Annual Report
December 31, 2014

Celebrating 20 years of excellence

CI Financial

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CI Financial Corp. is a diversified wealth management firm and Canada's third-largest investment fund company by assets under management. Independent and Canadian-owned, CI provides a comprehensive selection of top-quality investment products and services. CI has over two million clients and approximately $109 billion in assets under management and $141 billion in total assets (at March 31, 2015). CI operates primarily through subsidiaries CI Investments Inc. and Assante Wealth Management (Canada) Ltd.

CI Investments offers the industry's broadest selection of investment funds under brands that include CI, Cambridge, Harbour, Signature, Black Creek, Synergy, Portfolio Series, Portfolio Select Series, G5|20 Series and Sun*Wise* Essential Series 2.

Assante Wealth Management provides financial advisory services through a national network of 750 professional financial advisors. Stonegate Private Counsel, a division of CI Private Counsel LP, provides wealth planning services to high net worth individuals and families.

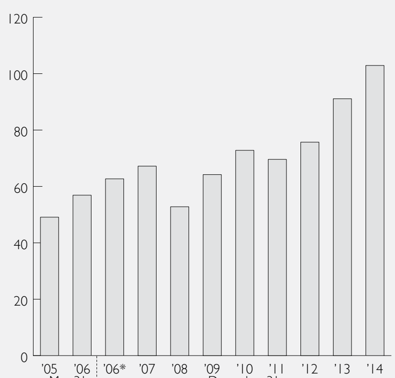
CI also owns interests in Altrinsic Global Advisors, LLC, a global asset manager based in Greenwich, Connecticut, and Lawrence Park Capital Partners Ltd. of Toronto, an alternative asset manager specializing in fixed-income strategies.

Ten-Year Historical Financial Highlights

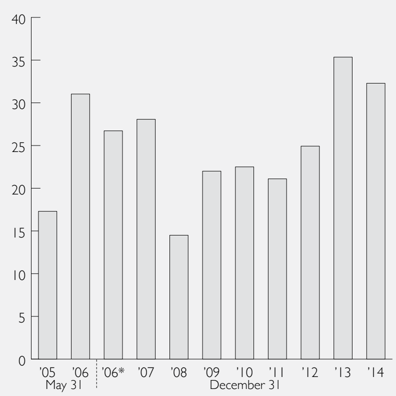
(Millions of dollars, except per share amounts)

	Years Ended Dec. 31			
(from continuing operations)	2014	2013	2012	2011
Assets under management, end of year	102,886	91,090	75,723	69,558
Assets under administration†	29,695	26,960	23,199	21,544
Total assets	132,581	118,050	98,922	91,102
Net sales of funds	3,928	3,686	973	323
Management fees	1,669.1	1,432.6	1,277.7	1,302.8
Other income	206.8	184.1	180.1	193.5
Total revenues	1,875.9	1,616.7	1,457.8	1,496.3
Selling, general and administrative	341.8	314.5	286.0	290.8
Trailer fees	511.6	429.2	374.0	379.5
Other expenses	305.0	290.7	294.0	304.9
Total expenses	1,158.4	1,034.4	954.0	975.2
Income taxes	192.5	155.9	151.6	144.2
Net income attributable to shareholders	525.0	426.4	352.2	376.9
EBITDA*	894.5	769.6	703.6	726.2
Earnings per share	1.85	1.50	1.24	1.31
EBITDA* per share	3.15	2.71	2.48	2.53
Dividends per share	1.19	1.07	0.96	0.89
Shareholders' equity, end of year	1,902.7	1,819.3	1,676.0	1,620.2
Shares outstanding, end of year	281,708,663	284,396,101	282,914,642	283,567,039

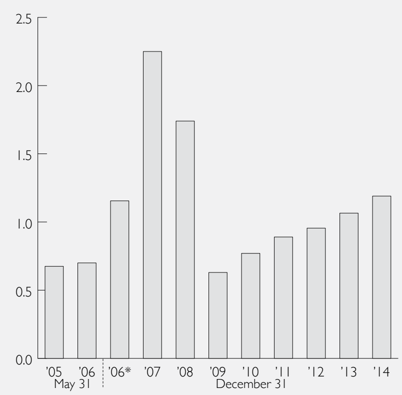
ASSETS UNDER MANAGEMENT
(AS AT FISCAL YEAR-END IN $ BILLIONS)



CIX SHARE PRICE
(AS AT FISCAL YEAR-END IN $)



DIVIDENDS PER SHARE
(FOR THE FISCAL YEAR IN $)

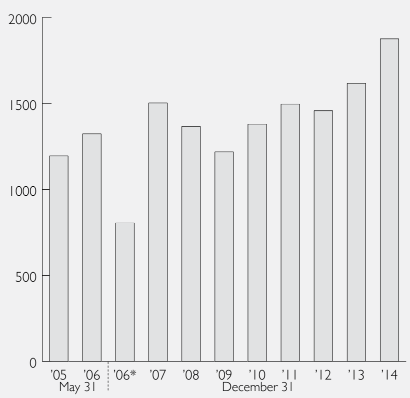


* Seven-month period ending Dec. 31, 2006.

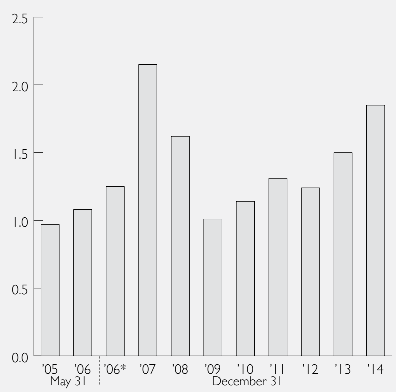
*†Includes assets in CI and United funds. *EBITDA (earnings before interest, taxes, depreciation and amortization) is not a standardized earnings measure prescribed by IFRS. A description of this non-IFRS measure and a reconciliation to IFRS is provided in the "Non-IFRS Measures" section on page 30 of this report.*

Years Ended Dec. 31				Seven Months Ended	Years Ended May 31	
2010	2009	2008	2007	Dec. 31, 2006	2006	2005
72,825	64,226	52,801	67,171	62,737	56,905	49,055
22,497	21,489	18,449	25,657	27,319	24,563	23,751
95,322	85,715	71,250	92,828	90,056	81,468	72,806
1,059	1,451	1,740	1,898	437	3,111	1,717
1,193.0	1,041.5	1,163.8	1,292.7	693.8	1,110.0	994.6
186.7	177.0	202.4	201.3	111.2	213.4	200.5
1,379.7	1,218.5	1,366.2	1,503.0	805.0	1,323.4	1,195.1
263.6	278.9	256.4	291.1	147.8	353.6	328.1
346.2	299.7	336.1	369.1	193.3	291.0	250.7
295.4	298.4	340.0	291.7	140.3	204.2	168.3
905.2	877.0	932.5	951.9	481.4	848.8	747.1
146.0	45.3	(17.5)	(54.4)	(31.1)	165.6	163.2
328.6	296.2	451.2	605.5	354.7	309.0	284.7
669.7	539.3	638.6	724.3	403.5	577.4	529.5
1.14	1.01	1.62	2.15	1.25	1.08	0.97
2.32	1.84	2.29	2.57	1.42	2.02	1.81
0.77	0.63	1.74	2.25	1.155	0.70	0.675
1,566.1	1,610.9	1,601.7	1,405.7	1,371.1	1,545.0	1,472.8
287,434,257	291,821,114	292,492,805	281,514,003	280,132,687	285,680,519	286,643,091

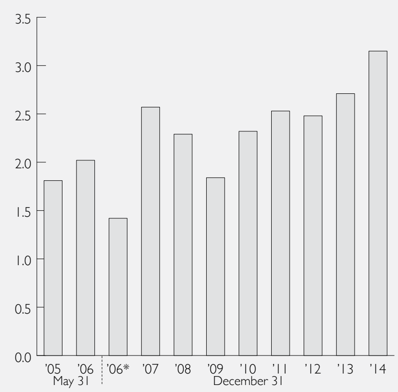
TOTAL REVENUES
(FOR THE FISCAL YEAR IN $ MILLIONS)



EARNINGS PER SHARE
(FOR THE FISCAL YEAR IN $)



EBITDA* PER SHARE
(FOR THE FISCAL YEAR IN $)



* Seven-month period ending Dec. 31, 2006.

G. RAYMOND CHANG, O.C.

G. Raymond Chang, who passed away on July 27, 2014 at age 65, will be fondly remembered by his friends and colleagues at CI. Ray provided CI with three decades of dedicated service as a senior executive, Chief Executive Officer, Chairman and Director.

He was instrumental in building the foundations of the very successful company that CI is today. Ray helped to establish CI's enduring culture of entrepreneurship and innovation and led CI through its early years as a public company. He continued to provide us with wise advice and guidance as Chairman and then as a Director.

Ray was a thoughtful and kind person who generously donated his time and money to numerous causes in Canada and his native Jamaica, with a particular focus on education, health care and entrepreneurship. His many philanthropic endeavours included significant support for Ryerson University, with Ryerson's G. Raymond Chang School of Continuing Education being named in his honour. He also served as Chancellor of Ryerson from 2006-2012. Ray received the Order of Jamaica and was named an Officer of the Order of Canada in recognition of his many accomplishments as a business leader and philanthropist.

Letter to Shareholders

DEAR SHAREHOLDERS,

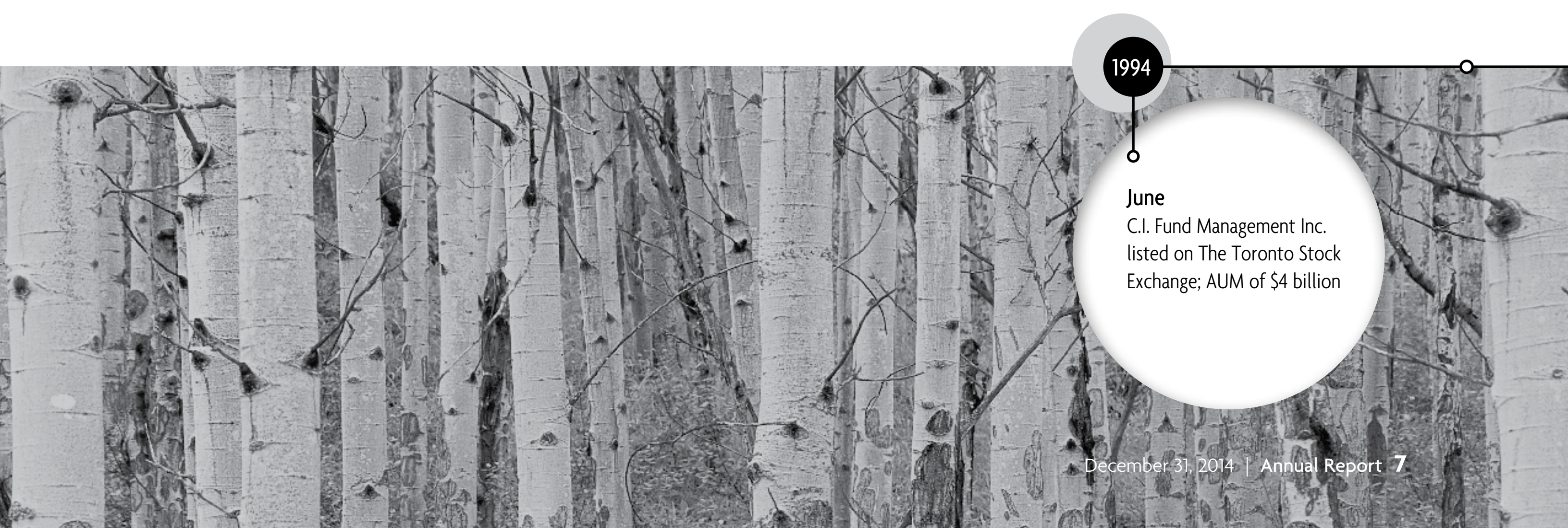
In 2014, as we celebrated the 20th anniversary of CI becoming a publicly traded company, we also marked one of the best years in your company's history. Notable highlights included reaching $100 billion in assets under management in June and ending the year at $103 billion. We also achieved record levels of revenue and gross sales of funds, and the highest net sales in over a decade.

These excellent results capped a fantastic 20-year record since our firm's initial public offering in June 1994. Over that time, CI shares have posted a compound annual growth rate of 20% (to March 31, 2015). (To see these returns in a chart, go to page 11.) CI's history as a money manager began in 1965, but we recognize the IPO as the beginning of today's CI. It laid the foundation for the subsequent two decades of growth and our evolution into one of the leaders in our industry.

As CI went public in June 1994, it managed $3.7 billion on behalf of its clients. Annual revenues were $54 million, versus $1.9 billion today. CI had 150 employees then and has 1,400 today. And our firm's market capitalization, which stands at $10 billion today, started at just $181 million. The timeline that accompanies this letter outlines some of the important events in CI's history. CI has thrived through the tremendous changes of the last 20 years in part because we anticipated both challenges and opportunities.

CI is also starting its next decade with a broader shareholder base. The Bank of Nova Scotia's decision to sell most of its CI shares has resulted in CI becoming a much more widely held company with increased flexibility to take advantage of strategic opportunities.

