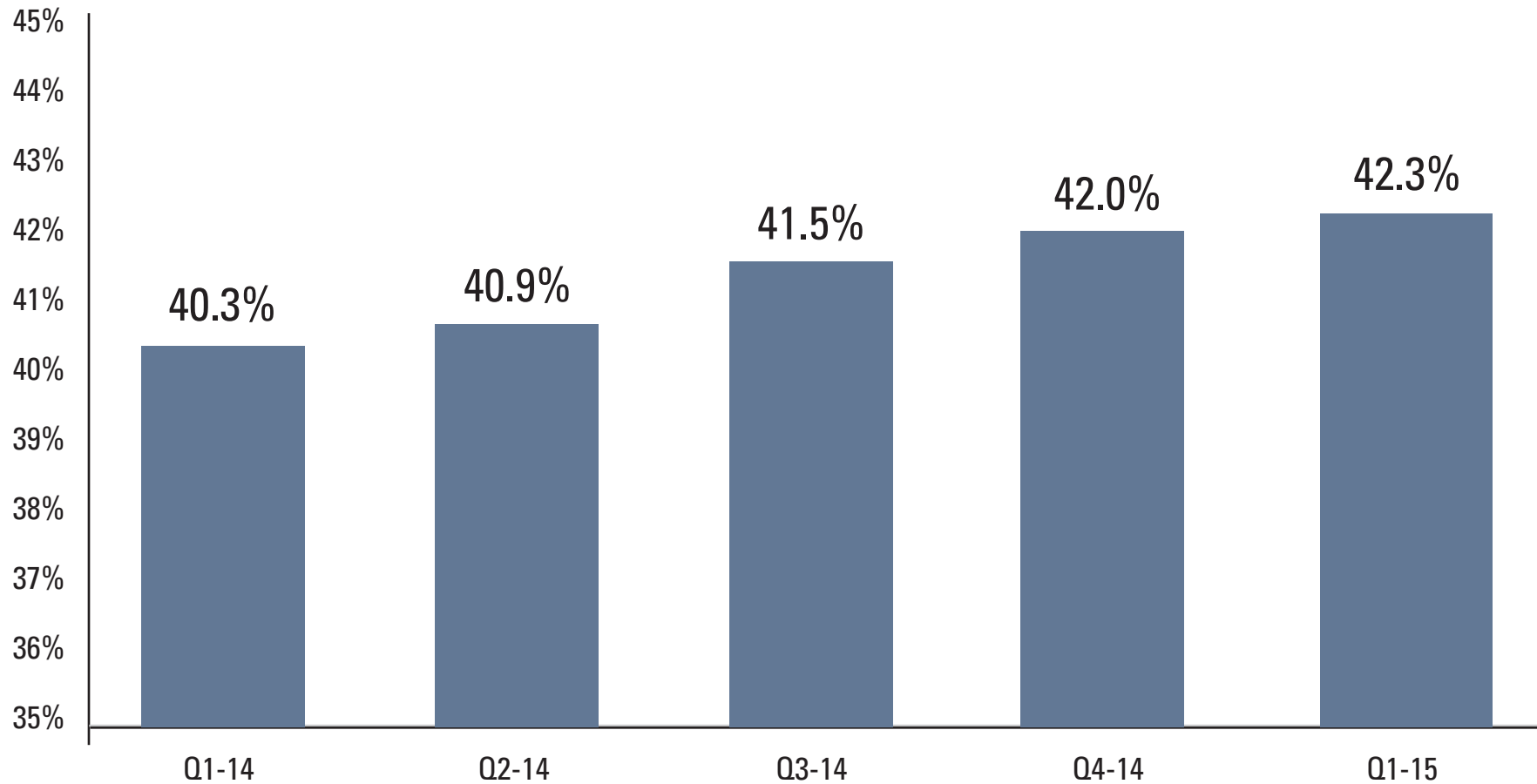
# EBITDA Margin

(% of total revenues)



