CI Financial

Q3 | Financial Report

September 30, 2016

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FINANCIAL HIGHLIGHTS

[millions of dollars, except share amounts]	As at and for the quarters ended Sep. 30, 2016	Jun. 30, 2016	Mar. 31, 2016	Dec. 31, 2015	Sep. 30, 2015	% change quarter-over-quarter	% change year-over-year
Assets under management	112,513	109,594	108,715	111,124	105,296	3	7
Assets under advisement	37,214	35,465	34,566	34,552	33,249	5	12
Total assets	149,727	145,059	143,281	145,676	138,545	3	8
Average assets under management	112,256	108,994	107,321	108,688	108,541	3	3
Management fees	446.1	429.3	424.8	444.8	449.4	4	(1)
Total revenues	495.4	475.9	470.6	493.5	499.0	4	(1)
Selling, general & administrative	99.9	98.1	96.4	96.9	92.9	2	8
Trailer fees	138.1	132.7	131.1	137.7	139.6	4	(1)
Net income attributable to shareholders	136.8	128.6	116.6	127.2	142.8	6	(4)
Basic earnings per share	0.51	0.47	0.42	0.46	0.51	9	—
Diluted earnings per share	0.51	0.47	0.42	0.46	0.51	9	—
EBITDA[1]	225.2	214.1	199.4	217.4	237.0	5	(5)
EBITDA[1] per share	0.83	0.78	0.72	0.79	0.85	6	(2)
Adjusted EBITDA[1]	225.3	214.1	212.7	228.2	237.0	5	(5)
Adjusted EBITDA[1] per share	0.83	0.79	0.77	0.83	0.85	5	(2)
Return on equity[2]	27.7%	27.7%	28.0%	29.2%	29.9%	—	(7)
Dividends recorded per share	0.345	0.340	0.330	0.330	0.330	1	5
Dividend yield	5.5%	5.1%	4.6%	4.3%	4.4%		
Average shares outstanding	270,112,737	272,729,344	275,228,783	276,031,411	277,770,913		
Shares outstanding	267,712,433	271,181,255	273,853,707	276,026,778	276,397,053		
Share price							
High	27.84	29.13	30.99	32.44	34.35		
Low	24.51	26.02	25.76	29.48	27.84		
Close	25.17	26.95	28.70	30.60	30.30		
Increase (decrease) in share price	(6.6%)	(6.1%)	(6.2%)	1.0%	(9.8%)		
Total shareholder return	(5.3%)	(4.9%)	(5.1%)	2.1%	(8.9%)		
Market capitalization	6,738	7,308	7,860	8,446	8,375		
Price to earnings multiple[2]	13.5	14.4	15.1	15.4	15.0		
Long-term debt (including the current portion)	675.7	623.6	613.5	559.3	435.6		
Net debt[1]	520.7	510.4	493.1	433.1	321.7		
Net debt to adjusted EBITDA[1]	0.58	0.59	0.58	0.48	0.34		

[1] *EBITDA, adjusted EBITDA and net debt are not standardized earning measures prescribed by IFRS. Descriptions of these non-IFRS measures, as well as others, and reconciliations to the nearest IFRS measure, where necessary, are provided in the "Non-IFRS Measures" section of this MD&A.*

[2] *Trailing 12 months*

DEAR SHAREHOLDERS,

Equity markets experienced a strong third quarter as investors shrugged off the Brexit vote. In fact, markets experienced an extended period of low volatility during the summer months. Bond yields increased marginally but remain low by historic standards. The Canadian dollar weakened just over 1% against the U.S. dollar during the quarter, which helped improve foreign returns.

The S&P/TSX Composite Index is one of the top-performing indexes globally after gaining 5.5% in the third quarter, on top of a 5.1% increase last quarter. The S&P 500 Index was up 3.9% in U.S. dollar terms and 5.0% in Canadian dollars, while the MSCI World Index gained 5.0% in U.S. dollars and 6.1% in Canadian dollars.

CI Financial's assets under management ("AUM") ended the quarter at $112.5 billion, up 2.7% from June 30, 2016 and up 6.9% from September 30, 2015. Average AUM was $112.3 billion for the third quarter of 2016, up 3.0% from $109.0 billion in the second quarter and up 3.5% from $108.5 billion in the third quarter of 2015.

Net income was $136.8 million ($0.51 per share) for the quarter, up 6.4% from $128.6 million ($0.47 per share) in the second quarter and down 4.2% from $142.8 million ($0.51 per share) in the third quarter of 2015.

Gross sales of funds increased to $3.255 billion in the third quarter, from $2.599 billion in the second quarter and from $3.068 billion in the same quarter last year. Redemptions were $4.754 billion for the quarter, up from $4.089 billion in the prior quarter and $2.636 billion in the third quarter last year. In each of the second and third quarters of 2016 CI experienced a significant institutional redemption. As a result, CI recorded -$1.500 billion in net sales for the third quarter of 2016, down from net sales of -$1.489 million in the second quarter and net sales of $0.431 billion in the same quarter last year.

Dealer revenues at Assante Wealth Management for the third quarter were up 6.5% year over year, at $83.4 million compared to $78.3 million, as administered assets grew 11.7% from $30.7 billion at September 30, 2015 to $34.3 billion as at September 30, 2016. Assante continued to realize decreasing commission revenue as sales of back-end load funds decline, while service fee revenues benefited from both market performance and net sales of CI and third-party investment products.

CI's AUM at October 31, 2016 was $112.2 billion, down slightly from September 30, 2016. Average assets for October were $112.2 billion, unchanged from the average for the third quarter.

The Board of Directors declared monthly cash dividends of $0.115 per share, payable on December 15, 2016, January 13, 2017 and February 15, 2017 to shareholders of record on November 30, 2016, December 31, 2016 and January 31, 2017, respectively.

Sincerely,

William T. Holland
Executive Chairman

Peter W. Anderson
Chief Executive Officer

NOVEMBER 3, 2016

MANAGEMENT'S DISCUSSION & ANALYSIS | September 30, 2016

(UNAUDITED)

CI FINANCIAL CORP.

This Management's Discussion and Analysis ("MD&A") dated November 3, 2016 presents an analysis of the financial position of CI Financial Corp. and its subsidiaries ("CI") as at September 30, 2016, compared with December 31, 2015, and the results of operations for the quarter and nine months ended September 30, 2016, compared with the quarter and nine months ended September 30, 2015 and the quarter ended June 30, 2016.

CI's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Amounts are expressed in Canadian dollars. The principal subsidiaries referenced herein include CI Investments Inc. ("CI Investments") and Assante Wealth Management (Canada) Ltd. ("AWM" or "Assante"). 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"), as well as the operating results and financial position of First Asset Capital Corp. ("First Asset"). 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. Forward-looking statements are typically identified by words such as "believe", "expect", "foresee", "forecast", "anticipate", "intend", "estimate", "goal", "plan" and "project" and similar expressions of future or conditional verbs such as "will", "may", "should", "could" or "would". 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 Management" 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. CI believes that these financial measures provide information that is useful to investors in understanding CI's performance and facilitate a comparison of quarterly and full year results from period to period. Descriptions of these non-IFRS measures and reconciliations to the nearest IFRS measure, 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]	2016			2015				2014
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
INCOME STATEMENT DATA								
Management fees	446.1	429.3	424.8	444.8	449.4	453.8	439.9	428.5
Administration fees	38.8	37.7	36.6	36.6	36.0	37.8	36.2	35.4
Other revenues	10.5	9.0	9.2	12.1	13.6	12.6	24.9	21.1
Total revenues	495.4	475.9	470.6	493.5	499.0	504.2	501.0	485.0
Selling, general & administrative	99.9	98.1	96.4	96.9	92.9	91.8	90.8	87.0
Trailer fees	138.1	132.7	131.1	137.7	139.6	140.5	135.8	131.8
Investment dealer fees	31.9	30.7	29.9	29.9	29.4	30.9	29.4	28.4
Amortization of deferred sales commissions	30.0	31.5	32.9	33.6	34.8	36.0	36.7	37.4
Interest expense	4.0	3.7	3.8	4.0	3.5	3.4	3.2	4.4
Other expenses	2.8	2.8	16.4	14.8	3.2	9.0	12.3	5.5
Total expenses	306.7	299.6	310.5	316.9	303.5	311.6	308.1	294.5
Income before income taxes	188.7	176.3	160.1	176.6	195.5	192.7	192.9	190.5
Income taxes	51.9	47.8	43.8	49.6	52.7	53.5	49.2	50.1
Non-controlling interest	(0.1)	(0.1)	(0.3)	(0.2)	(0.1)	0.2	(0.9)	—
Net income attributable to shareholders	136.8	128.6	116.6	127.2	142.8	138.9	144.5	140.4
Earnings per share	0.51	0.47	0.42	0.46	0.51	0.50	0.51	0.50
Diluted earnings per share	0.51	0.47	0.42	0.46	0.51	0.50	0.51	0.50
Dividends recorded per share	0.345	0.340	0.330	0.330	0.330	0.325	0.315	0.310

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, exchange-traded 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, exchange-traded and closed-end funds, structured products and discretionary accounts. The Asset Administration segment derives its revenue principally from commissions and fees earned on the sale of mutual funds and other financial products and ongoing service to clients.

The key performance indicator for the Asset Management segment is the level of assets under management ("AUM") and for the Asset Administration segment, it is the level of assets under administration ("AUA"). Assets Under Advisement are comprised of AUA and assets held by clients of advisors with Stonegate Private Counsel. Total assets are comprised of AUM and Assets Under Advisement. CI's AUM and AUA are primarily driven by fund performance as well as the gross sales and redemptions of its investment products. 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, adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted earnings per share, 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 the nearest IFRS measure are provided below.

NON-IFRS MEASURES

CI reports certain financial information using non-IFRS measures, as CI believes that these financial measures provide information that is useful to investors in understanding CI's performance and facilitate a comparison of quarterly and full year results from period to period.

ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE

CI defines adjusted net income as net income net of non-controlling interest and other provisions and adjustments. CI uses adjusted net income and adjusted earnings per share to compare underlying profitability for different periods.