CI is well positioned for continued success and we have set a broad goal of achieving $150 billion in assets under management and $50 billion in assets under administration. In the following pages, we review the highlights of 2014 and our strategy for growth.



CI'S LONG-TERM STRATEGY

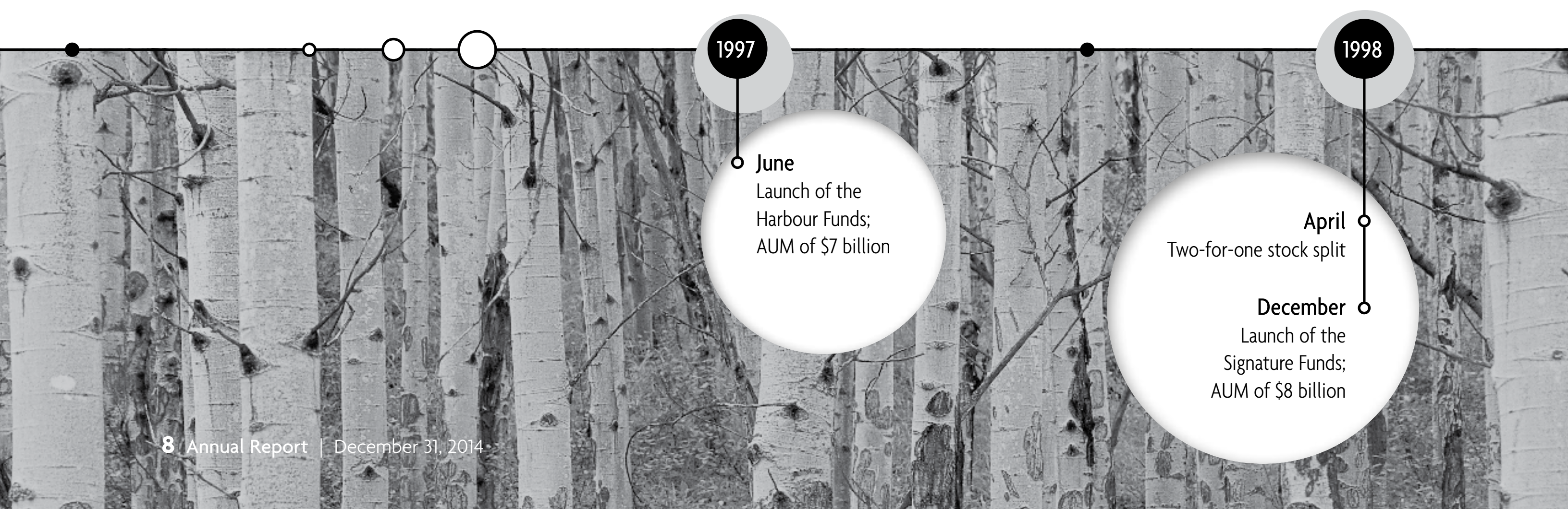
- **Product quality and diversity.** By providing a broad selection of high-quality products and services to Canadian investors, we reduce our dependence on any single market sector or product and ensure we are well positioned to respond to the changing needs of investors. More importantly, we enhance our relationships with advisors by allowing them to meet their clients' needs through a single supplier.

- **Talented and experienced investment managers.** CI is able to attract the best investment managers in the industry. We select portfolio managers based on a reputation for skilled investment management, their long-term track records and "fit" with our existing lineup.

- **Multiple channels of distribution.** CI distributes its products through a variety of channels, including Assante and other dealers, as well as the institutional marketplace. Our size and scale allow us to offer a high level of support and service to each channel, helping to strengthen existing relationships and develop new ones.

- **Operational excellence.** CI has a well-earned reputation for the prudent and efficient operation and administration of our funds and our company. Our capabilities and efficiency enhance our ability to launch new products and offer a profitable, comprehensive product lineup.

- **Skill and knowledge.** CI's managers and employees possess the specialized knowledge and experience to anticipate client needs, and develop appropriate products. CI enhances the skill and knowledge of its staff through a series of training programs.



FINANCIAL RESULTS

Setting new records

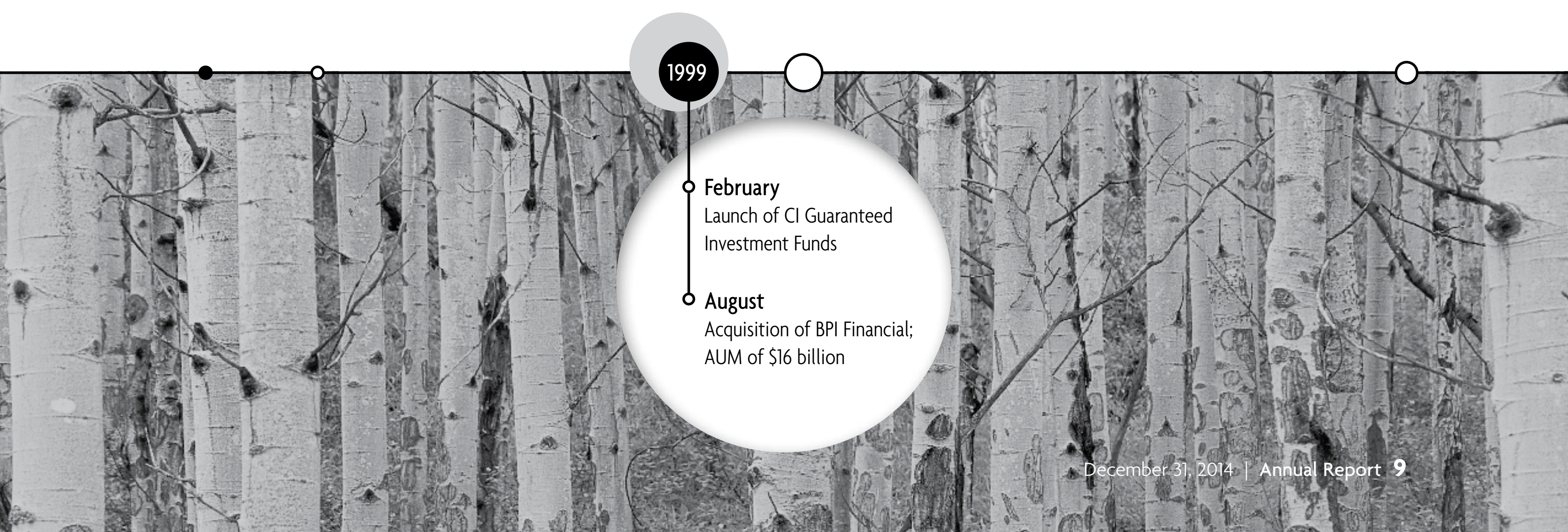
CI reached a new milestone in its history when assets under management broke the $100 billion mark in mid-2014. They ended the year at $102.9 billion, which represented an increase of 13.0% from $91.1 billion at December 31, 2013. This growth outpaced the S&P/TSX Composite Index, which was up 10.5%, and the FTSE TMX Canada Universe Bond Index, which rose 8.8%. CI's share of industry assets under management remained at about 9%.

Assets under administration increased 10.1% over the year to $29.7 billion, which brought CI's total assets to $132.6 billion, up 12.4% from $118.0 billion at the end of 2013. Average assets under management increased 18.1% year over year, reaching a record level of $98.4 billion.

Our asset growth was driven by robust net sales (which we discuss in the section on operating results) and overall good performance by our funds' portfolio managers. Global financial markets posted mixed results in 2014, with American stocks providing solid double-digit returns in response to better-than-expected U.S. economic growth in the second half of the year. Overseas markets generally lagged the U.S. due to ongoing conflicts in the Middle East and Ukraine and concerns about the pace of growth in Europe and Asia.

Financial market volatility was heightened in the third and fourth quarters, due in part to the sudden collapse in the price of oil, which plunged by about 50%. This contributed to a decline in both the resource-heavy Canadian equity market and the value of the dollar, which dropped by approximately 9% against its U.S. counterpart over the year. This weakness also served to boost the returns of global investments when converted to Canadian currency. For example, the S&P 500 Index return of 13.7% in U.S. dollars for 2014 improved to 24.2% when reported in Canadian dollars.

The tenor of the markets improved later in the fourth quarter and in the first three months of 2015, with the S&P 500 going on to set a new high. At CI, the momentum in our asset growth continued into the first quarter of this year. Assets under management at March 31, 2015 were $109.1 billion, an increase of 6.0% from the end of 2014. That asset level was also $10.7 billion or 10.9% higher than the average assets under management for fiscal 2014.



As we mentioned at the start of this letter, CI's annual revenues set a record, at $1.9 billion, an increase of 16.0%. Net income attributable to shareholders was $525.0 million, up 23.1% from $426.4 million in 2013. Earnings per share were $1.85, versus $1.50 a year earlier. This represents our highest level of profits since 2007, when CI was an income trust.

Maintaining high levels of profitability

We use various metrics to analyze our financial performance and these are discussed in detail in the MD&A section of this report. One measure that we have used for some time is EBITDA, which is earnings before interest, taxes, depreciation and amortization, because it helps to assess the profitability of the underlying business. CI generated record EBITDA of $894.5 million in 2014, or $3.15 per share, up 16% from $769.6 million or $2.71 per share in 2013. As a percentage of revenue, EBITDA was 47.8%, up slightly from 47.6% a year earlier. What this shows is that CI is maintaining its profitability even as our average management fee rate slowly trends downward due to an ongoing shift in our business mix towards institutional and high net worth categories, which have lower management fee rates than our traditional retail mutual funds. This trend reflects very positive developments for CI: Our success in the institutional and high net worth categories has diversified our business and provided new areas of growth.

The key to maintaining CI's profitability has been our longstanding focus on controlling costs, and in 2014, we were once again successful in managing the growth in discretionary spending. While our average assets under management increased 18.1%, selling, general and administrative (SG&A) expenses rose 8.7%. Therefore, as a percentage of average assets, SG&A expenses declined to 34.7 basis points in 2014 from 37.7 basis points in 2013. At the same time, we continued to make significant investments in technology, portfolio management and sales and marketing to foster the growth of our business, as we describe in the rest of this letter. This fact demonstrates the competitive advantages that size and scale provide to CI.

CI generated free cash flow of $557.4 million in 2014, up 22.2% from $456.2 million a year earlier. The growth in free cash allowed for a significant reduction in our debt, along with substantial increases in the amounts devoted to share repurchases and dividend payments.

Debt was cut by $191.5 million or 38% in 2014 to $307.4 million. After deducting available cash and marketable securities, net debt was $185.2 million at December 31, 2014 – equivalent to just 20.7% of EBITDA. This low debt level and financial capacity provide CI with a high degree of flexibility to finance an acquisition or pursue other strategic opportunities.

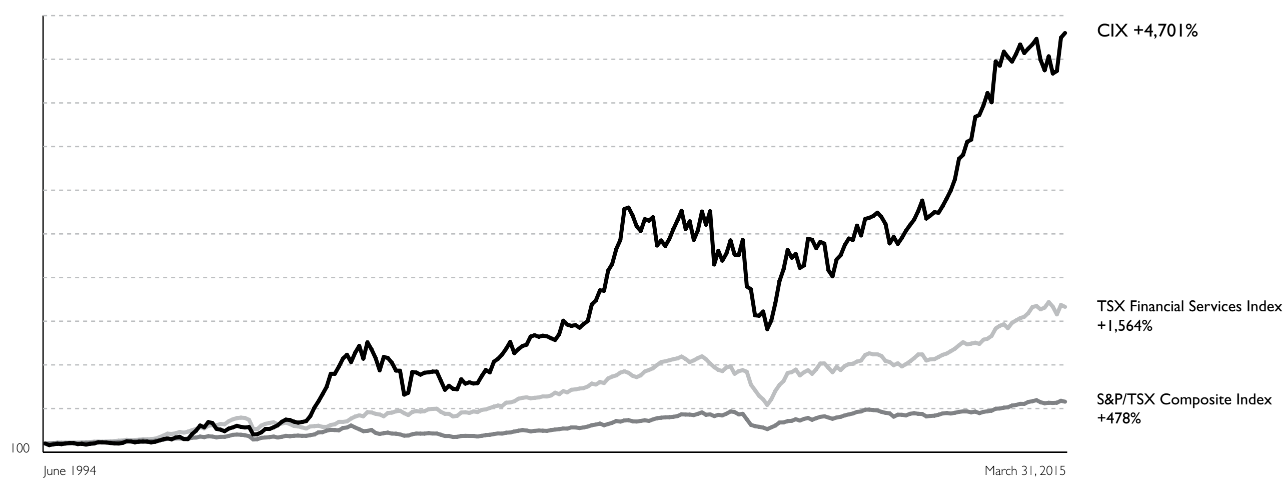
Generating outstanding long-term returns

As our longer-term shareholders know, CI is deeply committed to returning excess cash to shareholders through dividends and share repurchases, and we were pleased to build on that record in 2014. During the year, CI repurchased 3.2 million shares at a total cost of $108.1 million. We did not repurchase any shares in the prior year. In addition, CI paid a total of $335.5 million in dividends, up 12.7% from $297.7 million in 2013. CI has increased its dividends paid at a compounded annual rate of 11% since 2010. In 2014, we increased the monthly dividend payment twice, from an annual rate of $1.14 a share to $1.26. And even with the significant increase in dividends in 2014, total dividends paid amounted to a conservative 60% of free cash flow.