# Asset Management Margin

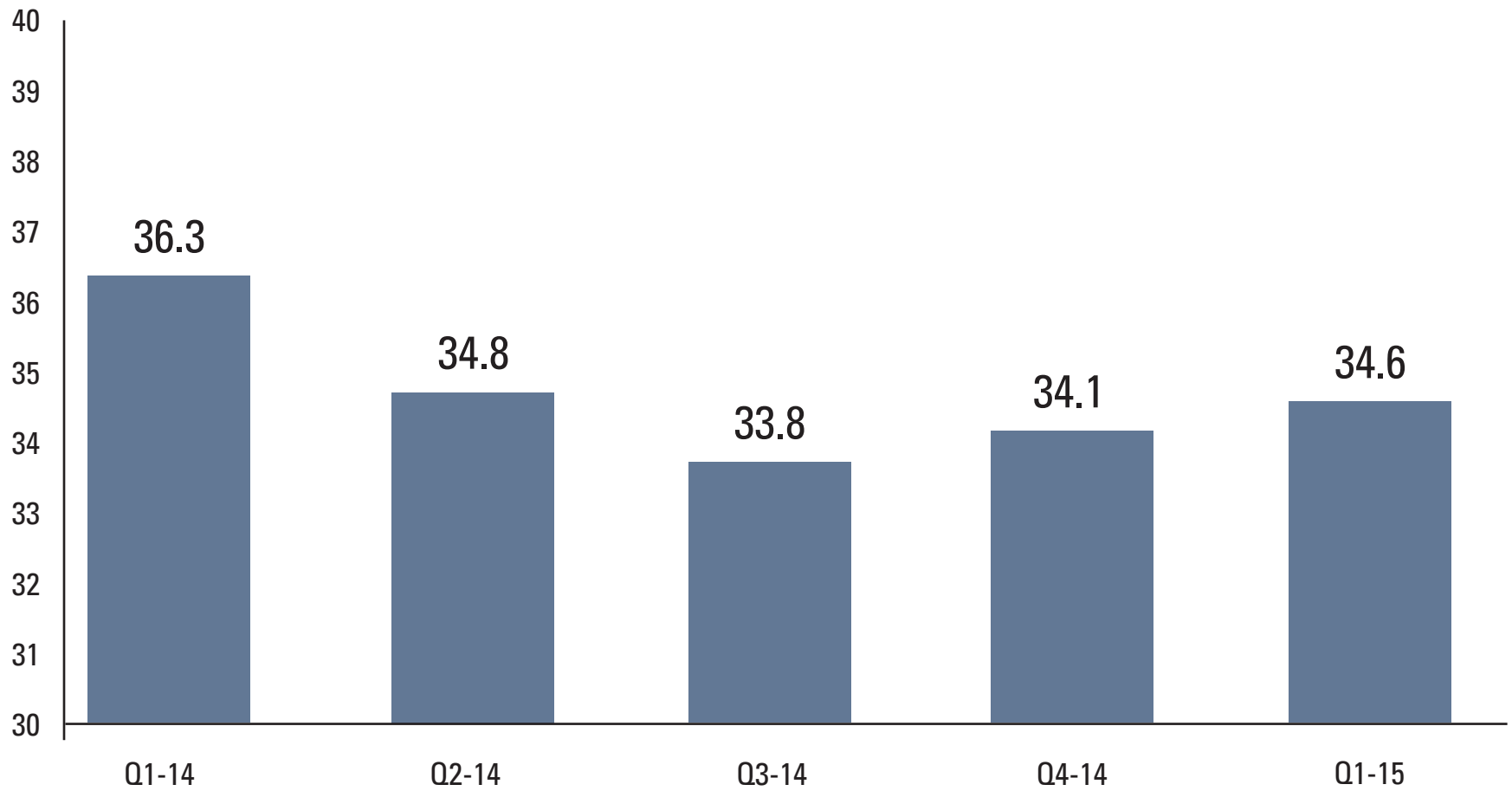
(Management fees less trailers, SG&A and DSC as a percentage of management fees)