TABLE 2: ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE

[millions of dollars, except per share amounts]	Quarter ended Sep. 30, 2016	Quarter ended Jun. 30, 2016	Quarter ended Sep. 30, 2015	Nine months ended Sep. 30, 2016	Nine months ended Sep. 30, 2015
Net Income	136.7	128.6	142.8	381.6	425.6
Add:					
Provision for severance and transition costs	—	—	—	9.6	—
Provision for legal costs	—	—	—	—	6.4
Write-down of fund management contracts	—	—	—	—	1.4
Less:					
Fair value adjustment to contingent consideration	—	—	—	—	7.5
Non-controlling interest	(0.1)	(0.1)	(0.1)	(0.4)	(0.7)
Adjusted net income	**136.8**	**128.6**	**142.9**	**391.6**	**426.7**
Adjusted earnings per share	**0.51**	**0.47**	**0.51**	**1.44**	**1.53**

EBITDA, ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

CI uses EBITDA (earnings before interest, taxes, depreciation and amortization) and adjusted EBITDA, which it defines as EBITDA net of non-controlling interest and other provisions and adjustments, to assess its underlying profitability prior to the impact of its financing structure, income taxes and the amortization of deferred sales commissions ("DSC") and other items. 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. Adjusted EBITDA is a measure of operating performance, a facilitator for valuation and a proxy for cash flow. Adjusted EBITDA margin expresses adjusted EBITDA as a percentage of total revenue.

TABLE 3: EBITDA, ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

[millions of dollars, except per share amounts]	Quarter ended Sep. 30, 2016	Quarter ended Jun. 30, 2016	Quarter ended Sep. 30, 2015	Nine months ended Sep. 30, 2016	Nine months ended Sep. 30, 2015
Net Income	136.7	128.6	142.8	381.6	425.6
Add:					
Interest expense	4.0	3.7	3.5	11.5	10.1
Provision for income taxes	51.9	47.8	52.7	143.5	155.4
Amortization of deferred sales commissions	30.0	31.5	34.8	94.4	107.4
Amortization of intangibles and other	2.6	2.5	3.3	7.7	12.5
EBITDA	**225.2**	**214.1**	**237.0**	**638.7**	**711.0**
EBITDA per share	**0.83**	**0.78**	**0.85**	**2.34**	**2.54**
Add:					
Provision for severance and transition costs	—	—	—	13.0	—
Provision for legal costs	—	—	—	—	8.8
Fair value adjustment to contingent consideration	—	—	—	—	(7.5)
Less:					
Non-controlling interest	—	(0.1)	—	(0.4)	0.1
Adjusted EBITDA	**225.3**	**214.1**	**237.0**	**652.1**	**712.2**
Adjusted EBITDA per share	**0.83**	**0.79**	**0.85**	**2.39**	**2.55**
Total revenue	495.4	475.9	499.0	1,442.0	1,504.2
Less:					
Fair value adjustment to contingent consideration	—	—	—	—	7.5
	495.4	475.9	499.0	1,442.0	1,496.7
Adjusted EBITDA margin	**45.5%**	**45.0%**	**47.5%**	**45.2%**	**47.6%**

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 4: NET DEBT

[millions of dollars]	As at Sep. 30, 2016	As at Dec. 31, 2015
Current portion of long-term debt	—	2.0
Long-term debt	675.7	557.3
	675.7	559.3
Less:		
Cash and short-term investments	77.9	56.6
Marketable securities	86.9	78.7
Add:		
Regulatory capital and non-controlling interests	9.7	9.1
Net Debt	**520.7**	**433.1**

PRE-TAX OPERATING EARNINGS

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

TABLE 5: PRE-TAX OPERATING EARNINGS

[millions of dollars, except per share amounts]	Quarter ended Sep. 30, 2016	Quarter ended Jun. 30, 2016	Quarter ended Sep. 30, 2015	Nine months ended Sep. 30, 2016	Nine months ended Sep. 30, 2015
Net Income	136.7	128.6	142.8	381.6	425.6
Add:					
Amortization of deferred sales commissions	30.0	31.5	34.8	94.4	107.4
Amortization of intangibles	1.0	1.0	1.1	3.0	6.3
Provision for income taxes	51.9	47.8	52.7	143.5	155.4
Provision for legal costs	—	—	—	—	8.8
Provision for severance and transition costs	—	—	—	13.0	—
Less:					
Redemption fees	4.5	4.8	4.6	14.3	14.8
Performance fees	—	—	—	—	0.2
Fair value adjustment to contingent consideration	—	—	—	—	7.5
Gain on marketable securities	0.4	—	1.7	0.4	5.5
Non-controlling interest	—	(0.1)	—	(0.4)	0.1
Pre-tax operating earnings	**214.8**	**204.1**	**225.0**	**621.3**	**675.5**
Pre-tax operating earnings per share	**0.80**	**0.75**	**0.81**	**2.28**	**2.41**

DEALER GROSS MARGIN

CI monitors its operating profitability on the revenues earned within its Asset Administration segment by measuring its 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 6: DEALER GROSS MARGIN

[millions of dollars]	Quarter ended Sep. 30, 2016	Quarter ended Jun. 30, 2016	Quarter ended Sep. 30, 2015	Nine months ended Sep. 30, 2016	Nine months ended Sep. 30, 2015
Administration fees	77.6	74.4	73.2	225.4	222.8
Less:					
Investment dealer fees	63.8	60.9	60.0	184.8	182.2
	13.8	13.5	13.2	40.6	40.6
Dealer gross margin	**17.8%**	**18.1%**	**18.1%**	**18.0%**	**18.2%**

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 adjusted for other provisions. CI uses this measure, among others, when determining how to deploy capital.

TABLE 7: OPERATING CASH FLOW AND FREE CASH FLOW

[millions of dollars]	Quarter ended Sep. 30, 2016	Quarter ended Jun. 30, 2016	Quarter ended Sep. 30, 2015	Nine months ended Sep. 30, 2016	Nine months ended Sep. 30, 2015
Cash provided by operating activities	178.3	160.0	180.6	455.5	500.6
Add:					
Income taxes paid	55.0	53.2	56.7	177.8	191.4
Interest paid	0.9	6.8	0.7	8.4	7.1
Less:					
Net change in non-cash working capital	66.4	62.3	58.4	164.2	169.7
Operating cash flow	**167.9**	**157.8**	**179.6**	**477.4**	**529.5**
Less:					
Sales commissions paid	8.3	10.4	18.8	36.3	74.6
Add:					
Provision for severance and transition costs	—	–	—	9.6	—
Free cash flow	**159.6**	**147.5**	**160.8**	**450.7**	**454.9**

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 and measured as a percentage of management fees. This margin removes any distortion caused by other revenues and expenses, eliminates the financing impact of back-end load funds because it is net of trailer fees and DSC, and it also eliminates revenue mix variances because it is measured as a percentage of management fees and not average AUM. Using a trailing 12-month margin eliminates any seasonality associated with SG&A expenses.

TABLE 8: ASSET MANAGEMENT MARGIN

[millions of dollars – trailing 12 months]	Quarter ended Sep. 30, 2016	Quarter ended Jun. 30, 2016	Quarter ended Mar. 31, 2016	Quarter ended Dec. 31, 2015	Quarter ended Sep. 30, 2015
Management fees	**1,744.8**	**1,748.2**	**1,772.7**	**1,787.9**	**1,771.6**
Less:					
Amortization of DSC	131.5	136.4	140.8	144.7	148.6
Trailer fees	564.4	565.5	573.3	577.9	571.5
Net management fees	1,048.9	1,046.3	1,058.6	1,065.3	1,051.5
Less:					
SG&A	322.6	316.3	311.0	305.6	297.1
	726.3	730.0	747.6	759.7	754.4
Asset management margin	**41.6%**	**41.8%**	**42.2%**	**42.5%**	**42.6%**

SG&A EFFICIENCY MARGIN

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

TABLE 9: SG&A EFFICIENCY MARGIN

[millions of dollars – trailing 12 months]	Quarter ended Sep. 30, 2016	Quarter ended Jun. 30, 2016	Quarter ended Mar. 31, 2016	Quarter ended Dec. 31, 2015	Quarter ended Sep. 30, 2015
Management fees	**1,744.8**	1,748.2	1,772.7	1,787.9	1,771.6
Less:					
Amortization of DSC	131.5	136.4	140.8	144.7	148.6
Trailer fees	564.4	565.5	573.3	577.9	571.5
Net management fees	**1,048.9**	**1,046.3**	**1,058.6**	**1,065.3**	**1,051.5**
Less:					
SG&A	322.6	316.3	311.0	305.6	297.1
	726.3	730.0	747.6	759.7	754.4
SG&A efficiency margin	**69.2%**	**69.8%**	**70.6%**	**71.3%**	**71.7%**

ASSETS AND SALES

CI is one of Canada's largest investment fund companies with assets under management of $112.5 billion and assets under advisement of $37.2 billion at September 30, 2016, as shown in Table 10. Assets under advisement are comprised of AUA and assets held by clients of advisors with Stonegate Private Counsel. The changes from last year were primarily due to market performance, and in the case of assets under management, CI's acquisition of First Asset. Total assets, which include mutual, segregated and hedge funds, separately managed accounts, structured products, exchange-traded funds, pooled assets and assets under advisement, were $149.7 billion at September 30, 2016, up $11.2 billion from $138.5 billion at September 30, 2015.

TABLE 10: TOTAL ASSETS

[billions of dollars]	As at September 30, 2016	As at September 30, 2015	% change
Assets under management	112.5	105.3	7
Assets under advisement[1]	37.2	33.2	12
Total assets	**149.7**	**138.5**	**8**

[1] Includes $22.4 billion and $19.8 billion of assets managed by CI and held by clients of advisors with Assante and Stonegate in 2016 and 2015, respectively.

The change in AUM during each of the past five quarters is detailed in Table 11. Fund performance has been volatile over the past five quarters while net sales have declined. Market volatility tends to cause a decline in fund sales, which has been the case for CI, as well as the industry, over the past year.