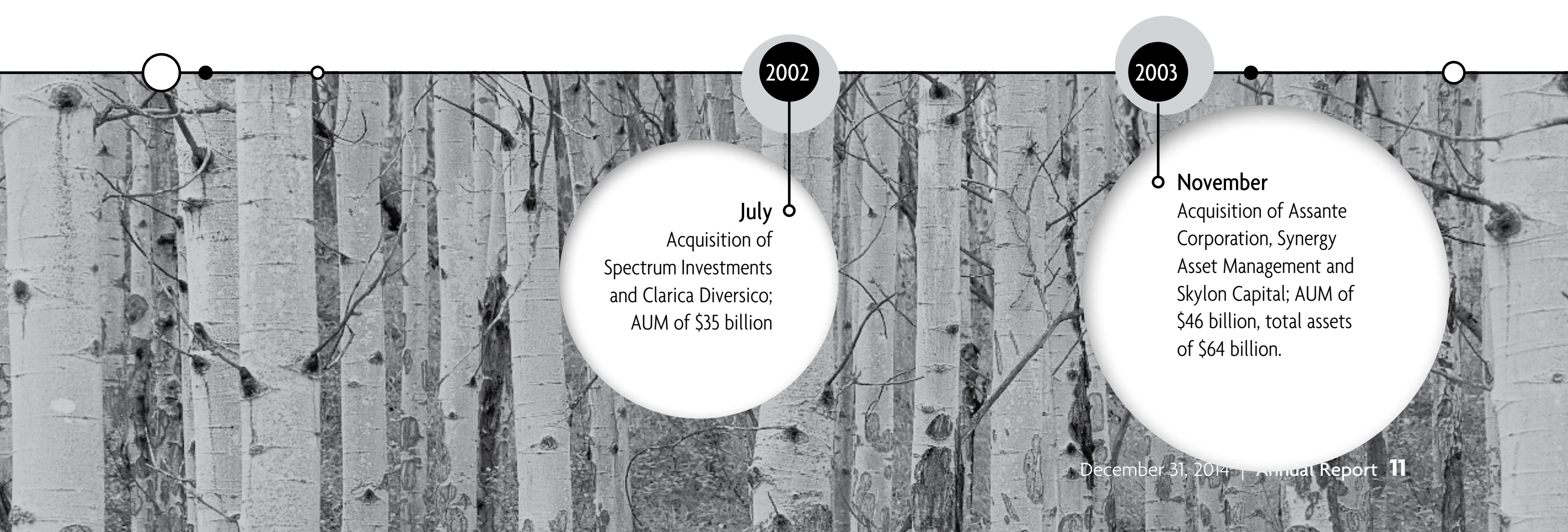
In its initial public offering, CI went to the markets and raised $25 million. Since that time, CI has returned $5.0 billion to shareholders – $3.7 billion in dividends and distributions and $1.3 billion in share repurchases.

In terms of total return, the numbers are even more impressive, as the chart shows. From our June 1994 IPO to March 31, 2015, our shares have produced a cumulative total return of 4,701%. This, as we noted earlier, is a compound annual growth rate of 20%. In comparison, the S&P/TSX Composite Index had a total return of 478% over the same period, while its financial services index gained 1,564%. CI was the sixth-best performing stock on the S&P/TSX Composite over that time.

CI FINANCIAL HISTORICAL PERFORMANCE – TOTAL RETURNS FROM IPO TO MARCH 31, 2015



Source: CI, Bloomberg.



OPERATING RESULTS

Achieving record sales

Record gross sales of $14.4 billion in 2014 were up 3.9% from 2013, itself an exceptional year. Net sales were $3.9 billion, up 6.6% from $3.7 billion in the prior year and at their highest level since the year 2000. Industry net sales according to the Investment Funds Institute of Canada (IFIC) were $57.6 billion in 2014, which means that CI's share was 6.8%. A fact to note is that CI has had positive net sales in 88% of quarters since 1994, which we believe is the best record in the industry.

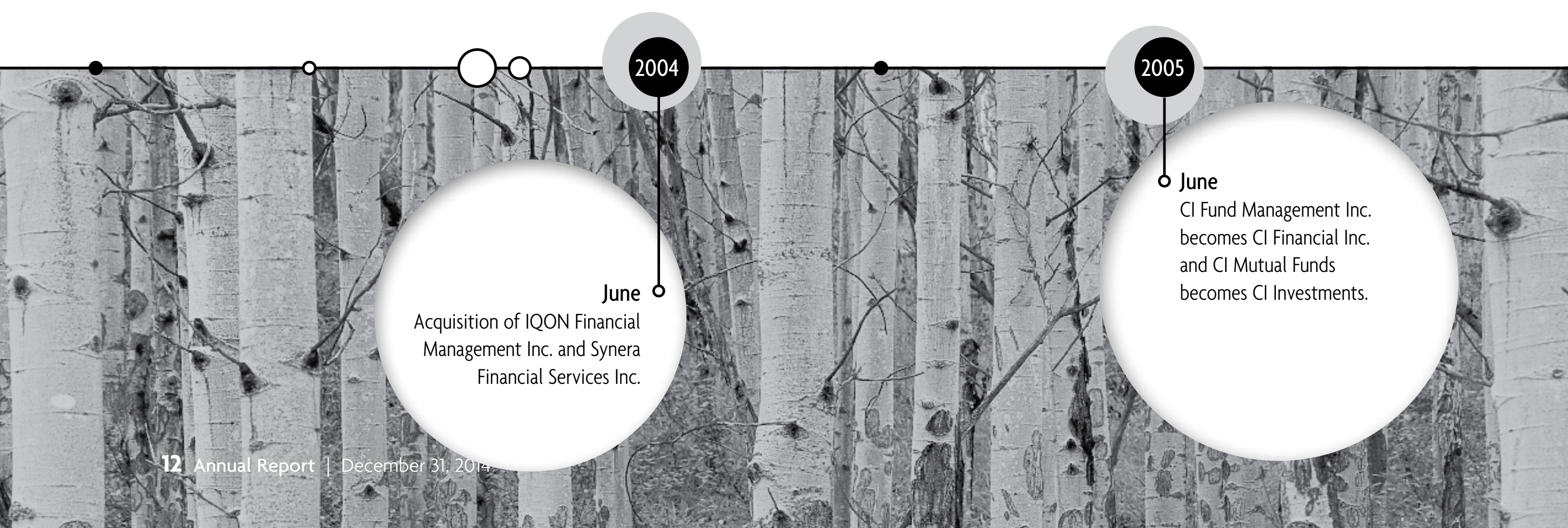
Several key trends continued to unfold as two product platforms once again dominated our net sales: managed solutions, which continue to outsell standalone funds by a significant margin, and the CI Private Investment Management program.

Managed solutions, which are also known as fund-of-funds, are even more dominant in the overall industry. IFIC statistics show that fund-of-funds accounted for 76.5% of industry net sales in 2014. CI is well placed to continue to take advantage of this trend, with high-quality managed solutions that include Portfolio Series, Portfolio Select Series and two programs available exclusively through Assante advisors – Evolution Private Managed Accounts and Private Client Managed Portfolios.

Our managed solutions, which are overseen by CI Investment Consulting, offer a high level of expertise in asset allocation, portfolio construction and risk management. When combined with our portfolio managers' abilities in security selection, the result has been outstanding performance. In fact, 100% of the assets in our managed solutions have produced first or second-quartile returns relative to peer funds over the 10 years ending December 31, 2014. In addition, our managed solutions have received industry recognition for their quality through three consecutive Morningstar Awards from 2011-2013.

CI Private Investment Management is designed for "mass affluent" and higher net worth clients, and offers access to our fund lineup with progressive management fee reductions for increasingly larger holdings. It's a highly flexible program that is consistent with the new regulatory environment requiring increased fee transparency. Though CI Private Investment Management today represents less than 5% of our assets under management, it is an important part of our future growth.

When looking at sales by asset class, we have seen a distinct shift in investor preferences. Sales of income funds were down year over year, and while income remains one of our top-selling categories, it has been replaced by managed solutions in the No. 1 spot. Meanwhile, sales of global balanced and global equity funds increased in 2014, which we believe signalled a continued recovery in investor confidence.



Developing leading products

Our sales results show that CI's comprehensive and diverse product lineup, and our ability to quickly launch new products, constitute a critical competitive advantage for our firm. We continued to refine and enhance CI's product offerings in 2014.

New funds launched during the year included Cambridge Growth Companies Corporate Class, a global growth fund, and Cambridge U.S. Dividend Registered Fund, which invests in U.S. dividend-paying companies with the added benefit of an exemption from the U.S. withholding tax on dividends. These funds offer additional mandates for investors to access our high-performing Cambridge Global Asset Management team.

We also launched four income funds managed by Marret Asset Management: CI Investment Grade Bond Fund, Marret Short Duration High Yield Fund, Marret High Yield Bond Fund, and Marret Strategic Yield Fund. As we noted above, there continues to be high demand for income solutions and these funds offer Marret's experience in income investing through a variety of mandates. Marret, in which CI purchased a 65% interest in December 2013, also manages portions of other fund portfolios in the CI lineup.

In addition, we enhanced G5|20 Series, an innovative retirement solution that provides guaranteed payments over 20 years, with the launch of G5|20i funds. With G5|20i, the guaranteed payments start immediately, while the payments within G5|20 funds start after a five-year accumulation phase. G5|20 Series was also made available within our Evolution program.

Building top portfolio management expertise

The quality of our portfolio management is another important competitive advantage for CI. We offer a wide selection of investment managers with distinct approaches and specialties and who operate independently of one another – an approach that is sometimes called "a confederation of boutiques."

CI's mutual fund portfolios are managed by 17 teams, of which four are divisions of the company. They are Cambridge Global Asset Management, Harbour Advisors, Signature Global Asset Management and CI Investment Consulting, which has a dual role in operating our managed solutions and in monitoring the other portfolio management teams. In addition to the majority stake in Marret, CI holds minority interests in Altrinsic Global Advisors of Greenwich, Connecticut, and Toronto-based Lawrence Park Capital Partners.

We continue to add breadth and depth to our money management expertise. In 2014, we added staff members to our Cambridge, Signature and Harbour teams. These new employees included experienced, senior professionals as well as intermediate and junior analysts. In addition, in January 2015, Signature opened a research office in Hong Kong to gain improved access to the rapidly growing financial markets of China and Southeast Asia.

CI is an appealing destination for investment professionals because of our culture, which values their distinct approaches to investing, and our size, which provides them with support and resources and the opportunity to manage significant portfolios. With Signature managing over $50 billion, Cambridge over $15 billion and Harbour over $10 billion, each of these teams is responsible for more money than many Canadian fund companies.

Producing award-winning performance

Our portfolio managers have achieved above-average results over the long term, which has been essential in driving sales. In looking at our funds as a whole, 76% of long-term assets under management (which excludes money market funds) had returns that were in the first or second quartile relative to their peer funds over the 10 years ending December 31, 2014.

The quality of our funds and the performance of our managers have continued to be recognized through industry awards:

- CI funds received eight 2014 Lipper Fund Awards, which recognize funds that have excelled in delivering consistently strong risk-adjusted performance, relative to peers. CI has been the recipient of 54 Lipper Fund Awards since the start of the program in Canada in 2007.
- Twenty-nine CI funds received FundGrade® A+ Awards for 2014, the second year in a row that CI won more FundGrade A+ trophies than any other fund company. The awards are presented by Fundata Canada Inc. to recognize investment funds with consistent, outstanding risk-adjusted performance.
- CI Global Health Sciences Corporate Class was named Best Specialty Equity Fund at the Morningstar Awards for the second consecutive year. CI and its managers have been the winners of 33 Morningstar Awards over the past 10 years.
- In the 2014 Brendan Wood International Canadian investment rankings, CI Investments was ranked as the No. 1 TopGun Investment Brand and one of the top five TopGun investment teams. In addition, four CI portfolio managers were named TopGun Investment Minds: Stéphane Champagne and Malcolm White of Signature, and Brandon Snow and Greg Dean of Cambridge. Mr. Snow was also ranked as one of the top 10 TopGun Investment Minds of the year.

Creating solid partnerships

At CI, we believe in the benefits of active investment management and in the value of financial advice. Multiple sources of research have shown that investors who work with advisors are more successful. For example, a study from the Center for Interuniversity Research and Analysis on Organizations found that Canadian households with advisors accumulated significantly greater assets, saved at twice the rate of non-advised households, and were much more confident that they had enough money to retire comfortably.

At the core of our business is a partnership with financial advisors to provide advice and investment solutions and services to Canadians. Our partners include advisors within the Assante network and those with third-party firms who recommend CI investment products to their clients. Our success in building these relationships is central to our asset growth.

As a result, our distribution strategy has three main elements:

- Building Assante into the premier wealth planning organization in Canada;
- Growing our retail assets under management through increasing service and support to advisors, including focusing on the particular needs of selected distribution partners;
- Growing our institutional assets through CI Institutional Asset Management.