Trailing twelve months

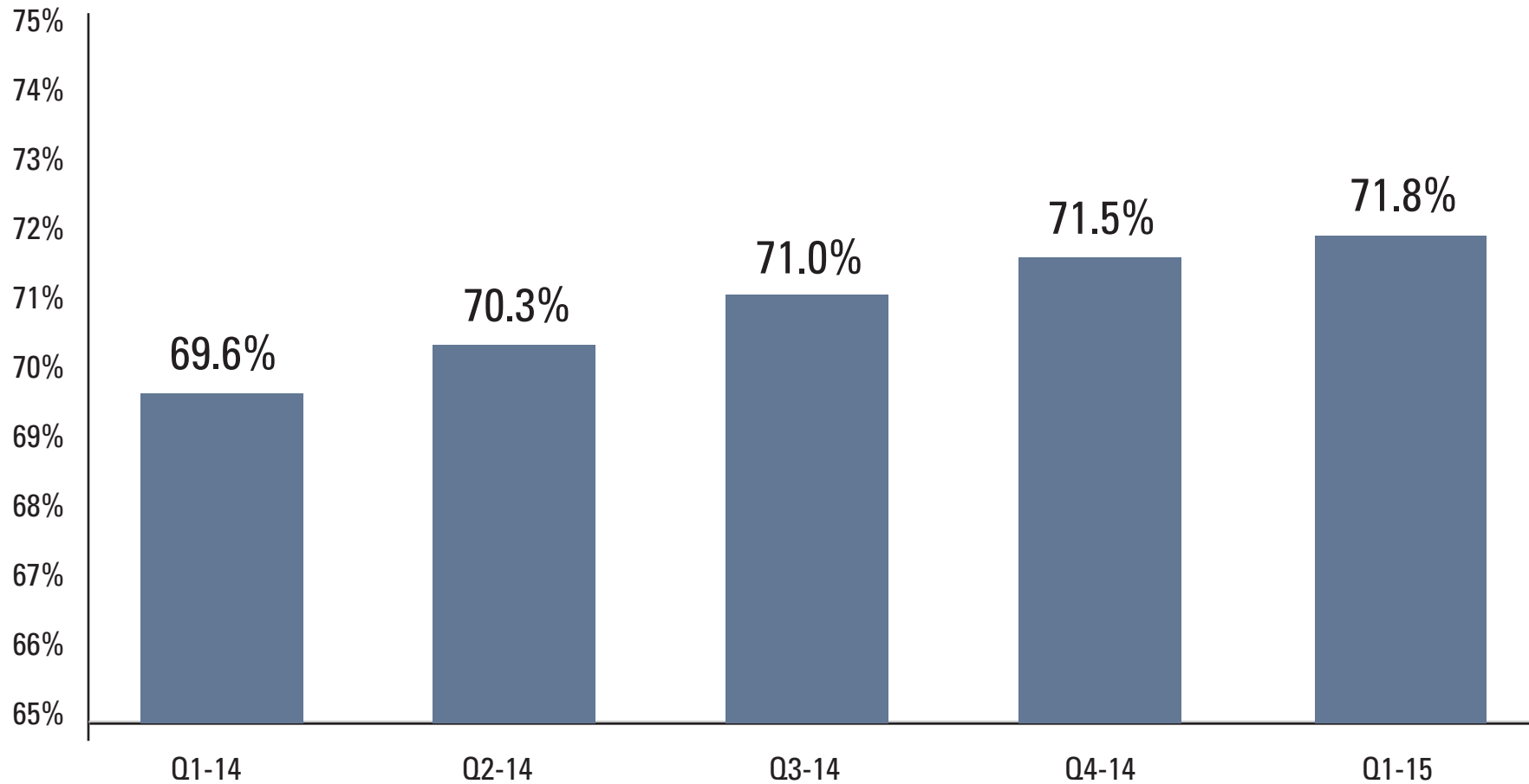
# Total SG&A

(in basis points of average AUM)