TABLE 11: CHANGE IN AVERAGE ASSETS UNDER MANAGEMENT

[billions of dollars]	Quarter ended Sep. 30, 2016	Quarter ended Jun. 30, 2016	Quarter ended Mar. 31, 2016	Quarter ended Dec. 31, 2015	Quarter ended Sep. 30, 2015
Assets under management, beginning	109.594	108.715	111.124	105.296	108.839
Gross sales	3.255	2.599	3.603	3.646	3.068
Redemptions	4.754	4.089	3.933	3.348	2.636
Net sales	(1.500)	(1.489)	(0.330)	0.299	0.431
Acquisitions	—	—	—	3.028	—
Fund performance	4.419	2.368	(2.079)	2.501	(3.974)
Assets under management, ending	112.513	109.594	108.715	111.124	105.296
Average assets under management for the quarter	112.256	108.994	107.321	108.688	108.541

RESULTS OF OPERATIONS

For the quarter ended September 30, 2016, CI reported net income attributable to shareholders of $136.8 million ($0.51 per share) versus $142.8 million ($0.51 per share) for the quarter ended September 30, 2015 and $128.6 million ($0.47 per share) for the quarter ended June 30, 2016. The decline in net income from the same period last year was primarily a result of the decline in the management fee rate earned on CI's AUM, which is discussed in detail in the Asset Management Segment below. Another significant component of the change in CI's revenues and expenses from the comparable quarter last year was the acquisition of First Asset on November 30, 2015. The increase in net income from the prior quarter was primarily a result of the 3.0% increase in average AUM.

Total revenues decreased 0.7% in the third quarter of 2016 to $495.4 million compared to revenue of $499.0 million in the same period in 2015. The main contributors to this change were a decrease in management fee revenues and other income. The decrease in management fee revenues was a result of earning a lower average management fee rate on AUM, as discussed in the Asset Management Segment below. On a consecutive quarter basis, total revenues increased 4.1% from $475.9 million in the second quarter of 2016 as average AUM increased 3.0%. Assante administration fee revenues, net of intercompany eliminations, increased 3.2% from the prior quarter.

SG&A expenses for the third quarter of 2016 were $99.9 million compared to $98.1 million in the prior quarter. As an annualized percentage of average AUM, SG&A expenses were 0.354%, down from 0.362% in the prior quarter. SG&A expenses for the third quarter of last year were $92.9 million and as mentioned earlier, did not include First Asset's SG&A expenses as the company was acquired in the fourth quarter. Included in SG&A expenses are portfolio management fees, which are largely driven by the level of average AUM; however, during 2015, CI added staff to its in-house portfolio management teams and increased the amount of discretionary spend on sales, marketing and technology. These investments were the primary contributors to the 3.0% increase in SG&A expense, net of First Asset, relative to the same quarter last year.

Amortization of deferred sales commissions was $30.0 million in the third quarter of 2016, a decrease from $34.8 million in the third quarter of 2015 and a decrease from $31.5 million in the prior quarter. 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 $4.0 million was recorded for the quarter ended September 30, 2016 compared with $3.5 million for the quarter ended September 30, 2015 and $3.7 million for the quarter ended June 30, 2016. The changes in interest expense primarily reflect the changes in average debt levels, as discussed under "Liquidity and Capital Resources".

For the third quarter of 2016, CI recorded $51.9 million in income tax expense for an effective tax rate of 27.5% compared to $52.7 million in the third quarter of 2015 for an effective tax rate of 26.9%. Income tax expense in the second quarter of 2016 was $47.8 million, for an effective tax rate of 27.1%. CI's statutory tax rate for 2016 is 26.5%. CI's effective tax rate will generally exceed the statutory tax rate as a result of some expenses being non-deductible or partially deductible.

As discussed in the "Non-IFRS Measures" section and as set out in Table 5, pre-tax operating earnings were $214.8 million ($0.80 per share) in the third quarter of 2016, a decrease of 4.6% from the same quarter of 2015 and up 5.2% from the prior quarter. EBITDA for the quarter ended September 30, 2016 was $225.2 million ($0.83 per share), down 5.0% from $237.0 million ($0.85 per share) for the quarter ended September 30, 2015 and up 5.2% from $214.1 million ($0.78 per share) for the quarter ended June 30, 2016. Similar to the change in net income, the changes to pre-tax operating earnings and EBITDA from the prior-year period were primarily a result of the change in average AUM in combination with a decline in the management fee rate earned on CI's AUM, which is discussed in detail in the Asset Management Segment below. EBITDA margin for the third quarter of 2016 was 45.5%, down from 47.5% in the third quarter of 2015 and up from 45.0% in the prior quarter. For detailed calculations and reconciliations of net income to EBITDA, refer to the "Non-IFRS Measures" section and Table 3.

ASSET MANAGEMENT SEGMENT

The Asset Management segment is CI's principal business segment and includes the operating results and financial position of CI Investments, CIPC and First Asset. Table 12 presents the operating results for the Asset Management segment.

TABLE 12: RESULTS OF OPERATIONS – ASSET MANAGEMENT SEGMENT

[millions of dollars]	Quarter ended Sep. 30, 2016	Quarter ended Jun. 30, 2016	Quarter ended Sep. 30, 2015	Nine months ended Sep. 30, 2016	Nine months ended Sep. 30, 2015
Management fees	446.1	429.3	449.4	1,300.1	1,343.1
Other revenue	4.7	3.2	8.5	11.4	34.4
Total revenue	450.7	432.5	457.9	1,311.5	1,377.5
Selling, general and administrative	82.7	80.6	76.4	242.8	225.9
Trailer fees	144.6	138.9	145.7	420.6	434.1
Amortization of deferred sales commissions and intangibles	31.3	32.8	36.3	98.3	114.8
Other expenses	1.8	1.8	2.5	19.1	10.6
Total expenses	260.3	254.1	260.9	780.8	785.3
Non-controlling interest	(0.1)	(0.1)	(0.1)	(0.6)	(1.2)
Income before taxes and non-segmented items	190.5	178.5	197.0	531.3	593.3

Revenues

Revenues from management fees were $446.1 million for the quarter ended September 30, 2016, a decrease of 0.7% from $449.4 million for the quarter ended September 30, 2015 and an increase of 3.9% from $429.3 million for the quarter ended June 30, 2016. The average management fee rate, as a percentage of average AUM, declined from 1.643% in the third quarter of 2015 and 1.584% in the prior quarter to 1.581% in the third quarter of 2016. The decline in the management fee rate from the prior-year period was a result of two factors: 1) The first quarter of 2016 was the first full quarter to include the management fees of First Asset's products, including exchange-traded funds, which have lower average management fee rates than CI Investments' products; and 2) CI has been experiencing a change in asset mix towards classes of funds designated for high net worth clients/fee-based accounts, which have lower management fee rates than traditional retail funds.

The asset management margin for the 12-month period ended September 30, 2016 was 41.6%, a decrease from 42.6% and 41.8% in the 12-month periods ended September 30, 2015 and June 30, 2016, respectively. The asset management margin for the third quarter of 2016 was 42.1%, compared to 42.6% in the third quarter of 2015 and 41.3% in the prior quarter. The decrease in margin from the comparable quarter in the prior year was partially due to the inclusion of First Asset, as exchange-traded funds earn a lower margin than CI Investments' products. The increase in margin from the prior quarter was a result of lower amortization of deferred sales commissions as well as management fees increasing more than SG&A expenses over the period. The calculations and definitions of asset management margin can be found in the "Non-IFRS Measures" section and in Table 8.

For the quarter ended September 30, 2016, other revenue was \$4.7 million versus \$8.5 million and \$3.2 million for the quarters ended September 30, 2015 and June 30, 2016, respectively. The largest component of other revenue is redemption fees, which were relatively unchanged from the comparable quarter last year, and down slightly from the prior quarter. The decline in other revenue from the same quarter last year is mainly due to lower fees earned from subsidiaries and other companies in which CI has an interest. The third quarter of 2016 included a gain of \$0.4 million on the sale of marketable securities, compared to a negligible gain in the previous quarter and a gain of \$1.7 million in the third quarter of 2015.

Expenses

SG&A expenses for the Asset Management segment were \$82.7 million for the quarter ended September 30, 2016, an 8.2% increase from \$76.4 million for the third quarter in 2015 and a 2.6% increase from \$80.6 million for the prior quarter. As a percentage of average AUM, SG&A expenses were 0.293% for the quarter ended September 30, 2016, up from 0.279% for the quarter ended September 30, 2015, but down from 0.297% in the quarter ended June 30, 2016. The increase in SG&A from the prior year primarily reflected the inclusion of First Asset's SG&A.

Another measure that CI uses to assess its costs is the SG&A efficiency margin, as discussed in the "Non-IFRS Measures" section and as set out in Table 9. The 12-month SG&A efficiency margin for the quarter ended September 30, 2016 of 69.2% decreased from 71.7% in the same period one year ago due to the inclusion of First Asset and because CI invested more in sales, marketing and investment initiatives relative to the amount of net management fees earned. CI's current quarter SG&A efficiency margin decreased to 69.5% from 71.5% in the third quarter of last year, but increased from 68.8% for the prior quarter. The decrease from the prior year is primarily due to the inclusion of First Asset, which has a lower margin.

Trailer fees were \$144.6 million for the quarter ended September 30, 2016, down 0.8% from \$145.7 million for the quarter ended September 30, 2015 and up 4.1% from \$138.9 million for the prior quarter. Net of inter-segment amounts, this expense was \$138.1 million for the quarter ended September 30, 2016 versus \$139.6 million for the third quarter of 2015 and \$132.7 million for the second quarter of 2016. Trailer fees have been declining as a percentage of average AUM, as CI, and the industry as a whole, have been experiencing a trend towards an increased use of fee-based accounts, which pay no trailer fee.

Amortization of deferred sales commissions and intangibles before inter-segment eliminations was \$31.3 million for the quarter ended September 30, 2016, down from \$36.3 million in the same quarter a year ago and down from \$32.8 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 September 30, 2016 were \$1.8 million, compared to \$1.8 million in the previous quarter and \$2.5 million in the same quarter of last year.

Income before taxes and non-segmented items for CI's principal segment was \$190.5 million for the quarter ended September 30, 2016, down 3.3% from \$197.0 million in the same period in 2015 and up 6.7% from \$178.5 million in the previous quarter.

ASSET ADMINISTRATION SEGMENT

The Asset Administration segment includes the operating results and financial position of AWM and its subsidiaries. Table 13 presents the operating results for the Asset Administration segment.