Assante and Stonegate

Our Assante business comprises two primary business lines – our full-service investment and mutual fund dealers, operating as Assante Wealth Management, and our high net worth discretionary investment platform, Stonegate Private Counsel. In 2014, their assets increased by 11% to $31.8 billion, reflecting strong investment performance, increasing levels of investment from our clients and targeted recruiting of advisors. Growth continued in the first quarter, reaching $33.9 billion at March 31, 2015, an all-time high for Assante and Stonegate.

The financial advisory business operates in a highly regulated environment in which compliance and technology costs related to increasing regulatory requirements are accelerating the consolidation of industry participants, or even exits from the business. In addition, the Canadian marketplace is maturing and the demand for advisory services is changing. Canadians are increasingly seeking advice on their entire financial situation – wealth preservation and investments, tax planning, retirement and estate planning and risk management.

Assante and its advisors are particularly well positioned to benefit from this evolving environment through our focus on managed money solutions and our consistent delivery of complete wealth management services to our clients. As new regulations result in expanded disclosure of advisory fees, we provide exceptional value in the services we offer. In addition, a significant portion of our assets are already administered under fee-disclosed arrangements, meaning that Assante is well prepared for both the new rules and other fee changes that regulators are considering.

Operating scale becomes increasingly important as firms deal with increasing costs and service expectations from clients. At Assante, we benefit from the confidence and security our clients realize through the size and scale of CI and leverage the operating efficiency of our entire organization through our shared services infrastructure.

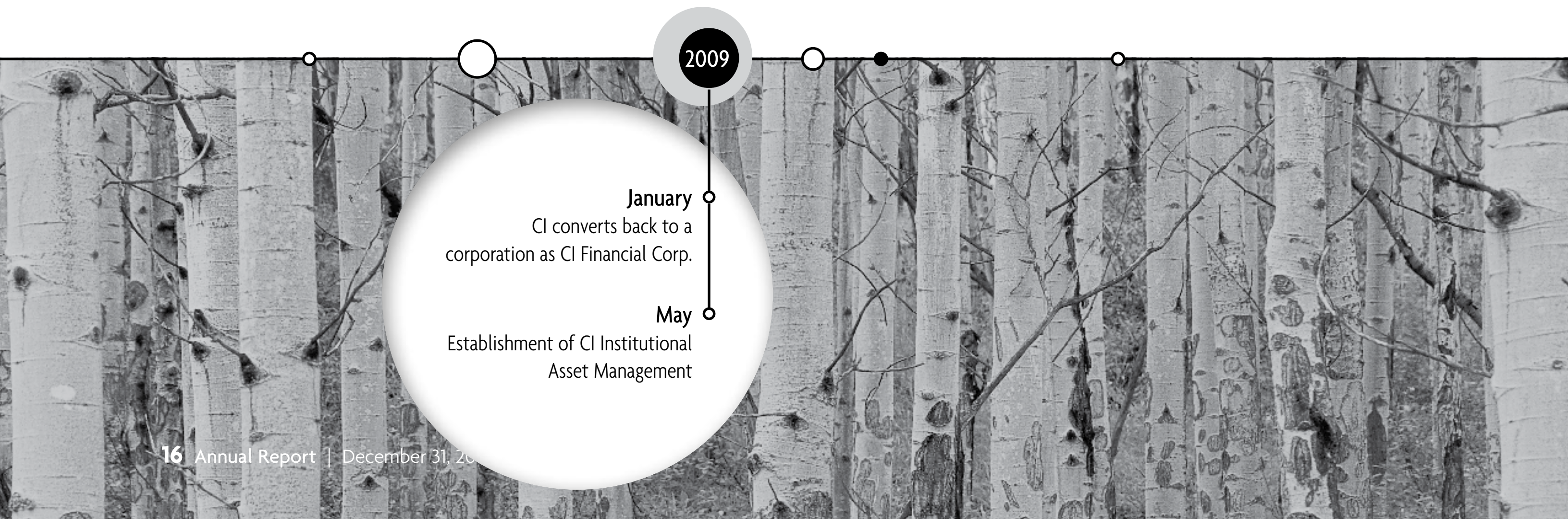
Assante has continued to grow through prudent management of clients' accounts, increasing levels of investment from these clients and the attraction of new clients. This has resulted, in part, from the successful execution of these strategies:

- Our continuing investment in support resources – over 70 experts in communities across Canada to assist our advisors and their clients with their fully integrated, or complete wealth management needs;
- Expanding our training and development programs at all levels of our organization to deliver a superior wealth planning experience for our clients;
- Investing heavily in technology to support the delivery of a consistent value proposition to clients; and
- Elevating the awareness of Assante – who we are and what we stand for – through our advertising and branding programs at the national and local levels.

Assante's commitment to an all-encompassing approach to wealth management, backed by the financial strength and security of CI, has again positioned Assante as one of Canada's pre-eminent financial advisory firms.

Distribution partners

CI maintains a large sales and client services team to work with advisors at firms across Canada. We have also focused on certain preferred partners, including providing dedicated sales staff and support and services tailored to their particular needs. This approach, which we use with advisors at Assante, Sun Life, Edward Jones and other firms, has proven to be highly successful.



As the pace of change in our industry accelerates, CI has devoted additional resources to assisting advisors to adapt and enhance their practices – providing them business solutions as well as product solutions. In addition to the services offered to Assante advisors described in the previous section, we provide advisors with useful and practical information from our experts in wealth planning and professional development. In particular, our Strategic Business Development team has given numerous presentations and developed a wide range of resources to assist advisors in dealing with new regulatory requirements and with possible changes that are now under consideration by securities regulators. (Other services we provide to advisors are described in the sales and marketing section.)

This focus on value-added service has paid dividends in both sales and reputation. CI was ranked Canada's No. 1 fund provider in a 2014 survey of advisors conducted by *Wealth Professional* magazine. Fund companies, including the banks, insurance companies and other independents, were marked on categories that included back office efficiency, processing accuracy, product range, product performance, service, and technology. CI was ranked in the top two in eight of 10 categories and in the top three in the remaining two categories to earn the top spot.

CIIAM

CI Institutional Asset Management (CIIAM) experienced 12% growth during 2014 and ended the year with $15.3 billion in assets under management.

CIIAM operates in two general institutional markets: Alliance, which involves sub-advising mandates or participating in fund-of-fund programs at other financial institutions, and the more traditional area of pensions, foundations and endowments. The Alliance operations won two new mandates in 2014, while our pensions and endowments business gained an additional client as well. CIIAM continues to field a multi-manager, multi-product institutional lineup, which includes a balanced mandate, a core Canadian equity mandate, a core bond plus strategy, a global equity mandate and a series of target-risk and target-date funds.

Growing brand awareness

As we mentioned, CI is making significant investments in supporting Assante and other advisors in growing their businesses. We would like to highlight two more important sales and marketing initiatives that reinforce this goal.

First is our continued commitment to delivering premier events for advisors. Our most important is the annual Leadership Forum, a three-day educational conference featuring presentations by our portfolio managers, along with sessions on

wealth management, practice management, business development and other topics designed to provide advisors with valuable information. The 2014 Leadership Forum was held in Las Vegas and attracted 1,200 advisors. The fact that so many advisors attended, having to pay their own travel and accommodation expenses, is a testament to our enduring relationships with them. Meanwhile, Assante's National Wealth Management Conference was held at the same location just prior to the Leadership Forum, with about 400 advisors and assistants participating.

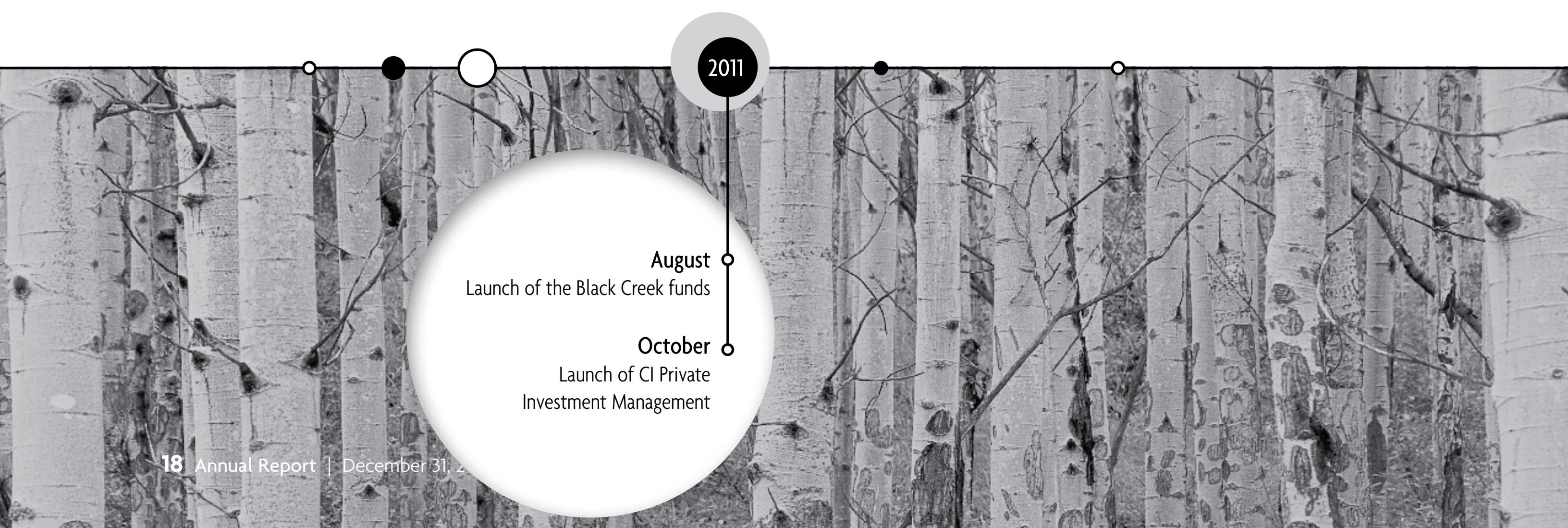
Other events included our Spring and Fall Roadshows, in which portfolio managers and our professional development team presented to hundreds of advisors in over 20 cities across Canada, our annual Digital Roadshow, a series of webcasts by our portfolio managers, and scores of other advisor meetings during the year.

Second, we continue to remain committed to building awareness of the CI Investments and Assante brands through a significant investment in advertising. In 2014, we developed a series of television and Web ads for CI Investments that focused on the strengths of CI and the benefits of our G5|20 Series product. They were aired in RRSP season and during the spring and summer coverage of major golf tournaments. We focus on golf because of its fit with our target audience. As part of this, we produced two golf-themed commercials that were very well received. Our 2014 campaign was highly successful, with the number of Canadians showing unaided awareness of CI's brand doubling from 4% to 8%. CI's advertising continues to evolve and late in the year, we developed new television commercials for our 2015 campaign. The ads assure Canadians that they can achieve a good retirement by working with an advisor to develop a personal financial plan and investing with CI. The campaign is designed to build brand awareness, reinforce our positioning as a trusted provider of retirement solutions, and direct people to an advisor for financial advice.

Assante continued to build on its "complete" wealth management theme in 2014 with a new commercial that was aired in a campaign that included hockey games and skating events, as well as regular programming. Our hockey coverage also included in-game billboards and the "complete player" profile. Another highlight was the title sponsorship of the American Hockey League All-Star Classic, an event with national interest. The campaign has proven to be successful in maximizing brand awareness and reminding existing clients of the value they receive from their Assante advisors. Our national advertising is complemented by local campaigns initiated by advisors with our support.

Enhancing our skills

The development of employee knowledge and skills continues to be a priority for CI. We provide learning opportunities through our Learning and Development Department and our ongoing Leadership and Management Development Program



facilitated by Human Resources. One particular highlight is a mentoring and training program designed to foster the development of women leaders within the company. This successful initiative has been in place since 2012 and continues to expand. In 2014, the Learning and Development Department provided 56 various programs, modules or events with over 1,500 attendees. We also began the expansion of corporate-wide learning opportunities to employees outside of our Toronto locations. Furthermore, CI supports staff members who pursue education and training on their own initiative. For example, in 2014, there were more than 20 CI employees who successfully completed a level of the Chartered Financial Analyst course, one of the most demanding accreditation programs in finance.

Similarly, we provide extensive training to enhance the expertise of Assante advisors and their staff, in addition to the day-to-day support and advice provided by our in-house experts. Programs include advisor professional development sessions, which were offered in nine cities across Canada in 2014, and an advanced, in-depth training course that provides advisor teams with tools, systems and coaching to raise the calibre of their businesses and deliver an exceptional client experience. This program was developed by advisors for advisors and is exclusive to Assante. Our training programs for staff members also include a two-day conference for advisors' administrative staff, touching on topics such as technology, practice management, compliance and marketing.