# SG&A Efficiency Margin

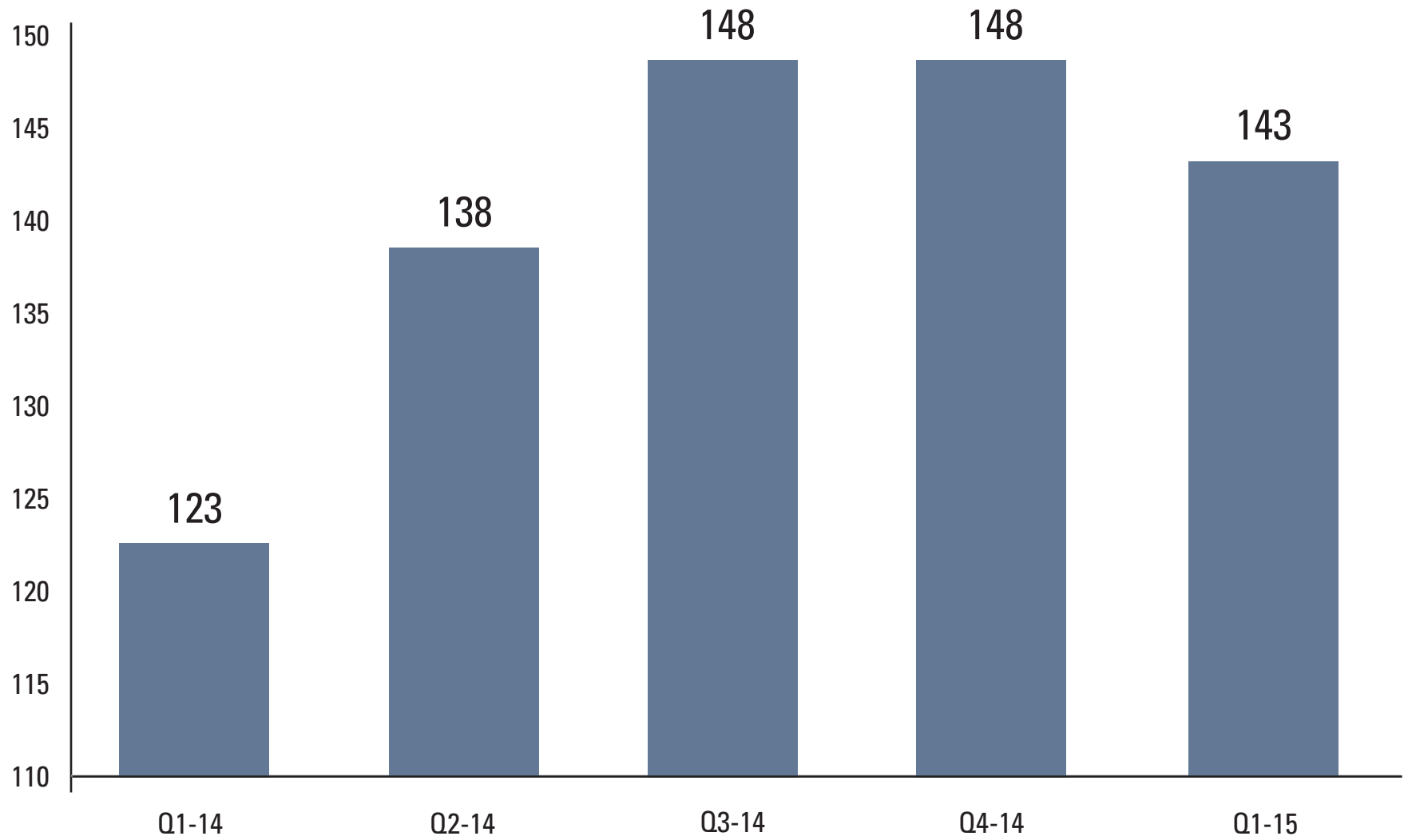
(Management fees less trailers, DSC and SG&A as a percentage of management fees less trailers and DSC)



Trailing twelve months

# Quarterly Free Cash Flow

(in \$millions)