TABLE 13: RESULTS OF OPERATIONS – ASSET ADMINISTRATION SEGMENT

[millions of dollars]	Quarter ended Sep. 30, 2016	Quarter ended Jun. 30, 2016	Quarter ended Sep. 30, 2015	Nine months ended Sep. 30, 2016	Nine months ended Sep. 30, 2015
Administration fees	77.6	74.4	73.2	225.4	222.8
Other revenue	5.8	5.8	5.1	17.3	16.7
Total revenue	83.4	80.2	78.3	242.8	239.5
Selling, general and administrative	17.3	17.5	16.6	51.5	49.7
Investment dealer fees	63.8	60.9	60.0	184.8	182.2
Amortization of intangibles	0.6	0.6	0.6	1.7	1.7
Other expenses	—	—	(0.4)	—	7.7
Total expenses	81.6	78.9	76.7	238.0	241.2
Income before taxes and non-segmented items	1.8	1.3	1.7	4.7	(1.7)

Revenues

Administration fees were $77.6 million for the quarter ended September 30, 2016, an increase of 6.0% from $73.2 million for the same period a year ago and increase of 4.3% from 74.4 million for the prior quarter. The increase in administration fees from the same quarter last year is primarily attributable to the increase in assets under administration. Net of inter-segment amounts, administration fee revenue was $38.8 million for the quarter ended September 30, 2016, up from $36.0 million for the quarter ended September 30, 2015 and up 2.9% from the previous quarter.

Other revenues earned by the Asset Administration segment are mainly comprised of non-advisor-related activities. For the quarter ended September 30, 2016, other revenues were $5.8 million, up from $5.1 million in the same quarter of 2015 and unchanged from $5.8 million in the second quarter of this year.

Expenses

Investment dealer fees were $63.8 million for the quarter ended September 30, 2016 compared to $60.0 million for the third quarter of 2015 and $60.9 million for the quarter ended June 30, 2016. Similar to administration fees, the increase is primarily due to the increase in assets under administration.

As discussed in the "Non-IFRS Measures" section of this MD&A and as set out in Table 6, dealer gross margin was $13.8 million or 17.8% of administration fee revenue for the quarter ended September 30, 2016 compared to $13.2 million or 18.1% for the third quarter of 2015 and $13.5 million or 18.1% for the previous quarter. The decrease in gross margin from the prior periods corresponds to the change in the level of payout to financial advisors, which generally increases as their 12-month rolling administration fee revenue increases.

SG&A expenses for the segment were $17.3 million for the quarter ended September 30, 2016 compared to $16.6 million in the third quarter of 2015 and $17.5 million in the second quarter of 2016. The change in SG&A expenses is largely attributable to the change in the level of discretionary spend each quarter.

The Asset Administration segment had income before taxes and non-segmented items of $1.8 million for the quarter ended September 30, 2016, compared to income of $1.7 million for the third quarter of 2015 and income of $1.3 million for the prior quarter.

LIQUIDITY AND CAPITAL RESOURCES

CI generated $477.4 million of operating cash flow in the nine months ended September 30, 2016, down $52.1 million from $529.5 million for the same period of 2015. As detailed in Table 14, free cash flow was $450.7 million in the nine months ended September 30, 2016, down 0.9% from $454.9 million in the same period of 2015. Calculations of both measures and reconciliations to cash flow from operations are provided in the "Non-IFRS Measures" section, and set out in Table 7.

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, pay down debt and to support CI's planned business operations for at least the next 12 months.

CI's cash flows experience two forms of seasonality: 1) one-third of deferred sales commissions are typically paid out in the first quarter; and 2) the balance of cash income taxes and incentive compensation are paid at the end of February. These factors may cause cash flow fluctuations from quarter to quarter of up to $75 million.

TABLE 14: SUMMARY OF CASH FLOWS

[millions of dollars]	Nine months ended Sep. 30, 2016	Nine months ended Sep. 30, 2015
Operating Cash Flow	477.4	529.5
Less:		
Deferred sales commissions paid	36.3	74.6
Add:		
Provision for severance and transition costs	9.6	—
Free cash flow	450.7	454.9
Less:		
Marketable securities, net	1.4	(10.9)
Capital expenditures	5.5	1.8
Share repurchases	226.0	187.6
Dividends paid	276.4	270.8
Debt repaid / (drawn)	(116.0)	(128.0)
Working capital and other items	36.1	128.5
	429.4	449.8
Net change in cash	21.3	5.1
Cash at January 1	56.6	51.2
Cash at September 30	77.9	56.4

CI paid deferred sales commissions of $36.3 million in the first nine months of 2016 compared to $74.6 million in the first nine months of last year. The decrease in deferred sales commissions paid compared to the prior year is a result of the trend towards lower sales of deferred load funds.

CI invested $3.8 million in marketable securities in the first nine months of 2016. During the same period, CI received proceeds of $2.4 million from the disposition of marketable securities, the sale of which resulted in a $0.4 million gain. The fair value of marketable securities at September 30, 2016 was $86.9 million. Marketable securities are comprised of seed capital investments in CI funds and strategic investments.

During the nine months ended September 30, 2016, CI invested $5.5 million in capital expenditures, up from $1.8 million in the first nine months of 2015. These investments related primarily to technology and leasehold improvements.

During the first nine months of 2016, CI repurchased 8.4 million shares under its normal course issuer bid at a total cost of $226.0 million or $27.01 per share. CI paid dividends of $276.4 million, which represented 72% of net income and 61% of free cash flow for the period. CI's most recent dividend payment was $0.115 per share per month, or $369 million per fiscal year.

CI's working capital and other items increased $36.1 million in the first nine months of 2016, compared to an increase of $128.5 million in the first nine months of 2015. The increase in the first nine months of 2016 was primarily a result of an increase in cash and decrease in income taxes payable.

The statement of financial position for CI at September 30, 2016 reflects total assets of $3.337 billion, an increase of $39.7 million from $3.297 billion at December 31, 2015. This change was primarily a result of an increase in cash as well as an increase in client and trust funds on deposit.

CI's cash and cash equivalents increased by $21.3 million in the first nine months of 2016, as free cash flow and an increase in debt exceeded cash outflows, primarily consisting of share repurchases and dividends. Marketable securities increased by $8.2 million during the first nine months of 2016 primarily due to market appreciation. Accounts receivable and prepaid expenses increased by $5.3 million to 127.7 million as of September 30, 2016.

Deferred sales commissions decreased by $58.1 million to $293.3 million as a result of the $94.4 million in amortization expense partially offset by the $36.3 million in sales commissions paid. Capital assets increased by $1.1 million during the first nine months of the year as a result of $5.5 million in capital additions partially offset by $4.4 million in amortization.

Total liabilities increased by $151.5 million during the first nine months of 2016 to $1.552 billion at September 30, 2016. This change was primarily caused by a $116.0 million increase in long-term debt.

At September 30, 2016, CI was in a positive working capital position, which, in addition to the availability of CI's credit facility, reflects the ability of CI to meet its cash flow requirements.

CI had drawn $228.0 million against its $350 million credit facility as of September 30, 2016. Principal repayments on any drawn amounts are only required at the maturity of the facility, which is December 11, 2018.

At September 30, 2016, CI had $450 million in outstanding debentures at an interest rate of 2.645% with a carrying value of $447.7 million. Net debt, as discussed in the "Non-IFRS Measures" section and as set out in Table 4, was $520.7 million at September 30, 2016, up from $433.1 million at December 31, 2015. This increase was primarily due to the increase in working capital and other items discussed earlier as well as CI spending more on dividends and share repurchases relative to the amount of free cash flow that was generated for the period. The average debt level for the nine months ended September 30, 2016 was approximately $621.0 million compared to $366 million for the same period last year.

CI's ratio of debt to EBITDA and net debt to EBITDA were 0.8 to 1 and 0.6 to 1, respectively, which provides CI with significant financial flexibility for future debt financing. CI's target is to maintain the ratio of net debt to EBITDA between 0.5 and 0.75 to one as it is expected that free cash flow will be returned to shareholders. CI is within its financial covenants with respect to its credit facility, which requires that the debt to adjusted 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 $1.783 billion at September 30, 2016, a decrease of $111.4 million during the first nine months of 2016, which approximates net income less dividends and share repurchases.

RISK MANAGEMENT

CI is exposed to a number of risks that are inherent in the wealth management business. Some factors which introduce or exacerbate risk are within the control of management and others are, by their nature, outside of CI's direct control but must still be managed. Effective risk management is a key component to achieving CI's business objectives and protecting company and client assets. It is an ongoing process involving the Board of Directors, the company's Risk Management Committee, comprised of senior executives representing CI's business units, and the company's Risk Management Team, comprised of the Chief Risk Officer and the Vice-President, Risk Management and Corporate Responsibility. The Board has delegated primary responsibility for oversight of risk management to the Governance and Risk Committee of the Board of Directors.

Monitoring, evaluating and managing risk is a shared responsibility at CI. The Risk Management Committee and Risk Management Team work together to manage risk and ensure that business strategies and activities are consistent with CI's risk appetite. Regular reports are provided to The Governance and Risk Committee of CI's Board.

As noted above, the Risk Management Committee is comprised of senior executives from each core business unit and operating area at CI. CI has developed an enterprise-wide approach to monitoring, evaluating and managing risk. The members of the Risk Management Committee identify and evaluate specific and material risks, applying both a quantitative and a qualitative analysis and then assess the likelihood of occurrence of a particular risk event. Once risks have been identified and rated, strategies and procedures are developed to minimize or avoid negative consequences and these risk mitigation processes are implemented and monitored with each business unit to bring risks to an acceptable risk level.

The risks described below are not the only risks facing CI. The risks set out below are risks and uncertainties that the Risk Management Committee currently believe could materially affect CI's future financial performance. The reader should carefully consider the risks described below, and the other information contained in this MD&A, including under the heading "Forward-Looking Statements" before making an investment decision.

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 the performance of CI's mutual funds 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.

MARKET RISK FOR THE ASSET MANAGEMENT SEGMENT

At September 30, 2016, approximately 31% of CI's assets under management were held in fixed-income securities, which are exposed to interest rate risk. An increase in interest rates causes market prices of fixed-income securities to fall, while a decrease in interest rates causes market prices to rise. CI estimates that a 50 basis point change in interest rates would cause a change of about $7.3 million in annual pre-tax earnings in the Asset Management segment.

At September 30, 2016, about 49% of CI's assets under management were based in Canadian currency. While CI's concentration in Canadian currency assets reduces its exposure to foreign exchange risk, 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. CI estimates that a 10% change in Canadian/U.S. exchange rates would cause a change of about $27.2 million in the Asset Management segment's annual pre-tax earnings.