Supporting the community

CI employees display a high level of community spirit and interest in supporting charitable endeavours. Notable causes supported by CI and its employees in 2014 were the United Way of Greater Toronto, and the Weekend to End Women's Cancers, in which CI finished as an Industry Challenge Winner by raising over $130,000. More than 45 people associated with CI participated in the event. Other charities supported by CI and staff include Holland Bloorview Kids Rehabilitation Hospital, The Arthritis Society, the Child Development Institute, the Heart and Stroke Foundation, Ride for Research in Support of the Juvenile Diabetes Research Foundation, Motionball, Samaritan's Purse and many others. In addition, CI makes significant contributions to charities across Canada through advisor-led initiatives.

Promoting fairness in the capital markets

In 2014, CI Investments became a founding shareholder of Aequitas Innovations Inc., which was established to protect the interests of investors, companies raising capital and their dealers in the capital markets. The company developed the Aequitas NEO Exchange, which began operating on March 27, 2015 in competition with the established TMX Group. One of the purposes of the NEO Exchange is to prevent the execution of predatory high-frequency trading strategies that take advantage of institutional and individual investors. Our involvement in Aequitas is one example of how CI works to protect the interests of the investors in our funds.

Welcoming new shareholders

In May 2014, Bank of Nova Scotia announced its intention to monetize the 37% stake in CI that it acquired from Sun Life Financial in 2008. Ultimately, the bank decided to sell 72 million shares into the market in a secondary offering at a price of $31.60 per share. The appetite for CI shares was such that the underwriters exercised an over-allotment option in full, resulting in the bank selling 82.8 million of its CI shares for gross proceeds of $2.6 billion. Immediately after the offering, Scotiabank continued to hold about 22 million CI shares representing 7.7% of our outstanding shares. The fact that one of the largest equity offerings in Canadian history was so well received speaks to the high regard that both individual and institutional investors have for your company.

From CI's point of view, the transaction has resulted in CI shares becoming more widely held and more liquid, and has given us increased flexibility to pursue strategic opportunities. Interestingly, it has also made us a more attractive partner for some advisors and organizations who were reluctant to do business with us because they had previously assumed that CI would eventually become a subsidiary of Scotiabank.

OUTLOOK

CI has made an excellent start to 2015, with strong net sales and assets under management growing to $109.1 billion and assets under administration to $31.5 billion at March 31. The momentum in our business is very supportive of continued growth in profitability and the creation of value for shareholders.

Taking a longer-term view, we are confident that CI and our industry will have a prosperous future. Overall industry sales have improved dramatically over the past three years, with last year's net flows finally exceeding the previous peak set in 1997. Investor Economics calculates that Canadians have $982 billion held in liquid accounts earning an average yield of less than 1%, funds that may be a source for longer-term investments. Investment funds continue to be the investment vehicle of choice for Canadians, and according to Investor Economics, funds accounted for 33% of households' financial wealth in 2014, up from 29% in 2007.

Demographic trends support an increased focus on retirement savings and investing. Furthermore, Canadians will be wrestling with increasingly complicated issues – retirement income, taxes, risk management, and estate planning – for which financial advisors can provide solutions.

CI is well placed to benefit from these trends and achieve continued growth. As the only large independent firm in the Canadian fund industry, CI presents a unique combination of size and entrepreneurship. CI's growth will be powered by competitive advantages that include high-performing portfolio management teams, a comprehensive and high-quality product lineup, financial strength and low cost of capital, economies of scale, exceptional relationships with key distribution channels, experienced and talented staff, and growing awareness of our key brands.

Our near-term priorities are to maintain and build on our competitive advantages, with particular emphasis on enhancing our portfolio management teams, providing comprehensive service to advisors, and adapting our business and assisting advisors in adapting to regulatory and other changes. As always, we will explore the potential for prudent strategic transactions, especially in the global arena.

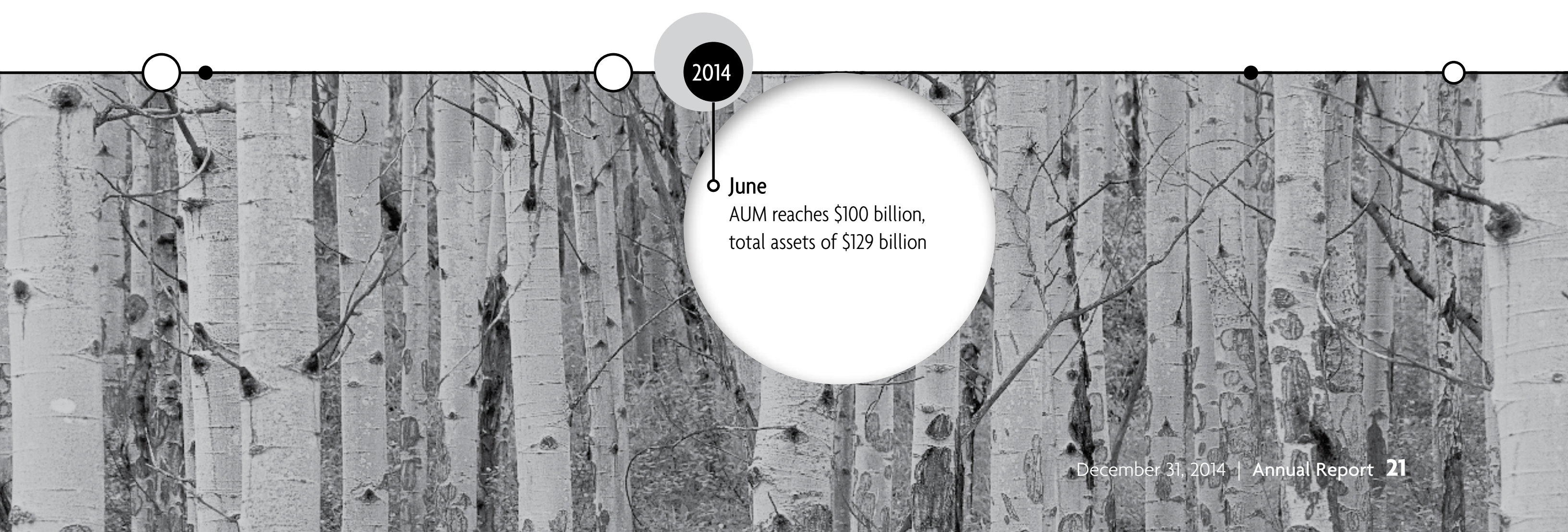
In closing, we would first like to thank investors for entrusting us with their savings. We also thank advisors for their partnership, our employees and portfolio managers for their exceptional work, and you, our shareholders, for your support.

Sincerely,

William T. Holland
Chairman

Stephen A. MacPhail
President and Chief Executive Officer

MARCH 31, 2015



CI INVESTMENTS INC.

CI Investments is one of Canada's largest investment management companies, with approximately $109 billion in assets under management (at March 31, 2015) on behalf of two million Canadians. We are known for our comprehensive and high-quality selection of investment products and services, operational excellence and efficiency, and a broad lineup of leading portfolio management teams. CI Investments has demonstrated a record of innovation and an ability to adapt to meet the changing demands of the marketplace and its clients.

We partner with independent financial advisors and third-party institutions in the distribution of our products and services, which include mutual funds, segregated funds, managed solutions, and alternative investments. Our brands include CI, Black Creek, Cambridge, Harbour, Lawrence Park, Marret, Signature, Synergy, Portfolio Series, Portfolio Select Series, G5|20 Series, CI Private Investment Management, and Sun*Wise* Essential Series 2. In addition, we manage the Evolution Private Managed Accounts and Optima Strategy investment programs, which are available through advisors with Assante Wealth Management. We serve the institutional marketplace through a dedicated division, CI Institutional Asset Management.

CI's strength is founded on the expertise and experience of its portfolio managers. Our managers, a mix of in-house teams and sub-advisors, represent the full spectrum of investment disciplines, from value to growth. Our in-house investment managers include: Signature Global Asset Management, led by Eric Bushell; Harbour Advisors, led by Stephen Jenkins and Roger Mortimer; Cambridge Global Asset Management, led by Alan Radlo, Brandon Snow and Robert Swanson; and CI Investment Consulting, led by Alfred Lam. CI and its managers have been recognized through 33 Morningstar Awards over the past 10 years, including the prestigious Analysts' Choice Investment Fund Company of the Year in 2006, 2007 and 2009, as well as Morningstar Fund Manager of the Decade in 2010 and Morningstar Fund Manager of the Year in 2009 for Mr. Bushell. CI has also been the recipient of 54 Lipper Fund Awards, which recognize funds that have excelled in delivering consistently strong risk-adjusted performance relative to peers.

ASSANTE WEALTH MANAGEMENT (CANADA) LIMITED

Assante Wealth Management is a leading provider of complete wealth management solutions for affluent Canadians. With 750 advisors across Canada, our independent advisory network is one of the largest in the country. We serve over 300,000 clients nationwide, administering $34 billion in assets (at March 31, 2015) on their behalf.

The success of Assante is closely linked to our advisors and the strong partnership we have developed with them. Backed by a wealth of resources, including investment analysts, portfolio managers, tax lawyers, accountants, estate planning and insurance specialists and wealth planners, Assante advisors provide a comprehensive and integrated approach to wealth management.

We also support our advisors by providing an industry-leading suite of products and solutions. This includes Evolution Private Managed Accounts and Optima Strategy, which are managed by CI Investments Inc. and are available exclusively through Assante advisors. For high net worth clients with more complex wealth planning needs, Assante offers the Private Client Managed Portfolios.

Our services are offered through **Assante Capital Management**, an investment dealer, and **Assante Financial Management**, a mutual fund dealer, which together operate under the brand name Assante Wealth Management. **Stonegate Private Counsel** is a group of experienced professionals who provide wealth planning and intergenerational financial services to high net worth individuals and families.

Management's Discussion and Analysis

December 31, 2014

CI Financial Corp.

Financial Highlights

(in millions of dollars, except per share and share amounts)	As at and for the quarters ended					% change quarter-over-quarter	% change year-over-year
	Dec. 31, 2014	Sep. 30, 2014	Jun. 30, 2014	Mar. 31, 2014	Dec. 31, 2013		
Assets under management	102,886	100,810	99,882	96,445	91,090	2	13
Assets under administration	29,695	29,201	28,951	28,206	26,960	2	10
Total assets	132,581	130,011	128,833	124,651	118,050	2	12
Average assets under management	101,120	101,016	97,895	93,488	88,558	—	14
Management fees	428.5	430.7	415.6	394.4	382.2	(1)	12
Total revenues	485.0	480.6	464.7	445.6	431.6	1	12
Selling, general & administrative	87.0	86.2	84.9	83.7	82.4	1	6
Trailer fees	131.8	132.3	127.4	120.1	115.5	—	14
Net income attributable to shareholders	140.4	135.1	127.8	121.7	116.2	4	21
Basic earnings per share	0.50	0.48	0.45	0.43	0.41	4	22
Diluted earnings per share	0.50	0.48	0.45	0.43	0.41	4	22
EBITDA[1]	230.0	230.8	221.5	212.2	205.2	—	12
EBITDA[1] per share	0.82	0.81	0.78	0.75	0.72	1	14
Return on equity[2]	27.9%	26.8%	25.8%	25.1%	24.3%	4	15
Dividends recorded per share	0.310	0.300	0.295	0.285	0.280	3	11
Dividend yield	3.9%	3.6%	3.4%	3.3%	3.3%		
Average shares outstanding	282,056,756	283,484,029	284,542,521	284,615,785	284,096,992	(1)	(1)
Shares outstanding	281,708,663	282,860,534	284,423,806	284,520,332	284,396,101	—	(1)
Share price							
High	34.51	36.05	37.00	36.14	35.59		
Low	30.56	33.55	32.88	33.49	31.17		
Close	32.29	33.77	35.05	34.87	35.35		
Increase (decrease) in share price	(4.4%)	(3.7%)	0.5%	(1.4%)	13.5%		
Total shareholder return	(3.5%)	(2.8%)	1.4%	(0.6%)	14.4%		
Market capitalization	9,096	9,552	9,969	9,921	10,053		
Price to earnings multiple[2]	17.4	19.2	21.0	22.0	23.5		
Long-term debt (including the current portion)	307.4	499.3	499.1	499.0	498.9		
Net debt[1]	185.2	220.2	252.6	334.3	315.3		
Net debt to EBITDA	0.20	0.24	0.28	0.39	0.39		

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

[2]*Trailing twelve months*

This Management's Discussion and Analysis ("MD&A") dated February 12, 2015 presents an analysis of the financial position of CI Financial Corp. and its subsidiaries ("CI") as at December 31, 2014, compared with December 31, 2013, and the results of operations for the year ended and quarter ended December 31, 2014, compared with the year ended and quarter ended December 31, 2013 and the quarter ended September 30, 2014.