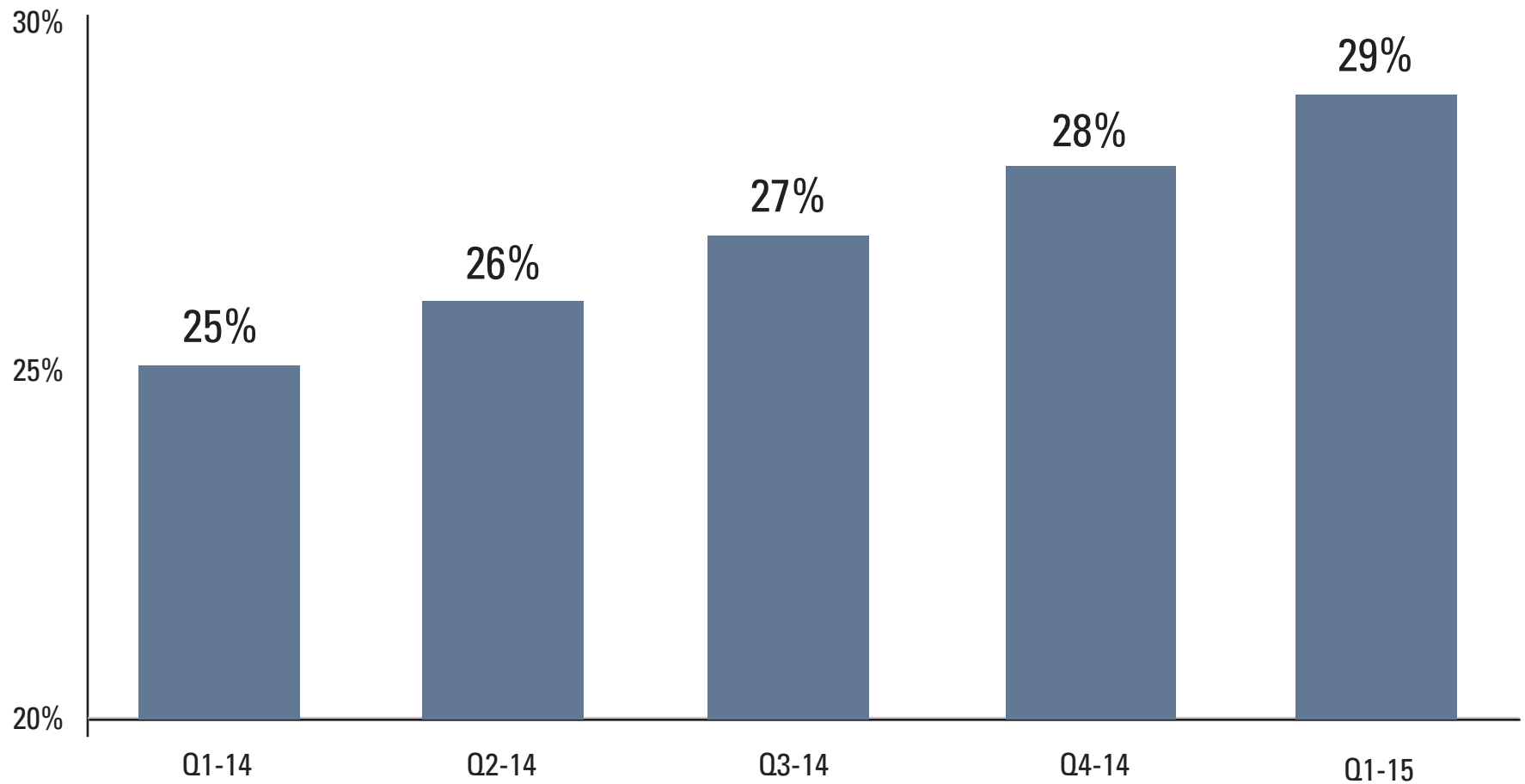


# Return to Shareholders

<u>[in \$millions]</u>	<u>Q1-2015</u>	<u>Q4-2014</u>
Operating cash flow	175	172
Sales commissions	(32)	(24)
Free cash flow	143	148
Share buybacks	(47)	(38)
Dividends	(89)	(86)
Net surplus	7	24