About 57% of CI's assets under management were held in equity securities at September 30, 2016, 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 $58.5 million in annual pre-tax earnings.

CI has a control environment that ensures market risks are reviewed regularly. CI's compliance group reviews and monitors that CI's funds and portfolio investments are in compliance with investment policies and regulations. CI also reviews the investment processes, portfolio positioning and performance of its investment teams on a regular basis.

MARKET RISK FOR THE ASSET ADMINISTRATION SEGMENT

CI's operating results are not materially exposed to market risk given that the Asset Administration segment usually generates less than 1% of the total income before non-segmented items (this segment had income of $1.8 million before income taxes and non-segmented items for the quarter ended September 30, 2016). 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 approximately $2 million to the Asset Administration segment's annual pre-tax earnings.

OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed internal processes or systems. The operational risk that CI is exposed to may arise from, technology failures, business disruption, theft and fraud, failure of key third parties, employee errors, processing and execution errors, and inaccurate or incomplete client information. Operational risk may result in a financial loss but can also lead to regulatory sanctions and harm to CI's reputation. Operational risk driven by people and processes are mitigated through human resources policies and practices, and a strong internal control environment. Operational risks driven by systems and services are managed through controls over technology development and change management as well as enhanced procedures for oversight of third-party service providers. While CI continuously monitors its operational risks, there can be no assurances that CI's internal control procedures can mitigate all operational risks.

STRATEGIC RISKS

Strategic risks are risks that directly impact the overall direction of CI and the ability of CI to successfully identify growth opportunities and implement proposed solutions. The key strategic risk is the risk that management fails to anticipate, and respond to, changes in the business environment, including demographic, regulatory and competitive changes. CI's performance is directly affected by the 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 effectively respond to any anticipated changes, including the introduction of new products and cost control strategies.

REPUTATION RISK

Reputation risk is the potential negative impact of a deterioration of CI's image or lower public confidence in the CI brand, its senior management or its products and services. Operational errors, poor performance, regulatory investigation or sanctions, litigation or employee misconduct could result in reputational harm to CI. Through its Codes of Conduct, governance practices, risk management programs, policies, procedures and training, CI attempts to prevent and detect any activities by CI officers, directors, and employees that would harm CI's reputation. While all employees, directors and officers are expected to protect the reputation of CI, there can be no assurances that unauthorized or unsuccessful activities may result in damage to CI's reputation, which could adversely affect CI's business and profitability.

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, and potential future competitors may have, greater technical, financial, marketing, distribution or other resources than CI. The trend toward greater consolidation within the investment management industry has increased the strength of a number of CI's competitors. CI's competitors seek to expand market share by offering different products and services and more competitive pricing than those offered by CI. While CI continues to develop and market new products and services and remain competitive with respect to fees, there can be no assurance that CI will maintain its current standing or market share or investment performance relative to its competitors, which may adversely affect the business, financial condition or operating results of CI.

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, in the future, enjoy the level of access that it has in the past, which would adversely affect its sales of investment products.

REGULATORY AND LEGAL RISK

CI's business is dependent upon compliance with and continued registration under securities laws in all jurisdictions in which CI and its subsidiaries carry on business. Laws and regulations applied at the national and provincial level generally grant governmental agencies and self-regulatory bodies broad administrative discretion over the activities of 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. In addition, the constant rate of change in the securities regulatory environment governing CI's business may require additional human resources and operations which will increase costs.

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 corporate laws, securities laws, stock exchange rules and misuse of investors' funds. Some violations of corporate laws, securities laws or stock exchange rules 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.

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 adjustments.

INFORMATION TECHNOLOGY RISK

CI uses information technology and the internet to streamline business operations and to improve the client and advisor experience. However, with the use of information technology and the internet, email messaging and other online capabilities, CI is exposed to information security risk that could potentially have an adverse impact on its business. CI is dependent on its information security policies, procedures and capabilities to protect its computer and telecommunications systems and the data that it transmits through its information technology systems. Any information technology event, such as a hacker attack or virus, or internal issue, such as the failure to implement sufficient controls, could result in unauthorized access to sensitive or confidential information, theft, operational disruption, regulatory actions, legal liability or reputational harm. CI actively monitors this risk and continues to develop controls to protect against cyber threats that are becoming more sophisticated and pervasive. In addition, CI has and will continue to implement safeguards to control access to sensitive information. Notwithstanding these measures, CI cannot fully mitigate the risk associated with information technology security. In addition, CI is dependent on the efficiency and effectiveness of the technology it uses. Malfunctioning of any of the technologies used by CI could disrupt the company's business and negatively impact CI's financial position and reputation.

KEY PERSONNEL RISK

The success of CI is dependent on 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, could adversely affect CI's business. The retention of these key managers and the identification and development of the next generation of managers is a key area of focus for CI. 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 with specialized skills related to, among other things, marketing, risk management, credit, information technology, accounting, administrative operations and legal affairs. These highly skilled and often highly specialized individuals play an important role in developing, implementing, operating, managing and distributing CI's products and services. Accordingly, the recruitment and retention of skilled personnel, continuous training and transfer of knowledge are key activities that are essential to CI's performance. CI has taken, and will continue to take, steps to encourage our key employees to remain employed at CI, including the implementation of long-service awards, employee engagement strategies and enhanced transparency measures with respect to compensation. In addition, the growth in total assets under management in the industry and the reliance on investment performance to sell financial products has 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. The loss of these individuals or an inability to attract, retain and motivate a sufficient number of qualified personnel could result in a loss of clients and a decline in sales and 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. Management evaluates the adequacy of CI's insurance coverage on an ongoing basis. However, 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.

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.

CREDIT RISK

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

One of the primary sources of credit risk arises when CI extends credit to clients to purchase securities by way of margin lending. Margin loans are due on demand and are collateralized by the financial instruments in the client's account. CI faces a risk of financial loss in the event a client fails to meet a margin call if market prices for securities held as collateral decline and if CI is unable to recover sufficient value from the collateral held. The credit extended is limited by regulatory requirements and by CI's internal credit policy.

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.

SHARE CAPITAL

As at September 30, 2016, CI had 267,712,433 shares outstanding.

At September 30, 2016, 8.9 million options to purchase shares were outstanding, of which 4.0 million options were exercisable.

CONTRACTUAL OBLIGATIONS

The table that follows summarizes CI's contractual obligations at September 30, 2016.

PAYMENTS DUE BY YEAR

[millions of dollars]	Total	1 year or less	2	3	4	5	More than 5 years
Long-term debt	678.0	—	—	228.0	—	450.0	—
Operating leases	93.2	12.2	11.1	10.7	10.0	9.8	39.4
Total	771.2	12.2	11.1	238.7	10.0	459.8	39.4

SIGNIFICANT ACCOUNTING ESTIMATES

The September 30, 2016 Consolidated Financial Statements have been prepared in accordance with IFRS. For a discussion of all significant accounting policies, refer to Note 1 of the Notes to the Consolidated Financial Statements. Note 2 to the Consolidated Financial Statements provides a discussion regarding the methodology used for business acquisitions. Note 4 to the Consolidated Financial Statements 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 as defined in National Instrument 52-109 (NI 52-109). Management evaluated, with participation of the CEO and CFO, the effectiveness of the disclosure controls and procedures (as at September 30, 2016). Based on this evaluation, the CEO and CFO have concluded that they are reasonably assured these disclosure controls and procedures were effective as at September 30, 2016 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 as defined in NI 52-109 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, concluded that the internal controls over financial reporting were effective as at September 30, 2016. Management used various tools to evaluate internal controls over financial reporting which included interaction with key control systems, review of policy and procedure documentation, observation or reperformance of control procedures to evaluate the effectiveness of controls and concluded that these controls are effective. For the quarter ended September 30, 2016, 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 annual financial statements, management information circular and annual information form, is available on SEDAR at www.sedar.com and on CI's website at www.cifinancial.com. Information contained in or otherwise accessible through the websites mentioned in this MD&A does not form part of, and is not incorporated by reference into, this MD&A.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS | September 30, 2016

(UNAUDITED)

CI FINANCIAL CORP.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (unaudited)

[in thousands of Canadian dollars]	As at September 30, 2016 $	As at December 31, 2015 $
ASSETS		
Current		
Cash and cash equivalents	**77,928**	56,598
Client and trust funds on deposit	**208,373**	158,891
Marketable securities	**86,854**	78,700
Accounts receivable and prepaid expenses	**127,719**	122,459
Income taxes receivable	**10,108**	—
Total current assets	**510,982**	416,648
Capital assets, net	**34,275**	33,166
Deferred sales commissions, net of accumulated amortization of $399,577 [December 31, 2015 – $428,274]	**293,298**	351,414
Intangibles	**2,296,347**	2,295,985
Other assets	**202,157**	200,154
Total assets	**3,337,059**	3,297,367
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	**183,278**	168,257
Provision for other liabilities *[note 4]*	**16,084**	23,043
Dividends payable *[note 6]*	**61,642**	60,728
Client and trust funds payable	**206,704**	156,164
Income taxes payable	—	14,188
Current portion of long-term debt *[note 3]*	—	2,000
Total current liabilities	**467,708**	424,380
Deferred lease inducement	**12,150**	12,907
Long-term debt *[note 3]*	**675,723**	557,347
Provision for other liabilities *[note 4]*	**29,363**	29,554
Deferred income taxes	**366,969**	376,214
Total liabilities	**1,551,913**	1,400,402
Equity		
Share capital *[note 5(a)]*	**1,901,856**	1,960,622
Contributed surplus	**17,219**	13,615
Deficit	**(148,576)**	(86,827)
Accumulated other comprehensive income	**12,210**	6,690
Total equity attributable to the shareholders of the Company	**1,782,709**	1,894,100
Non-controlling interests	**2,437**	2,865
Total equity	**1,785,146**	1,896,965
Total liabilities and equity	**3,337,059**	3,297,367

(see accompanying notes)

On behalf of the Board of Directors:

William T. Holland
Director

Paul Derksen
Director

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (unaudited)