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

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

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

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

TABLE 1: SELECTED ANNUAL INFORMATION

(millions, except per share amounts)	Fiscal Years Ending December 31 2014	2013	2012
Total revenue	$1,875.9	$1,616.7	$1,457.8
Total expenses	1,158.0	1,034.2	954.0
Income before income taxes	$717.9	$582.5	$503.8
Income taxes	192.5	155.9	151.6
Non-controlling interest	0.3	0.2	—
Net income available to shareholders	$525.0	$426.4	$352.2
Basic earnings per share	$1.85	$1.50	$1.24
Diluted earnings per share	$1.84	$1.50	$1.24
Dividends recorded per share	$1.19	$1.07	$0.96
EBITDA[1]	$894.5	$769.6	$703.6
Total assets	$3,016.0	$3,094.0	$2,971.6
Long-term debt (including the current portion)	$307.4	$498.9	$594.4
Net debt[1]	$185.2	$315.3	$526.5
Average shares outstanding	283.7	283.6	283.4
Shares outstanding	281.7	284.4	282.9
Share price	$32.29	$35.35	$24.93
Market capitalization	$9,096	$10,053	$7,053

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

TABLE 2: SUMMARY OF QUARTERLY RESULTS

(millions of dollars, except per share amounts)	2014				2013			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
INCOME STATEMENT DATA								
Management fees	428.5	430.7	415.6	394.4	382.2	363.5	351.0	335.8
Administration fees	35.4	36.2	34.7	35.1	33.3	31.8	33.0	33.1
Other revenues	21.1	13.7	14.4	16.1	16.1	10.6	13.2	13.0
Total revenues	485.0	480.6	464.7	445.6	431.6	405.9	397.2	381.9
Selling, general & administrative	87.0	86.2	84.9	83.7	82.4	78.5	77.5	76.2
Trailer fees	131.8	132.3	127.4	120.1	115.5	109.2	104.9	99.6
Investment dealer fees	28.4	29.0	27.7	28.0	26.4	25.1	25.9	26.0
Amortization of deferred sales commissions	37.4	37.9	38.3	38.4	38.6	38.5	39.0	39.7
Interest expense	4.4	4.6	4.5	4.6	4.5	4.7	4.9	5.0
Other expenses	5.5	5.6	5.9	4.4	5.0	2.8	2.5	1.7
Total expenses	294.5	295.6	288.7	279.2	272.4	258.8	254.7	248.2
Income before income taxes	190.5	185.0	176.0	166.4	159.2	147.1	142.5	133.7
Income taxes	50.1	50.0	47.9	44.5	42.8	39.3	38.5	35.2
Non-controlling interest	—	(0.1)	0.3	0.2	0.2	—	—	—
Net income attributable to shareholders	140.4	135.1	127.8	121.7	116.2	107.8	104.0	98.5
Earnings per share	0.50	0.48	0.45	0.43	0.41	0.38	0.37	0.35
Diluted earnings per share	0.50	0.48	0.45	0.43	0.41	0.38	0.37	0.35
Dividends recorded per share	0.310	0.300	0.295	0.285	0.280	0.270	0.265	0.250

BUSINESS OVERVIEW

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

BUSINESS STRATEGY

CI earns fee revenue on its assets under management ("AUM") and assets under administration ("AUA") and strives to maximize the growth of those assets on which it earns an acceptable margin. Management believes this can be achieved by focusing on the following factors: quality and diversity of products offered by CI; experience and depth of investment managers; performance of the funds; service levels provided to dealers and investors; and the skill and knowledge of its employees.

CI offers investors a wide range of Canadian and global investment products through a network of investment dealers, mutual fund dealers, and insurance agents, which include advisors with AWM and Sun Life Financial. Several acquisitions of fund management companies and years of product innovation and development have allowed CI to offer investors the broadest selection of investment funds in Canada.

CI uses four in-house teams and 13 external investment managers to provide investment advice regarding the portfolios of the funds. These investment managers typically have long careers in the industry as well as extensive track records with CI. This lineup of investment managers provides a wide selection of styles and areas of expertise for CI's funds.

CI selects managers with a reputation for skilled investment management and has the size and scale to attract the top talent in this field. Many of CI's investment managers have excellent long-term fund performance. However, CI can and will make changes to its investment managers when unsatisfactory investment performance has occurred.

CI is the manager of the funds and provides services that include managing or arranging for the management of investment portfolios, marketing of the funds, maintaining securityholders' records and accounts, reporting to the securityholders and processing transactions relating to securities of the funds. CI has invested in information systems and internal training of staff to an extent which ensures it provides accurate and timely service to dealers and agents selling CI's products and to investors.

Management of CI has the specialized skills and knowledge to focus on several key objectives. These include: meeting the needs of its clients, developing new products, enhancing investor awareness and increasing market share by marketing to investment dealers, mutual fund dealers and life insurance agents.

KEY PERFORMANCE DRIVERS

CI's results are driven primarily by the level of its assets under management, which are in turn driven by fund performance and the net sales of its funds. The margin earned on these assets under management determines, to a large extent, CI's profitability.

The returns of each fund reflect the returns of equities, bonds or other securities held by the fund. These returns will reflect the returns of equity and bond indexes plus the over- or underperformance of the investment manager of each fund. In years when markets generally decline, CI's assets will likely decline. Conversely, CI's assets will likely appreciate in years when markets perform well. For a particular period, the average assets under management will drive CI's results as CI receives the majority of its fees on a daily basis.

Fund sales and acquisitions also affect CI's assets under management. While sales results help increase assets under management, they are also an indicator of the level of demand for CI's products and our success in delivering attractive products, which help determine longer-term trends for CI's market share.

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

NON-IFRS MEASURES

EBITDA AND EBITDA MARGIN

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

TABLE 3: EBITDA AND EBITDA MARGIN

(In millions except per share amount)	Quarter ended Dec. 31, 2014	Quarter ended Sep. 30, 2014	Quarter ended Dec. 31, 2013	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Net Income	140.4	135.0	116.4	525.4	426.6
Add:					
Interest expense	4.4	4.6	4.5	18.1	19.1
Provision for income taxes	50.1	50.0	42.8	192.5	155.9
Amortization of DSC and fund contracts	38.1	38.8	39.3	155.5	158.2
Amortization of other items	2.0	2.3	2.5	8.9	10.1
Fair value adjustment to contingent consideration	(5.0)	—	—	(5.0)	—
Non-controlling interest	—	0.1	(0.3)	(0.9)	(0.3)
EBITDA	**230.0**	**230.8**	**205.2**	**894.5**	**769.6**
EBITDA per share	0.82	0.81	0.72	3.15	2.71
Total revenue	485.0	480.6	431.6	1,875.9	1,616.7
Less:					
Fair value adjustment to contingent consideration	5.0	—	—	5.0	—
	480.0	480.6	431.6	1,870.9	1,616.7
EBITDA margin	**47.9%**	**48.0%**	**47.5%**	**47.8%**	**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

(In millions)	As at Dec. 31, 2014	As at Dec. 31, 2013
Current portion of long-term debt	2.0	199.8
Long-term debt	305.4	299.1
	307.4	498.9
Less:		
Cash and short-term investments	51.2	118.8
Marketable securities	83.7	74.4
Add:		
Regulatory capital and non-controlling interests	12.7	9.7
Net Debt	**185.2**	**315.3**

PRE-TAX OPERATING EARNINGS

CI's pre-tax operating earnings adjust for the impact of gains and losses on marketable securities, performance fees and non-recurring items. CI uses pre-tax operating earnings to assess its underlying profitability. CI defines pre-tax operating earnings as net income plus amortization of deferred sales commissions and fund contracts and income taxes, less redemption fee revenue, non-recurring items, performance fees, investment gains, and non-controlling interest.

TABLE 5: PRE-TAX OPERATING EARNINGS

(In millions except per share amount)	Quarter ended Dec. 31, 2014	Quarter ended Sep. 30, 2014	Quarter ended Dec. 31, 2013	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Net Income	140.4	135.0	116.4	525.4	426.6
Add:					
Amortization of DSC and fund contracts	38.1	38.8	39.3	155.5	158.2
Provision for income taxes	50.1	50.0	42.8	192.5	155.9
Less:					
Redemption fees	4.9	4.8	5.3	20.4	22.5
Fair value adjustment to contingent consideration	5.0	—	—	5.0	—
Gain on marketable securities	—	0.3	0.9	0.4	2.0
Non-controlling interest	—	(0.1)	0.3	0.9	0.3
Pre-tax operating earnings	**$218.7**	**$218.8**	**$192.0**	**$846.8**	**$715.9**
Pre-tax operating earnings per share	$0.78	$0.77	$0.68	$2.99	$2.52

DEALER GROSS MARGIN

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

TABLE 6: DEALER GROSS MARGIN

(In millions)	Quarter ended Dec. 31, 2014	Quarter ended Sep. 30, 2014	Quarter ended Dec. 31, 2013	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Administration fees	$69.7	$70.2	$63.1	$276.7	$243.5
Less					
Investment dealer fees	$56.4	$56.8	$50.6	$223.3	$194.2
	$13.3	$13.4	$12.5	$53.4	$49.3
Dealer gross margin	**19.1%**	**19.2%**	**19.8%**	**19.3%**	**20.2%**

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 CI uses this measure when determining how best to deploy capital.

TABLE 7: OPERATING CASH FLOW AND FREE CASH FLOW

(In millions)	Quarter ended Dec. 31, 2014	Quarter ended Sep. 30, 2014	Quarter ended Dec. 31, 2013	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Cash provided by operating activities	187.2	200.8	176.6	702.6	621.4
Add:					
Income taxes paid	41.7	41.6	36.5	186.0	146.6
Interest paid	9.0	—	9.9	18.2	19.1
Less:					
Net change in operating assets and liabilities	66.3	69.5	66.9	229.4	194.0
Operating cash flow	**171.6**	**172.9**	**156.0**	**677.4**	**593.1**
Less:					
Sales commissions paid	23.3	24.9	31.5	120.0	136.8
Free cash flow	**148.3**	**148.0**	**124.5**	**557.4**	**456.2**

ASSET MANAGEMENT MARGIN

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

TABLE 8: ASSET MANAGEMENT MARGIN

(In millions – trailing twelve months)	Quarter ended Dec. 31, 2014	Quarter ended Sep. 30, 2014	Quarter ended Jun. 30, 2014	Quarter ended Mar. 31, 2014	Quarter ended Dec. 31, 2013
Management fees	1,669.1	1,622.7	1,555.7	1,491.1	1,432.6
Less:					
Amortization of DSC	155.7	156.9	157.6	158.4	159.7
Trailer fees	533.4	516.3	492.1	468.5	447.0
Net management fees	**980.0**	**949.5**	**906.0**	**864.2**	**825.9**
Less:					
SG&A	279.2	275.6	269.1	263.0	256.2
	700.8	673.9	636.9	601.2	569.7
Asset management margin	**42.0%**	**41.5%**	**40.9%**	**40.3%**	**39.8%**

SG&A EFFICIENCY MARGIN

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

TABLE 9: SG&A EFFICIENCY MARGIN

(In millions – trailing twelve months)	Quarter ended Dec. 31, 2014	Quarter ended Sep. 30, 2014	Quarter ended Jun. 30, 2014	Quarter ended Mar. 31, 2014	Quarter ended Dec. 31, 2013
Management fees	1,669.1	1,622.7	1,555.7	1,491.1	1,432.6
Less:					
Amortization of DSC	155.7	156.9	157.6	158.4	159.7
Trailer fees	533.4	516.3	492.1	468.5	447.0
Net management fees	**980.0**	**949.5**	**906.0**	**864.2**	**825.9**
Less:					
SG&A	279.2	275.6	269.1	263.0	256.2
	700.8	673.9	636.9	601.2	569.7
SG&A efficiency margin	**71.5%**	**71.0%**	**70.3%**	**69.6%**	**69.0%**

ASSETS AND SALES

Total assets, which include mutual, segregated and hedge funds, separately managed accounts, structured products, pooled assets and assets under administration were $132.6 billion at December 31, 2014, an increase of 12% from $118.0 billion at December 31, 2013. As shown in Table 10, these assets consisted of $102.9 billion in assets under management and $29.7 billion in assets under administration at December 31, 2014. The respective increases of 13% and 10% were primarily due to market performance and net sales of funds. While most global equity markets turned in strong performances in 2014, the Canadian market suffered through a collapse in commodity prices, particularly oil. However, financial advisors continued to put their clients into fund products, and CI was well positioned with its wide selection of products and strong fund performance.

TABLE 10: TOTAL ASSETS

(in billions)	As at December 31, 2014	As at December 31, 2013	% change
Assets under management	$102.9	$91.1	13
Assets under administration[1]	29.7	26.9	10
Total assets	**$132.6**	**$118.0**	**12**

[1]Includes $16.4 billion and $13.9 billion of managed assets in CI and United funds in 2014 and 2013, respectively.

Assets under management form the majority of CI's total assets and provide most of its revenue and net income. The change in AUM during each of the past two years is detailed in Table 11. Industry gross sales of funds picked up in 2014. CI's gross sales remained strong and increased $547 million as its as strong fund performance led to higher retail sales. Net sales increased by $242 million from the prior year totaling almost $4 billion in 2014.

TABLE 11: CHANGE IN ASSETS UNDER MANAGEMENT

(in billions)	**2014**	**2013**
Assets under management at January 1	$91.090	$75.723
Gross sales	14.405	13.858
Redemptions	10.477	10.172
Net sales	3.928	3.686
Market performance	7.868	11.681
Assets under management at December 31	$102.886	$91.090
Average assets under management for the year	$98.408	$83.325

Table 12 sets out the levels and changes in CI's average assets under management and the gross and net sales for the relevant periods. As most of CI's revenues and expenses are based on assets throughout the year, average asset levels are critical to the analysis of CI's financial results.