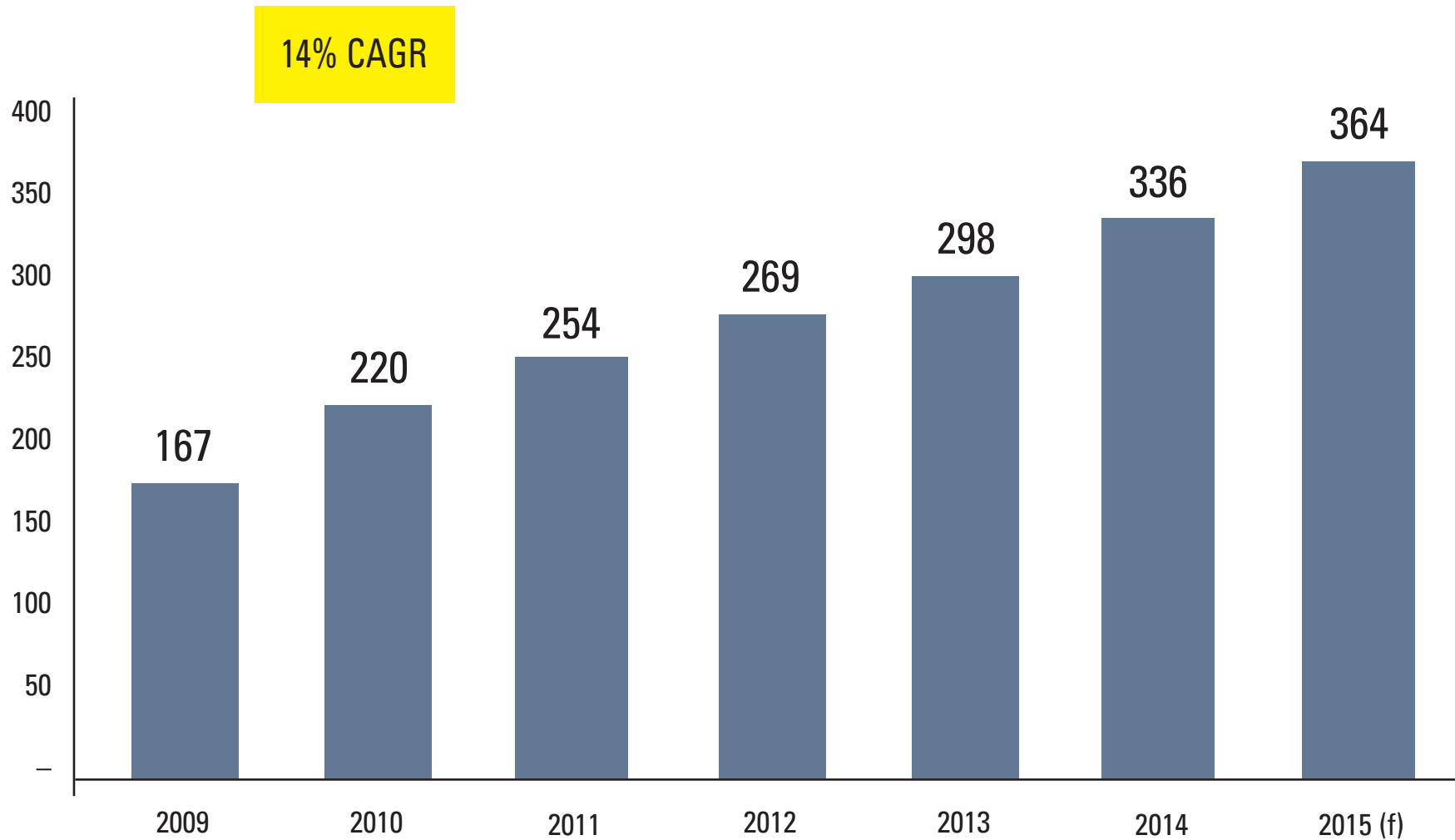


# Trailing 12-Month Return on Equity



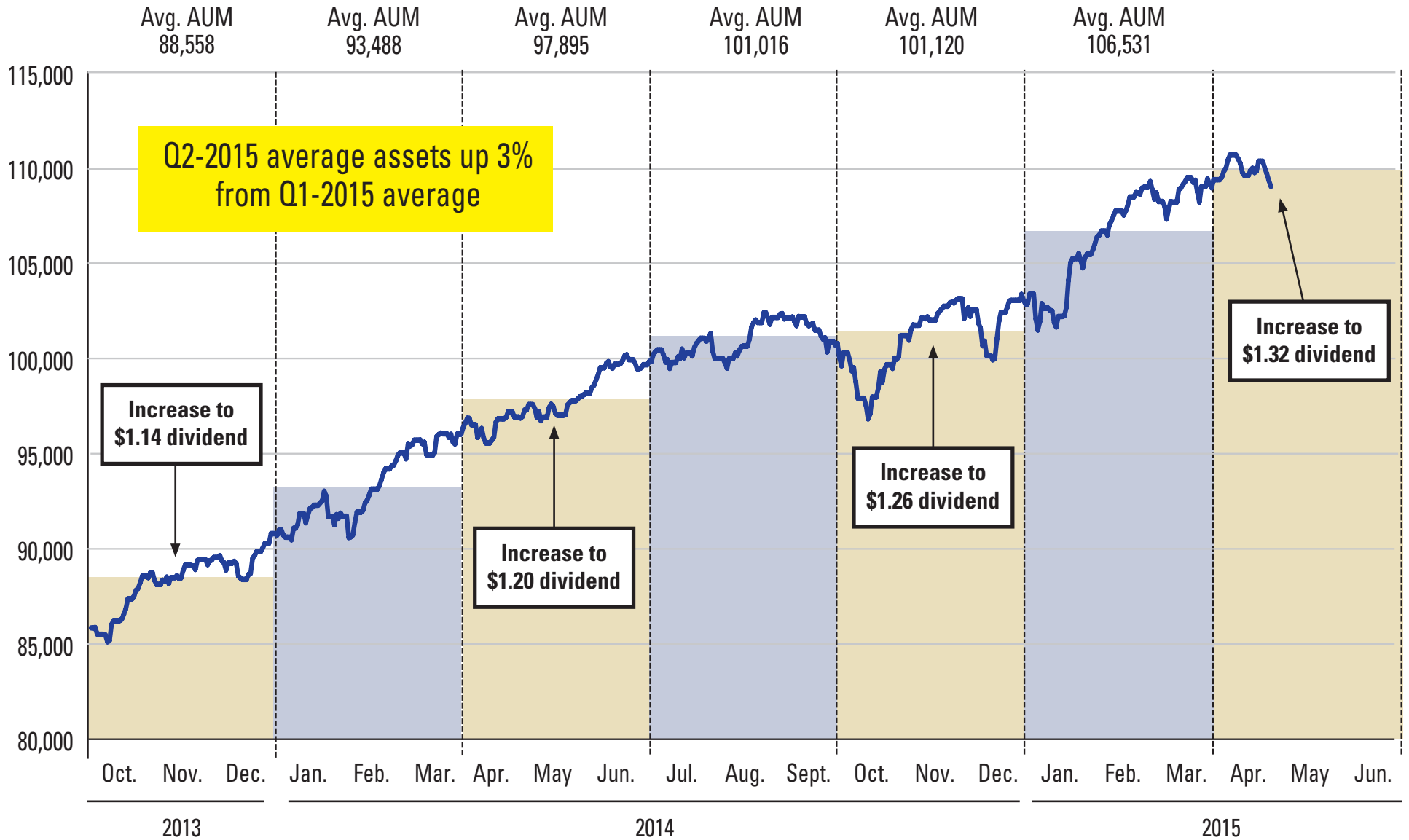
# Annual Dividends Paid

(in \$millions)



# Assets Under Management

(in \$millions)



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- CI reassessed for fiscal years 2006 - 2008 when structured as an income trust
  - CI and expert advisors believe CRA position is without merit
  - CI has filed a notice of objection and will vigorously defend this matter
  - No provisions taken except legal

# Tax Matter Background

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- CI one of the largest and last corporations to convert
- Adopted the same structure as over 100 other public entities
- Obtained an advance tax ruling from CRA
- Met with the Deputy Minister of Finance, Mark Carney, before converting
- Used expert valuers, lawyers and others experienced in income trust conversions
- Not aware of any other income trusts being reassessed on this basis
- Will not impact CI's dividend or share buy-back policies

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- Q2-2015 average assets of \$110 billion, up 3% from Q1-2015 average
  - Positioning CI to grow to \$150 billion in AUM and Assante to \$50 billion in AUA
  - CI confident of successful resolution to CRA issue
  - Good market performance positive for sales outlook
  - CI maintaining focus on competitive advantages
  - Environment positive for long-term profitability, dividend growth and share buybacks



Thank You