For the three-month period ended September 30

[in thousands of Canadian dollars, except per share amounts]	2016 $	2015 $
REVENUE		
Management fees	**446,053**	449,378
Administration fees	**38,848**	35,992
Redemption fees	**4,530**	4,556
Gain on sale of marketable securities	**390**	1,749
Other income	**5,589**	7,284
	495,410	498,959
EXPENSES		
Selling, general and administrative *[note 10]*	**99,937**	92,949
Trailer fees	**138,056**	139,629
Investment dealer fees	**31,938**	29,433
Amortization of deferred sales commissions	**30,012**	34,809
Amortization of intangibles	**1,009**	1,102
Interest *[note 3]*	**3,960**	3,480
Other	**1,818**	2,105
	306,730	303,507
Income before income taxes	**188,680**	195,452
Provision for income taxes		
Current	**54,387**	53,860
Deferred	**(2,442)**	(1,188)
	51,945	52,672
Net income for the period	**136,735**	142,780
Net loss attributable to non-controlling interests	**(50)**	(59)
Net income attributable to shareholders	**136,785**	142,839
Other comprehensive income (loss), net of tax		
Unrealized gain (loss) on available-for-sale financial assets, net of income taxes of $633 [2015 – ($561)]	**4,145**	(3,676)
Reversal of gains to net income on available-for-sale financial assets, net of income taxes of ($43) [2015 – ($19)]	**(280)**	(128)
Total other comprehensive income (loss), net of tax	**3,865**	(3,804)
Comprehensive income for the period	**140,600**	138,976
Comprehensive loss attributable to non-controlling interests	**(50)**	(59)
Comprehensive income attributable to shareholders	**140,650**	139,035
Basic earnings per share attributable to shareholders *[note 5(c)]*	**$0.51**	$0.51
Diluted earnings per share attributable to shareholders *[note 5(c)]*	**$0.51**	$0.51

(see accompanying notes)

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (unaudited)

For the nine-month period ended September 30

[in thousands of Canadian dollars, except per share amounts]	2016 $	2015 $
REVENUE		
Management fees	**1,300,092**	1,343,100
Administration fees	**113,120**	110,006
Redemption fees	**14,266**	14,790
Gain on sale of marketable securities	**371**	5,476
Other income	**14,116**	30,803
	1,441,965	1,504,175
EXPENSES		
Selling, general and administrative *[note 10]*	**294,380**	275,538
Trailer fees	**401,914**	415,918
Investment dealer fees	**92,585**	89,692
Amortization of deferred sales commissions	**94,415**	107,438
Amortization of intangibles	**2,956**	6,260
Interest *[note 3]*	**11,460**	10,086
Other	**19,145**	18,239
	916,855	923,171
Income before income taxes	**525,110**	581,004
Provision for income taxes		
Current	**153,616**	163,435
Deferred	**(10,088)**	(8,040)
	143,528	155,395
Net income for the period	**381,582**	425,609
Net loss attributable to non-controlling interests	**(428)**	(722)
Net income attributable to shareholders	**382,010**	426,331
Other comprehensive income (loss), net of tax		
Unrealized gain (loss) on available-for-sale financial assets, net of income taxes of $889 [2015 – ($20)]	**5,825**	(133)
Reversal of gains to net income on available-for-sale financial assets, net of income taxes of ($47) [2015 – ($451)]	**(305)**	(2,955)
Total other comprehensive income (loss), net of tax	**5,520**	(3,088)
Comprehensive income for the period	**387,102**	422,521
Comprehensive loss attributable to non-controlling interests	**(428)**	(722)
Comprehensive income attributable to shareholders	**387,530**	423,243
Basic earnings per share attributable to shareholders *[note 5(c)]*	**$1.40**	$1.52
Diluted earnings per share attributable to shareholders *[note 5(c)]*	**$1.40**	$1.52

(see accompanying notes)

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (unaudited)

For the nine-month period ended September 30

[in thousands of Canadian dollars]	Share capital *[note 5(a)]* $	Contributed surplus $	Deficit $	Accumulated other comprehensive income $	Total shareholders' equity $	Non-controlling interests $	Total equity $
Balance, January 1, 2016	**1,960,622**	**13,615**	**(86,827)**	**6,690**	**1,894,100**	**2,865**	**1,896,965**
Comprehensive income	**—**	**—**	**382,010**	**5,520**	**387,530**	**(428)**	**387,102**
Dividends declared *[note 6]*	**—**	**—**	**(277,288)**	**—**	**(227,288)**	**—**	**(227,288)**
Shares repurchased	**(59,513)**	**—**	**(166,471)**	**—**	**(225,984)**	**—**	**(225,984)**
Issuance of share capital on exercise of options	**747**	**(589)**	**—**	**—**	**158**	**—**	**158**
Compensation expense for equity-based plans	**—**	**4,193**	**—**	**—**	**4,193**	**—**	**4,193**
Change during the period	**(58,766)**	**3,604**	**(61,749)**	**5,520**	**(111,391)**	**(428)**	**(111,819)**
Balance, September 30, 2016	**1,901,856**	**17,219**	**(148,576)**	**12,210**	**1,782,709**	**2,437**	**1,785,146**
Balance, January 1, 2015	1,968,692	10,386	(84,692)	8,311	1,902,697	3,741	1,906,438
Comprehensive income	—	—	426,331	(3,088)	423,243	(722)	422,521
Dividends declared *[note 6]*	—	—	(272,452)	—	(272,452)	—	(272,452)
Shares repurchased	(39,120)	—	(148,510)	—	(187,630)	—	(187,630)
Issuance of share capital on exercise of options	1,956	(1,886)	—	—	70	—	70
Compensation expense for equity-based plans	—	4,965	—	—	4,965	—	4,965
Change during the period	(37,164)	3,079	5,369	(3,088)	(31,804)	(722)	(32,526)
Balance, September 30, 2015	1,931,528	13,465	(79,323)	5,223	1,870,893	3,019	1,873,912

(see accompanying notes)

CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

For the three-month period ended September 30

[in thousands of Canadian dollars]	2016 $	2015 $
OPERATING ACTIVITIES (*)		
Net income	**136,735**	142,780
Add (deduct) items not involving cash		
Gain on sale of marketable securities	**(390)**	(1,749)
Equity-based compensation	**1,377**	1,662
Amortization of deferred sales commissions	**30,012**	34,809
Amortization of intangibles	**1,009**	1,102
Amortization and depreciation of other	**1,584**	2,160
Deferred income taxes	**(2,442)**	(1,188)
Cash provided by operating activities before changes in operating assets and liabilities	**167,885**	179,576
Net change in operating assets and liabilities	**10,462**	1,006
Cash provided by operating activities	**178,347**	180,582
INVESTING ACTIVITIES		
Purchase of marketable securities	**(2,370)**	(5,312)
Proceeds on sale of marketable securities	**1,113**	4,500
Additions to capital assets	**(1,245)**	(595)
Deferred sales commissions paid	**(8,304)**	(18,789)
Decrease (increase) in other assets	**319**	(55,304)
Additions to intangibles	**(1,007)**	—
Cash used in investing activities	**(11,494)**	(75,500)
FINANCING ACTIVITIES		
Increase in long-term debt	**52,000**	52,000
Repurchase of share capital	**(88,479)**	(69,498)
Dividends paid to shareholders	**(93,560)**	(91,923)
Cash used in financing activities	**(130,039)**	(109,421)
Net increase (decrease) in cash and cash equivalents during the period	**36,814**	(4,339)
Cash and cash equivalents, beginning of period	**41,114**	60,714
Cash and cash equivalents, end of period	**77,928**	56,375
(*) Included in operating activities are the following:		
Interest paid	**902**	694
Income taxes paid	**54,998**	56,652

(see accompanying notes)

CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

For the nine-month period ended September 30

[in thousands of Canadian dollars]	2016 $	2015 $
OPERATING ACTIVITIES (*)		
Net income	**381,582**	425,609
Add (deduct) items not involving cash		
Gain on sale of marketable securities	**(371)**	(5,476)
Fair value adjustment to contingent consideration	**—**	(7,500)
Equity-based compensation	**4,193**	4,965
Amortization of deferred sales commissions	**94,415**	107,438
Amortization of intangibles	**2,956**	6,260
Amortization and depreciation of other	**4,740**	6,246
Deferred income taxes	**(10,088)**	(8,040)
Cash provided by operating activities before changes in operating assets and liabilities	**477,427**	529,502
Net change in operating assets and liabilities	**(21,936)**	(28,878)
Cash provided by operating activities	**455,491**	500,624
INVESTING ACTIVITIES		
Purchase of marketable securities	**(3,825)**	(11,942)
Proceeds on sale of marketable securities	**2,405**	22,837
Additions to capital assets	**(5,473)**	(1,795)
Deferred sales commissions paid	**(36,299)**	(74,588)
Increase in other assets	**(2,003)**	(99,643)
Additions to intangibles	**(2,768)**	—
Cash used in investing activities	**(47,963)**	(165,131)
FINANCING ACTIVITIES		
Increase in long-term debt	**116,000**	128,000
Repurchase of share capital	**(225,984)**	(187,630)
Issuance of share capital	**158**	70
Dividends paid to shareholders	**(276,372)**	(270,804)
Cash used in financing activities	**(386,198)**	(330,364)
Net increase in cash and cash equivalents during the period	**21,330**	5,129
Cash and cash equivalents, beginning of period	**56,598**	51,246
Cash and cash equivalents, end of period	**77,928**	56,375
(*) Included in operating activities are the following:		
Interest paid	**8,408**	7,126
Income taxes paid	**177,759**	191,438

(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, exchange traded 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, 2015.

These unaudited interim condensed consolidated financial statements were authorized for issuance by the Board of Directors of CI on November 3, 2016.

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, 2015.

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 statements 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.

SEPTEMBER 30, 2016 and 2015 • [in thousands of dollars, except per share amounts]

2. BUSINESS ACQUISITION

On November 30, 2015, CI acquired 100% of First Asset Capital Corp. ["First Asset"] and its subsidiaries, an investment management company, for cash consideration of $26,924, equity consideration of $40,576 and contingent consideration payable in cash or common shares with an estimated fair value of $20,000. CI accounted for the acquisition using the acquisition method of accounting and the results of operations have been consolidated from the date of the transaction.