TABLE 12: CHANGE IN AVERAGE ASSETS UNDER MANAGEMENT

(in billions)	Quarter ended Dec. 31, 2014	Quarter ended Sep. 30, 2014	Quarter ended Jun. 30, 2014	Quarter ended Mar. 31, 2014	Quarter ended Dec. 31, 2013
Assets under management, beginning	$100.810	$99.882	$96.445	$91.090	$85.557
Gross sales	3.453	3.042	3.504	4.406	3.516
Redemptions	2.942	2.340	2.508	2.687	2.809
Net sales	0.511	0.702	0.996	1.719	0.707
Fund performance	1.565	0.226	2.441	3.636	4.826
Assets under management, ending	$102.886	$100.810	$99.882	$96.445	$91.090
Average assets under management for the quarter	$101.120	$101.016	$97.895	$93.488	$88.558

2014 OVERVIEW

CI's average assets under management for 2014 increased 18% from 2013 as a result of the strong performance of CI's funds and $3.9 billion in net sales. This was the primary driver of the 23% increase in net income year over year since approximately 90% of CI's revenue is derived directly from the level of assets under management in the form of management fee revenue.

The trend towards lower average management fee rates continued in 2014, primarily because the proportion of high net worth products within CI's assets under management continues to grow and these products typically bear a lower management fee. This is discussed in the "Asset Management Segment" below.

The decline in average management fee revenue is mitigated somewhat by a similar impact on trailer fee expense since high net worth products have lower or no trailer fees. However, the proportion of funds purchased on a front-end load basis is also increasing. These funds carry higher trailer fee rates, causing trailer fee expenses to increase 19% year over year. Management's efforts to control spending resulted in selling, general and administrative ("SG&A") expenses increasing by only 9% in 2014, half of the increase in average AUM. The decline in sales of deferred load funds over the past several years is being reflected in reduced spend on deferred sales commissions, and the amortization of deferred sales commissions was lower in 2014 than in 2013.

According to Morningstar, CI led the entire industry with the most four and five-star rated investment funds (including multiple versions) for all of 2014 and has ranked either first or second place for the past 10 years. In addition, CI and its portfolio managers have won 51 Canadian Investment Awards since 1998 and 54 Lipper Awards since 2007.

RESULTS OF OPERATIONS

YEAR ENDED DECEMBER 31, 2014

For the year ended December 31, 2014, CI reported net income attributable to shareholders of $525.0 million ($1.85 per share) versus $426.4 million ($1.50 per share) for the year ended December 31, 2013. In 2014, CI recorded $192.5 million in income tax expense for an effective tax rate of 26.8% compared to CI's statutory rate of 26.5% in 2014, both of which are unchanged from 2013. Net income attributable to shareholders for the year ended December 31, 2014, excluding a $5.0 million fair value adjustment to contingent consideration, was $520.0 million ($1.83 per share).

The increase in net income has been primarily driven by and is generally in line with the increase in average AUM for this period. However, to the extent that certain revenues or expenses do not vary with the level of AUM, CI's net income will experience positive or negative operating leverage. The most significant of these types of revenue are redemption fees, the sales commissions earned and reported within administration fees, and other income. These revenue items, with the exception of other income, have generally not increased over the past year at the same rate as AUM and therefore reduced the growth rate of CI's net income relative to asset growth. The most significant expenses that do not vary with the level of average AUM are the fixed components within SG&A, amortization of deferred sales commissions, and interest expense. These expense items have remained relatively flat or decreased over the past year and therefore increased the rate of growth of CI's net income relative to AUM growth.

Total revenues increased 16.0% in 2014 to $1,875.9 million compared with $1,616.7 million in 2013. The main contributor to this change was the 16.5% increase in management fee revenues, as average AUM jumped 18.1%. However, administration fee revenue from third-party fund companies grew 7.7%, representing the growth in Assante's revenues net of intercompany eliminations.

For the year ended December 31, 2014, redemption fee revenue declined 9.3% to $20.4 million compared with $22.5 million for the year ended December 31, 2013. The decrease is a result of a decline in redemptions of deferred load funds that are subject to redemption fees.

Other revenue for the year ended December 31, 2014 grew by 48.4% to $45.1 million compared to $30.4 million in the prior year. The increase was primarily due to the inclusion of the revenues of Marret Asset Management Inc. ("Marret"), which CI began to include in other revenue with the closing of the acquisition of 65% of Marret in December 2013.

In 2014, SG&A expenses were $341.8 million, an 8.7% increase from $314.5 million for 2013. This change was less than half of the 18.1% increase in average AUM. Included in SG&A expenses are portfolio management fees, which are largely driven by the level of average AUM; however, CI has also added staff to its in-house portfolio management teams and increased the amount of discretionary spend on sales and marketing. While SG&A has increased in dollar terms because of this, as a percentage of average AUM, the level of SG&A spend declined to 34.7 basis points from 37.7 basis points in 2013.

Amortization of deferred sales commissions and fund contracts was $155.5 million in 2014, a decrease from $158.2 million in 2013. This represents the average amount of deferred sales commissions paid in the last seven years plus a small amount of accelerated amortization as deferred load units are redeemed ahead of their three or seven-year scheduled term. The level of spending on deferred sales commissions has generally declined over the past several years as a smaller proportion of sales have been deferred load funds versus front-end load funds.

Interest expense of $18.1 million was recorded for the year ended December 31, 2014 compared with $19.1 million for the year ended December 31, 2013. The decrease in interest expense reflects lower average debt levels during 2014, as discussed under "Liquidity and Capital Resources."

Other expenses for the year ended December 31, 2014 were $16.9 million compared to $8.9 million in the prior year. The increase from the prior year is primarily a result of an increase in legal provisions as well as the inclusion of Marret's expenses.

CI's pre-tax operating earnings, as discussed in the "Non-IFRS Measures" section and as set out in Table 5, adjust for the impact of gains and losses on marketable securities, performance fees and non-recurring items. Redemption fee revenue and the amortization of deferred sales commissions and fund contracts are netted out to remove the impact of financing back-end assets under management. Pre-tax operating earnings were $846.8 million in 2014, an increase of 18% from 2013, reflecting the higher average assets under management less the decline in average margin earned on those assets, as discussed below in the Asset Management Segment.

As discussed in the "Non-IFRS Measures" section and as illustrated in Table 3, EBITDA for the year ended December 31, 2014 was $894.5 million ($3.15 per share) compared with $769.6 million ($2.71 per share) for the year ended December 31, 2013. The 16% increase is consistent with the level of average AUM and the margin earned thereon, offset by the additional impact of a decline in redemption fee revenue. EBITDA margin for 2014 was 47.8%, up slightly from 47.6% in 2013.

QUARTER ENDED DECEMBER 31, 2014

For the quarter ended December 31, 2014, CI reported net income attributable to shareholders of $140.4 million ($0.50 per share) versus $116.2 million ($0.41 per share) for the quarter ended December 31, 2013 and $135.1 million ($0.48 per share) for the quarter ended September 30, 2014. Average assets under management for the fourth quarter of 2014 were flat from the level of the third quarter of 2014 and up 14.2% from the fourth quarter of 2013. Net income attributable to shareholders for the fourth quarter, excluding a $5.0 million fair value adjustment to contingent consideration, was $135.4 million ($0.48 per share).

For the fourth quarter of 2014, CI recorded $50.1 million in income tax expense for an effective tax rate of 26.3%, compared to $42.8 million in the fourth quarter of 2013 for an effective tax rate of 26.9%. The third quarter of 2014 included $50.0 million in income tax expense, for an effective tax rate of 27.0%. The decrease in the year-over-year effective tax rates reflects a slight change in the level of non-deductible items and the non-taxable fair value adjustment to contingent consideration.

Total revenues increased 12.4% in the fourth quarter of 2014 to $485.0 million compared with $431.6 million in the same period in 2013. The main contributor to this change was the 12.1% increase in management fee revenues, as average AUM rose 14.2%. However, administration fee revenue from third-party fund companies grew 6.3%, representing the growth in Assante's revenues net of intercompany eliminations.

For the quarter ended December 31, 2014, redemption fee revenue declined 7.5% to $4.9 million compared with $5.3 million for the quarter ended December 31, 2013 and $4.9 million for the quarter ended September 30, 2014. The decrease from the prior year relates to a decrease in redemptions from deferred load funds. Other revenue grew by 50% primarily due to the $5 million fair value adjustment to contingent consideration. Total revenues increased slightly by 0.9% from the prior quarter, again primarily due to the AUM being flat in the quarter.

The fourth quarter of 2014 included SG&A expenses of $87.0 million, a 5.6% increase from $82.4 million for the same period in 2013 and less than half of the 14.2% increase in average AUM. This level of spend is only a 0.9% increase from $86.2 million in the third quarter of 2014. Included in SG&A expenses are portfolio management fees, which are largely driven by the level of average AUM; however, CI has also added staff to its in-house portfolio management teams and increased the amount of discretionary spend on sales and marketing. While SG&A has increased in dollar terms because of this, as a percentage of average AUM, the level of SG&A spend declined to 34.1 basis points from 36.9 basis points in the fourth quarter of 2013 and up slightly from 33.8 basis points in the third quarter of this year.

Amortization of deferred sales commissions and fund contracts was $38.1 million in the fourth quarter of 2014, a decrease from $39.3 million in the fourth quarter of 2013 and a decrease from $38.8 in the third quarter of 2014. The trend of lower amortization expense is consistent with the trend in lower spending on deferred sales commissions in recent years. However, as noted above, redemptions were slightly higher in the fourth quarter of 2014 compared to the third quarter and the slightly lower amortization in the fourth quarter is due to the accelerated amortization of commissions related to redeemed funds.

Interest expense of $4.4 million was recorded for the quarter ended December 31, 2014 compared with $4.5 million for the quarter ended December 31, 2013 and $4.6 million for the quarter ended September 30, 2014. As mentioned earlier, the decrease in interest expense reflects lower average debt levels, as discussed under "Liquidity and Capital Resources."

As discussed in the "Non-IFRS Measures" section, and as set out in Table 5, pre-tax operating earnings were $218.7 million ($0.78 per share) in the fourth quarter of 2014, an increase of 13.9% from the same quarter of 2013 and slightly lower from the prior quarter. These changes primarily reflect the change in average AUM, which was up 14.2% from the fourth quarter of 2013 and flat from the prior quarter.

EBITDA for the quarter ended December 31, 2014 was $230.0 million ($0.82 per share) up 12.1% from $205.2 million ($0.72 per share) for the quarter ended December 31, 2013 and down 0.3% from $230.8 million ($0.81 per share) for the quarter ended September 30, 2014. The changes in quarterly EBITDA generally reflect the changes in average assets under management, offset by the change in asset mix. EBITDA margin for the fourth quarter of 2014 was 47.9%, up from 47.5% in the last quarter of 2013 and relatively unchanged from 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 and CIPC.

The following table presents the operating results for the Asset Management segment:

TABLE 13: RESULTS OF OPERATIONS – ASSET MANAGEMENT SEGMENT

(in millions)	Quarter ended Dec. 31, 2014	Quarter ended Sep. 30, 2014	Quarter ended Dec. 31, 2013	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Management fees	$428.5	$430.7	$382.2	$1,669.1	$1,432.6
Other revenue	15.6	8.7	11.8	44.8	36.5
Total revenue	$444.1	$439.4	$394.0	$1,713.9	$1,469.1
Selling, general and administrative	$71.3	$70.8	$67.6	$279.2	$256.2
Trailer fees	137.4	138.0	120.3	533.4	447.0
Amortization of deferred sales commissions and intangibles	38.8	39.5	40.0	158.1	160.8
Other expenses	2.3	2.4	3.5	10.1	5.0
Total expenses	$249.8	$250.7	$231.4	$980.7	$869.0
Non-controlling interest	—	(0.2)	0.3	0.5	0.3
Income before taxes and non-segmented items	$194.3	$188.9	$162.3	$732.7	$599.8

YEAR ENDED DECEMBER 31, 2014

Revenues

Revenues from management fees were $1,669.1 million for the year ended December 31, 2014, an increase of 17% from $1,432.6 million for the year ended December 31, 2013. While average assets under management were up 14% year over year, the average management fee rate in 2014 dropped to 1.696% from 1.719% in 2013.

CI has experienced two trends that have lowered its average management fee rate. First, a greater percentage of AUM is in Class F and separately managed accounts, which have lower management fees than Class A funds. This trend is expected to continue as more advisors transition into fee-based operating models and move their clients into products that have lower management fees or do not pay a trailer fee. Second, as CI and its distribution partners attract mass affluent and high net worth clients and as existing clients' assets increase beyond certain key thresholds, they are able to move away from typical retail funds into affluent and high net worth products that also generally pay a lower management fee. This trend is also expected to continue as this area of CI's business grows.