Details of the net assets acquired as at November 30, 2015, at fair value, are as follows:

	$
Cash and cash equivalents	4,467
Accounts receivable and prepaid expenses	593
Management contracts	87,300
Accounts payable and accrued liabilities	(6,089)
Long-term debt	(2,000)
Deferred tax liability	(23,135)
Fair value of identifiable net assets	**61,136**
Goodwill on acquisition	26,364
Total acquired cost	**87,500**

The acquired fund management contracts with a fair value of $87,300 have an indefinite life. The goodwill on acquisition is not deductible for income tax purposes. Goodwill of $26,364 relates to the Asset Management segment.

Details of consideration as at the date of acquisition is as follows:

	$
Cash	26,924
Common shares issued, at fair value	40,576
Contingent consideration liability, at fair value	20,000
Total consideration	**87,500**

CI issued 1,301 common shares valued at $31.20 per common share as consideration for First Asset.

SEPTEMBER 30, 2016 and 2015 • [in thousands of dollars, except per share amounts]

The acquisition agreement provided for contingent consideration payable in cash or common shares of CI, five years from the date of acquisition, if certain financial targets are met based on earnings before interest, tax, depreciation and amortization ["EBITDA"]. The potential undiscounted amount of all future payments that CI could be required to make under the agreement is unlimited. While it is not possible to determine the exact amount of contingent consideration, CI has estimated the fair value of the contingent consideration to be $20,000 as at September 30, 2016 and December 31, 2015, which was estimated using a discounted cash flow approach. The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13 *Fair Value Measurement* refers to as Level 3 inputs.

3. LONG-TERM DEBT

Long-term debt consists of the following:

	As at September 30, 2016 $	As at December 31, 2015 $
Credit facility		
Prime rate loan	—	2,000
Banker's acceptances	**228,000**	110,000
	228,000	112,000
Debentures		
$450 million, 2.645% due December 7, 2020	**447,723**	447,347
	447,723	447,347
Long-term debt	**675,723**	559,347
Current portion of long-term debt	—	2,000

Credit facility

Effective December 11, 2015, CI renewed its revolving credit facility with two chartered banks. Loans are made by the banks under a three-year revolving credit facility, with the outstanding principal balance due upon maturity on December 11, 2018. The credit facility contains a number of financial covenants that require CI to meet certain financial ratios and financial condition tests. CI is within its financial covenants with respect to its credit facility, which requires that the funded debt to annualized EBITDA ratio remain below 2.5:1 and that CI's assets under management not fall below $60 billion, calculated based on a rolling 30-day average. There can be no assurance that future borrowings or equity financing will be available to CI or available on acceptable terms.

Debentures

On December 7, 2015, CI completed an offering pursuant to which it issued $450,000 principal amount of debentures due December 7, 2020 [the "Debentures"]. The Debentures were issued at par for gross proceeds of $450,000.

SEPTEMBER 30, 2016 and 2015 • [in thousands of dollars, except per share amounts]

4. 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. In addition, CI has provided for contingent consideration payable in business acquisitions as discussed in Note 2. 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 such contingent consideration, claims, proceedings and investigations. The movement in amounts provided for contingent liabilities and related expenses during the nine months ended September 30, 2016 and year ended December 31, 2015, are as follows:

	9 months ended September 30, 2016 $	Year ended December 31, 2015 $
Provision for other liabilities, beginning of period	**52,597**	20,544
Additions	**14,659**	54,538
Amounts used	**(21,119)**	(14,106)
Amounts reversed	**(690)**	(8,379)
Provision for other liabilities, end of period	**45,447**	52,597
Current portion of provision for other liabilities	**16,084**	23,043

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 ("OSC") 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.

CI maintains insurance policies that may provide coverage against certain claims. Amounts receivable under these policies are not accrued for unless the realization of income is virtually certain. During the three and nine months ended September 30, 2016, CI received insurance proceeds of $480 and $858, respectively, related to the settlement of legal claims [year ended December 31, 2015 – $1,373]. As at September 30, 2016 and December 31, 2015, CI has accrued $53 and $463, respectively, for amounts to be received under insurance policies, which is included in accounts receivable.

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.

During 2015, CI received notices of reassessment ("NOR") from the CRA and the Ontario and Alberta Ministries of Finance relating to the interest rate charged on subordinated notes within CI's income trust structure from 2006 to 2008. The NORs were in the amount of $275,208 including interest. However, notwithstanding the filing of a notice of objection, CI has made the required minimum payments of $172,567, which will remain on account until the dispute is resolved, which may take considerable time. The amount deposited has been included in other assets as at September 30, 2016. While CI believes it will be able to successfully defend its position, CI recorded a provision of $4,000 during the year ended December 31, 2015 for expenses to mount this defense. As at September 30, 2016, a provision of $3,751 remains [December 31, 2015 – $3,821].

REMEDIATION

In April 2015, CI Investments discovered an administrative error. Approximately $156.1 million of interest had not been properly recorded as an asset in the accounting records of certain funds, with the result being that the net asset values of these funds, and any funds that had invested in these funds, had been understated for several years. CI Investments self-reported the error to the OSC and on February 10, 2016, entered into a no-contest settlement agreement with the OSC in connection with the administrative error. CI recorded a provision of $10.75 million, net of recoveries, during the year ended December 31, 2015 for the cost of this settlement as well as the costs to remediate. As at September 30, 2016, a net recovery of $3,080 remains [December 31, 2015 – provision, net of recoveries of $10,750].

CONTINGENT CONSIDERATION

CI entered into an acquisition agreement with the shareholders of First Asset that provides for contingent consideration to be paid. Details of this agreement and the basis of calculation of the fair value of the contingent consideration are summarized in Note 2.

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 EBITDA generated during that period. Included in other income for the nine months ended September 30, 2015 is a fair value adjustment of $7,500 recorded to reduce the estimated fair value of the contingent consideration to be nil.

5. 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, 2014	**281,708**	**1,968,692**
Issuance for acquisition of subsidiary	1,301	40,576
Issuance of share capital on exercise of share options	417	3,062
Share repurchases	(7,399)	(51,708)
Common shares, balance, December 31, 2015	**276,027**	**1,960,622**
Issuance of share capital on exercise of share options	41	503
Share repurchases	(2,214)	(15,726)
Common shares, balance, March 31, 2016	**273,854**	**1,945,399**
Issuance of share capital on exercise of share options	8	225
Share repurchases	(2,681)	(19,125)
Common shares, balance, June 30, 2016	**271,181**	**1,926,499**
Issuance of share capital on exercise of share options	3	19
Share repurchases	(3,472)	(24,662)
Common shares, balance, September 30, 2016	**267,712**	**1,901,856**

[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 53 and 2,617 options during the three months ended June 30 and March 31, 2016, respectively [three months ended June 30 and March 31, 2015 - 220 and 2,772 options, respectively]. The fair value method of accounting is used for the valuation of the 2016 and 2015 share option grants. Compensation expense is recognized over the three-year vesting period, assuming an estimated average forfeiture rate of 0% and 3.9% for the options issued during the three months ended June 30 and March 31, 2016 [three months ended June 30 and March 31, 2015 - 0% and 3.7%, 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 are credited to share capital. The fair value of the 2016 and 2015 option grants was estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions:

Year of grant	2016	2016	2015	2015
# of options granted [in thousands]	53	2,617	220	2,772
Vesting terms	1/3 at end of each year	1/3 at end of each year	1/3 at end of each year	1/3 at end of each year
Dividend yield	5.090% – 5.258%	5.005% – 5.179%	4.125% – 4.296%	4.358% – 4.539%
Expected volatility (*)	16%	16%	16%	16%
Risk-free interest rate	0.919% – 0.947%	0.735% – 0.768%	0.980% – 1.057%	0.913% – 0.998%
Expected life [years]	2.6 – 3.5	2.6 – 3.5	2.4 – 3.4	2.4 – 3.4
Forfeiture rate	0%	1.7% – 6.4%	0%	1.4% – 6.5%
Fair value per stock option	$1.92 – $2.08	$1.90 – $2.06	$2.55 – $2.84	$2.36 – $2.62
Exercise price	$28.63	$28.63	$35.88	$33.96

(*) 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, 2014	**5,552**	**28.91**
Options exercisable, December 31, 2014	**1,335**	**23.48**
Options granted	2,992	34.10
Options exercised	(1,400)	23.27
Options cancelled	(193)	33.41
Options outstanding, December 31, 2015	**6,951**	**32.15**
Options exercisable, December 31, 2015	**1,994**	**28.62**
Options granted	2,617	28.63
Options exercised	(149)	22.25
Options cancelled	(59)	33.00
Options outstanding, March 31, 2016	**9,360**	**31.32**
Options exercisable March 31, 2016	**3,963**	**30.88**
Options granted	53	28.63
Options exercised	(106)	25.56
Options cancelled	(276)	34.55
Options outstanding, June 30, 2016	**9,031**	**31.27**
Options exercisable June 30, 2016	**4,016**	**31.09**
Options exercised	(9)	23.10
Options cancelled	(89)	31.75
Options outstanding, September 30, 2016	**8,933**	**31.27**
Options exercisable September 30, 2016	**3,978**	**31.10**

(*) Weighted-average share price of options exercised was $26.48 and $28.88 during three and nine months ended September 30, 2016 [year ended December 31, 2015 – $33.16]

Options outstanding and exercisable as at September 30, 2016 are as follows:

Exercise price $	Number of options outstanding *[in thousands]*	Weighted average remaining contractual life *[years]*	Number of options exercisable *[in thousands]*
21.73	69	0.7	69
21.98	346	0.4	346
27.03	1,146	1.4	1,146
28.63	2,592	4.4	—
30.27	125	1.7	125
33.96	2,580	3.4	982
34.52	229	2.7	153
35.60	1,626	2.4	1,084
35.88	220	3.5	73
21.73 to 35.88	**8,933**	**3.1**	**3,978**

[C] BASIC AND DILUTED EARNINGS PER SHARE

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

[in thousands]	3 months ended Sep. 30, 2016	9 months ended Sep. 30, 2016	3 months ended Sep. 30, 2015	9 months ended Sep. 30, 2015
Numerator:				
Net income attributable to shareholders of the Company basic and diluted	**$136,785**	**$382,010**	$142,839	$426,331
Denominator:				
Weighted average number of common shares – basic	**270,113**	**272,672**	277,771	279,776
Weighted average effect of dilutive stock options (*)	**65**	**119**	506	662
Weighted average number of common shares – diluted	**270,178**	**272,791**	278,277	280,438
Net earnings per common share attributable to shareholders				
Basic	**$0.51**	**$1.40**	$0.51	$1.52
Diluted	**$0.51**	**$1.40**	$0.51	$1.52

(*) *The determination of the weighted average number of common shares – diluted excludes 8,518 and 7,372 thousand shares related to stock options that were anti-dilutive for the three and nine months ended September 30, 2016, respectively [three and nine months ended September 30, 2015 – 5,057 thousand shares].*

[D] MAXIMUM SHARE DILUTION

The following table presents the maximum number of shares that would be outstanding if all the outstanding options as at October 31, 2016 were exercised:

[in thousands]	
Shares outstanding at October 31, 2016	266,911
Options to purchase shares	8,921
	275,832

6. DIVIDENDS

The following dividends were paid by CI during the three and nine months ended September 30, 2016:

Record date	Payment date	Cash dividend per share $	Total dividend amount $
December 31, 2015	January 15, 2016	0.110	30,416
January 31, 2016	February 15, 2016	0.110	30,371
February 29, 2016	March 15, 2016	0.110	30,339
Paid during the three months ended March 31, 2016			91,126
March 31, 2016	April 15, 2016	0.110	30,183
April 30, 2016	May 13, 2016	0.110	30,114
May 31, 2016	June 15, 2016	0.115	31,389
Paid during the three months ended June 30, 2016			91,686
Paid during the six months ended June 30, 2016			182,812
June 30, 2016	July 15, 2016	0.115	31,254
July 31, 2016	August 15, 2016	0.115	31,186
August 31, 2016	September 15, 2016	0.115	31,120
Paid during the three months ended September 30, 2016			93,560
Paid during the nine months ended September 30, 2016			276,372

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The following dividends were declared but not paid during the three months ended September 30, 2016:

Record date	Payment date	Cash dividend per share $	Total dividend amount $
September 30, 2016	October 14, 2016	0.115	30,821
October 31, 2016	November 15, 2016	0.115	30,821
Declared and accrued as at September 30, 2016			61,642

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

Record date	Payment date	Cash dividend per share $	Total dividend amount $
December 31, 2014	January 15, 2015	0.105	29,640
January 31, 2015	February 13, 2015	0.105	29,600
February 28, 2015	March 13, 2015	0.105	29,649
Paid during the three months ended March 31, 2015			88,889
March 31, 2015	April 15, 2015	0.105	29,616
April 30, 2015	May 15, 2015	0.105	29,522
May 31, 2015	June 15, 2015	0.110	30,854
Paid during the three months ended June 30, 2015			89,992
Paid during the six months ended June 30, 2015			178,881
June 30, 2015	July 15, 2015	0.110	30,712
July 31, 2015	August 14, 2015	0.110	30,631
August 31, 2015	September 15, 2015	0.110	30,580
Paid during the three months ended September 30, 2015			91,923
Paid during the nine months ended September 30, 2015			270,804

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

Record date	Payment date	Cash dividend per share $	Total dividend amount $
September 30, 2015	October 15, 2015	0.110	30,405
October 31, 2015	November 13, 2015	0.110	30,404
Declared and accrued as at September 30, 2015			60,809

On November 3, 2016, The Board of Directors declared monthly cash dividends of $0.115 per share payable on December 15, 2016, January 13, 2017 and February 15, 2017 to shareholders of record on November 30, 2016, December 31, 2016 and January 31, 2017, respectively.

7. FINANCIAL INSTRUMENTS

Financial assets are classified as 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 unaudited interim condensed consolidated 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.

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

	As at September 30, 2016 $	As at December 31, 2015 $
Financial assets		
Fair value through profit or loss		
Cash and cash equivalents	**77,928**	56,598
Loans and receivables		
Client and trust funds on deposit	**208,373**	158,891
Accounts receivable	**112,446**	109,893
Other assets	**189,766**	189,555
Available-for-sale		
Marketable securities	**86,854**	78,700
Total financial assets	**675,367**	593,637
Financial liabilities		
Fair value through profit or loss		
Provisions for other liabilities	**20,000**	20,000
Other financial liabilities		
Accounts payable and accrued liabilities	**171,450**	159,148
Provisions for other liabilities	**25,447**	32,597
Dividends payable	**61,642**	60,728
Client and trust funds payable	**206,704**	156,164
Long-term debt	**675,723**	559,347
Total financial liabilities	**1,160,966**	987,984

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

CI's financial assets at September 30, 2016 and December 31, 2015 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 level 1 in the fair value hierarchy and those mutual fund securities valued less frequently to be level 2 in the fair value hierarchy. As at September 30, 2016, CI's marketable securities of $86,854 [December 31, 2015 – $78,700] are carried at fair value, of which $17,454 have been classified as level 1 in the fair value hierarchy and $69,400 as level 2 in the fair value hierarchy [December 31, 2015 – $17,709 as level 1 in the fair value hierarchy and $60,991 as level 2 in the fair value hierarchy]. There have been no transfers between level 1 and level 2 during the three and nine month periods.

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Included in provision for other liabilities, as at September 30, 2016 is contingent consideration of $20,000 [December 31, 2015 – $20,000] carried at fair value and classified as level 3 in the fair value hierarchy. Long-term debt as at September 30, 2016 includes Debentures with a fair value of $455,985 [December 31, 2015 – $453,870], as determined by quoted market prices which have been classified as level 1 in the fair value hierarchy.

8. CAPITAL MANAGEMENT

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

CI and its subsidiaries are subject to minimum regulatory capital requirements whereby sufficient cash and other liquid assets must be on hand to maintain capital requirements rather than using them in connection with its business. As at September 30, 2016, cash and cash equivalents of $8,466 [December 31, 2015 - $8,282] was required to be on hand for regulatory capital maintenance. Failure to maintain required regulatory capital by CI may result in fines, suspension or revocation of registration by the relevant securities regulator. CI from time to time provides loans to its subsidiaries for operating purposes and may choose to subordinate these loans in favour of general creditors. The repayment of subordinated loans is subject to regulatory approval. As at September 30, 2016 and December 31, 2015, CI met its capital requirements.

CI's capital consists of the following:

	As at September 30, 2016 $	As at December 31, 2015 $
Shareholders' equity	**1,782,709**	1,894,100
Long-term debt	**675,723**	559,347
Total capital	**2,458,432**	2,453,447

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9. 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, First Asset and Marret which derive their revenues principally from the fees earned on the management of several families of mutual funds, segregated funds and exchange traded funds.

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

Segmented information for the three-month period ended September 30, 2016 is as follows:

	Asset Management $	Asset Administration $	Intersegment eliminations $	Total $
Management fees	446,053	—	—	446,053
Administration fees	—	77,620	(38,772)	38,848
Other revenue	4,680	5,829	—	10,509
Total revenue	450,733	83,449	(38,772)	495,410
Selling, general and administrative	82,668	17,269	—	99,937
Trailer fees	144,569	—	(6,513)	138,056
Investment dealer fees	—	63,774	(31,836)	31,938
Amortization of deferred sales commissions and intangibles	31,308	552	(839)	31,021
Other expenses	1,795	23	—	1,818
Total expenses	260,340	81,618	(39,188)	302,770
Income before income taxes and non-segmented items	190,393	1,831	416	192,640
Interest expense				(3,960)
Provision for income taxes				(51,945)
Net income for the period				136,735

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

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

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Segmented information as at and for the nine-month period ended September 30, 2016 is as follows:

	Asset Management $	Asset Administration $	Intersegment eliminations $	Total $
Management fees	1,300,092	—	—	1,300,092
Administration fees	—	225,430	(112,310)	113,120
Other revenue	11,425	17,328	—	28,753
Total revenue	1,311,517	242,758	(112,310)	1,441,965
Selling, general and administrative	242,835	51,545	—	294,380
Trailer fees	420,587	—	(18,673)	401,914
Investment dealer fees	—	184,795	(92,210)	92,585
Amortization of deferred sales commissions and intangibles	98,292	1,653	(2,574)	97,371
Other expenses	19,099	46	—	19,145
Total expenses	780,813	238,039	(113,457)	905,395
Income before income taxes and non-segmented items	530,704	4,719	1,147	536,570
Interest expense				(11,460)
Provision for income taxes				(143,528)
Net income for the period				381,582
Identifiable assets	729,678	365,015	(7,687)	1,087,006
Indefinite life intangibles				—
Goodwill	971,089	192,582	—	1,163,671
Fund contracts	1,086,382	—	—	1,086,382
Total assets	2,787,149	557,597	(7,687)	3,337,059

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

	Asset Management $	Asset Administration $	Intersegment eliminations $	Total $
Management fees	1,343,100	—	—	1,343,100
Administration fees	—	222,819	(112,813)	110,006
Other revenue	34,397	16,672	—	51,069
Total revenue	1,377,497	239,491	(112,813)	1,504,175
Selling, general and administrative	225,881	49,657	—	275,538
Trailer fees	434,081	—	(18,163)	415,918
Investment dealer fees	—	182,217	(92,525)	89,692
Amortization of deferred sales commissions and intangibles	114,807	1,652	(2,761)	113,698
Other expenses	10,572	7,667	—	18,239
Total expenses	785,341	241,193	(113,449)	913,085
Income before income taxes and non-segmented items	592,156	(1,702)	636	591,090
Interest expense				(10,086)
Provision for income taxes				(155,395)
Net income for the period				425,609
As at December 31, 2015				
Identifiable assets	755,029	302,030	(9,196)	1,047,863
Indefinite life intangibles				—
Goodwill	970,540	192,582	—	1,163,122
Fund contracts	1,086,382	—	—	1,086,382
Total assets	2,811,951	494,612	(9,196)	3,297,367

10. SELLING, GENERAL AND ADMINISTRATIVE

Included in selling, general and administrative expenses ["SG&A"] are salaries and benefits of $53,221 and $157,127 for the three and nine months ended September 30, 2016, respectively [three and nine months ended September 30, 2015 – $49,594 and $147,233, respectively]. Also included in SG&A is depreciation of capital assets of $1,456 and $4,358 for the three and nine months ended September 30, 2016, respectively [three and nine months ended September 30, 2015 – $2,083 and $6,017, respectively]. Other SG&A of $45,260 and $132,895 for the three and nine months ended September 30, 2016, primarily includes marketing, lease and information technology expenses as well as professional and regulatory fees [three and nine months ended September 30, 2015 – $41,272 and $122,288, respectively].

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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