For the year ended December 31, 2014, other revenue was $44.8 million versus $36.5 million for the year ended December 31, 2013. The largest component of other revenue is redemption fees. Redemption fees were $20.4 million for 2014 compared with $22.5 million for 2013 as the level of deferred load business done with CI continues to decline and there are fewer deferred load redemptions. Other revenue was higher in 2014 due to the inclusion of Marret revenues, the fair value adjustment to contingent consideration, interest income as a result of higher average cash levels during the year and foreign exchange gains on CI's U.S. holdings as a result of a stronger U.S. dollar.

Expenses

SG&A expenses for the Asset Management segment were $279.2 million for the year ended December 31, 2014, an increase from $256.2 million for the year ended December 31, 2013. As a percentage of average assets under management, SG&A expenses declined to 0.284% in 2014 from 0.307% in 2013, as spending increased 9.0% and average assets were up 18.1%. Certain expenses are fixed in nature and CI benefits from scale as its AUM grows. A portion of the cost savings relative to asset growth was used to fund increased spending on product initiatives and on increasing portfolio management staff.

Trailer fees were $533.4 million for 2014, up 19.3% from $447.0 million for 2013. Net of inter-segment amounts, this expense was $511.6 million for the year ended December 31, 2014 versus $429.2 million for the year ended December 31, 2013. The change in trailer fee expense matched the change in average AUM as two trends offset each other. The change in asset mix, where lower trailer fees are paid on fixed-income products compared to equity products and where trailers are not paid on Class F funds, pushed trailer fee expense lower as a percentage of average AUM. However, the trend towards more front-end retail business, where trailer fees are typically higher, increased trailer fee expense as a percentage of average AUM.

Amortization of deferred sales commissions and intangibles was $158.1 million for 2014, down from $160.8 million for the prior year. This change is consistent with the decline in deferred sales commissions paid over the past several years and the amount of accelerated amortization related to redemptions of deferred load funds.

Other expenses were $10.1 million for the year ended December 31, 2014 compared to $5.0 million in the year ended December 31, 2013. The increase in these expenses is primarily due to the inclusion of Marret's expenses for a full year partially offset by a decrease in expenses related to legal provisions and other non-recurring items.

Income before income taxes and interest expense for CI's principal segment was $732.7 million for 2014, compared with $599.8 million in 2013. The 22.2% increase from the prior year was higher than the 18.1% change in average AUM because the impact of lower average management fee revenue and higher other expense was more than offset by higher other income and the declines in the amortization of deferred sales commissions and SG&A as a percentage of average AUM.

QUARTER ENDED DECEMBER 31, 2014

Revenues

Revenues from management fees were $428.5 million for the quarter ended December 31, 2014, an increase of 12.1% from $382.2 million for the quarter ended December 31, 2013 and a decrease of 0.5% from $430.7 million for the quarter ended September 30, 2014. The changes were mainly attributable to the levels of average assets under management, which were up 14.2% and flat from the quarters ended December 31, 2013 and September 30, 2014, respectively. The average management fee rate declined from 1.712% in the fourth quarter of 2013 to 1.691% in the third quarter of 2014 and to 1.681% in the fourth quarter of 2014, again as a result of the change in asset mix.

While the management fee rate declined, the asset management margin increased to 42.0% from 41.5% in the twelve month period ended September 30, 2014 and from 39.8% in the twelve month period ended December 31, 2013. This shows that for every dollar of management fees earned, CI continues to be more profitable. Calculations and definitions of asset management margin can be found in the “Non-IFRS Measures” section and in Table 8.

For the quarter ended December 31, 2014, other revenue was $15.6 million versus $11.8 million and $8.7 million for the quarters ended December 31, 2013 and September 30, 2014, respectively. The largest component of other revenue is redemption fees, which were $4.9 million for the quarter ended December 31, 2014 compared with $5.3 million and $4.9 million for the quarters ended December 31, 2013 and September 30, 2014, respectively. In comparison to the quarter ended December 31, 2013, other income in the fourth quarter benefited from the inclusion of Marret’s revenue while compared to the third quarter of 2014, other income was higher due to year-end distribution income on CI’s marketable securities. The fourth quarter also included a $5.0 million fair value adjustment to contingent consideration.

Expenses

SG&A expenses for the Asset Management segment were $71.3 million for the quarter ended December 31, 2014, an increase from $67.6 million for the fourth quarter in 2013 and from $70.8 million for the quarter ended September 30, 2014. As a percentage of average assets under management, SG&A expenses declined to 0.280% for the quarter ended December 31, 2014 from 0.303% for the quarter ended December 31, 2013 and increased slightly from the quarter ended September 30, 2014. The decrease in this rate over the past year resulted from economies of scale in CI’s fixed costs and operating efficiencies within the back office and support functions, which offset increased spending on sales and marketing initiatives and portfolio management.

Another measure that CI uses to assess its spend is the SG&A efficiency margin, as discussed in the “Non-IFRS Measures” section and as set out in Table 9. CI’s trailing twelve month SG&A efficiency margin has climbed over the past five quarters as CI has spent a declining proportion of the amount available after deducting trailer fees and amortization of DSC from management fees, continuing its prudent deployment of earnings to support the growth of the business.

Trailer fees were $137.4 million for the quarter ended December 31, 2014, up 14.2% from $120.3 million for the quarter ended December 31, 2013 and down 0.4% from $138.0 million for the quarter ended September 30, 2014. Net of inter-segment amounts, this expense was $131.8 million for the quarter ended December 31, 2014 versus $115.5 million for the fourth quarter of 2013 and $132.3 million for the third quarter of 2014. The increase from the fourth quarter of 2013 primarily reflects the increase in average assets under management, as well as a slightly larger impact from the trend towards front-end products versus the trend towards fixed-income products, which resulted in higher trailer fees as a percentage of AUM.

Amortization of deferred sales commissions and intangibles before inter-segment eliminations was $38.8 million for the quarter ended December 31, 2014, down from $40.0 million in the same quarter a year ago and down from $39.5 million in the previous quarter. The decline in amortization expense over the comparable periods is consistent with the decline in lower deferred sales commissions paid in recent years. As a result of slightly lower redemptions in the fourth quarter, accelerated amortization of commissions related to redeemed funds was also lower than in the comparable periods.

Income before income taxes and interest expense for CI’s principal segment was $194.3 million for the quarter ended December 31, 2014, up 19.7% from $162.3 million in the same period in 2013 and up 2.9% from $188.9 million in the previous quarter. This segment’s income has increased slightly more than the increase in average assets under management for the comparable periods, largely because the increases in SG&A expenses have been kept at or below the increase in average AUM and the amortization of deferred sales commissions has declined over the previous quarters.

ASSET ADMINISTRATION SEGMENT

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

The following table presents the operating results for the Asset Administration segment:

TABLE 14: RESULTS OF OPERATIONS – ASSET ADMINISTRATION SEGMENT

(in millions)	Quarter ended Dec. 31, 2014	Quarter ended Sep. 30, 2014	Quarter ended Dec. 31, 2013	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Administration fees	$69.7	$70.2	$63.1	$276.7	$243.5
Other revenue	5.4	5.1	4.3	20.7	16.4
Total revenue	$75.1	$75.3	$67.4	$297.4	$259.9
Selling, general and administrative	$15.7	$15.4	$14.8	$62.6	$58.3
Investment dealer fees	56.4	56.8	50.6	223.3	194.2
Amortization of intangibles	0.6	0.5	0.6	2.2	2.2
Other expenses	2.0	2.0	0.4	6.8	3.9
Total expenses	$74.7	$74.7	$66.4	$294.9	$258.6
Income before taxes and non-segmented items	$0.4	$0.6	$1.0	$2.5	$1.3

YEAR ENDED DECEMBER 31, 2014

Revenues

Administration fees are earned on assets under administration in the AWM business and from the administration of third-party business. These fees were $276.7 million for the year ended December 31, 2014, an increase of 13.6% from $243.5 million in 2013. Net of inter-segment amounts, administration fee revenue was $141.3 million for the year ended December 31, 2014, up from $131.2 million for the year ended December 31, 2013. The increase in administration fees from the prior year is mainly a result of higher asset-based revenues such as trailer fees earned from higher average assets under administration. Administration fees should be considered in conjunction with investment dealer fees, an expense that represents the payout to financial advisors.

Other revenues earned by the Asset Administration segment are generally derived from non-advisor related activities. For 2014, other revenues were $20.7 million, increasing from $16.4 million for 2013.

Expenses

Investment dealer fees represent the payout to advisors on revenues they generate and were $223.3 million for the year ended December 31, 2014, compared to $194.2 million for the year ended December 31, 2013. The increase in these fees relates directly to the increase in administration fee revenues discussed above.

As discussed in the "Non-IFRS Measures" section and as set out in Table 6, dealer gross margin was $53.4 million or 19.3% of administration fee revenue for 2014, compared to $49.3 million or 20.2% for 2013. The change in gross margin from the prior period relates to the change in average investment dealer fees paid out to financial advisors on their administration fees. Generally, as an advisor's assets under administration and corresponding fee revenues grow, the payout rate to the advisor will increase up to a maximum payout rate.

SG&A expenses for the segment were $62.6 million for the year ended December 31, 2014 compared to $58.3 million in the year ended December 31, 2013. The 7.4% increase was largely due to an increase in the level of discretionary spending.

The Asset Administration segment had income before income taxes and non-segmented items of $2.5 million for 2014, up from $1.3 million in 2013. This increase is mainly attributed to the increase in the level of assets under administration and administration fee revenues.

QUARTER ENDED DECEMBER 31, 2014

Revenues

Administration fees were $69.7 million for the quarter ended December 31, 2014, an increase of 10.5% from $63.1 million for the same period a year ago and a decrease of 0.7% from the prior quarter. Net of inter-segment amounts, administration fee revenue was $35.4 million for the quarter ended December 31, 2014, up from $33.3 million for the quarter ended December 31, 2013 and down from $36.2 million in the previous quarter. The fluctuation in administration fees is primarily attributable to the fluctuation in average assets under administration during the quarters.

As mentioned above, other revenues earned by the Asset Administration segment are mainly comprised of non-advisor related activities. For the quarter ended December 31, 2014, other revenues were $5.4 million, up from $4.3 million for the fourth quarter of 2013 and up slightly from $5.1 million in the third quarter of 2014.

Expenses

Investment dealer fees were $56.4 million for the quarter ended December 31, 2014, compared to $50.6 million for the fourth quarter of 2013 and $56.8 million for the quarter ended September 30, 2014.

As discussed in the "Non-IFRS Measures" section of this MD&A and as set out in Table 6, dealer gross margin was $13.3 million or 19.1% of administration fee revenue for the quarter ended December 31, 2014 compared to $12.5 million or 19.8% for the fourth quarter of 2013 and $13.4 million or 19.2% for the previous quarter. The changes in gross margin from the comparable quarters correspond to the level of payout to financial advisors on their 12-month rolling administration fee revenues.

SG&A expenses for the segment were $15.7 million for the quarter ended December 31, 2014 compared to $14.8 million in the fourth quarter of 2013 and $15.4 million in the third quarter of 2014. The fluctuation in SG&A expenses is largely attributed to the level of discretionary spend each quarter; with the rate of change being in line with change in administration fee revenue.

The Asset Administration segment had income before income taxes and non-segmented items of $0.4 million for the quarter ended December 31, 2014, down from $1.0 million for the fourth quarter of 2013 and down from $0.6 million for the prior quarter. The decline from the prior quarters is mainly due to lower asset administration fees in comparison to the third quarter and higher total expense in comparison to the quarter ended December 31, 2013.

LIQUIDITY AND CAPITAL RESOURCES

As detailed in Table 15, CI generated $677.4 million of operating cash flow in the year ended December 31, 2014 up $84.3 million from $593.1 million in 2013. Free cash flow was $557.4 million in the year ended December 31, 2014, up 22% from $456.2 million in the same period of 2013. 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 program. At current levels of cash flow and anticipated dividend payout rates, CI produces sufficient cash to meet its obligations and pay down debt.

TABLE 15: SUMMARY OF CASH FLOWS

(in millions)	Year ended Dec. 31, 2014	Year ended Dec. 31, 2013
Operating Cash Flow	$677.4	$593.1
Less:		
Deferred sales commissions paid	120.0	136.8
Free cash flow	557.4	456.2
Less:		
Marketable securities, net	7.1	(1.2)
Capital expenditures	2.9	4.5
Share repurchases	108.1	—
Dividends paid	335.5	297.7
Debt repaid	191.7	96.0
Working capital and other	(20.3)	(35.4)
	625.0	361.6
Net change in cash	(67.6)	94.7
Cash at January 1	118.8	24.1
Cash at December 31	$51.2	$118.8

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

CI paid deferred sales commissions of $120.0 million in 2014 compared to $136.8 million in 2013. The decrease in deferred sales commissions paid compared to the prior year is a result of the continued trend towards lower sales of deferred load funds as a percentage of total sales.

CI invested $9.7 million in marketable securities in 2014. During the same period, CI received proceeds of $2.6 million from the disposition of marketable securities, resulting in a gain of $0.4 million. The fair value of marketable securities at December 31, 2014 was $83.7 million. Marketable securities are comprised of seed capital investments in its funds and strategic investments.

During the year ended December 31, 2014, CI incurred capital expenditures of $2.9 million, down from $4.5 million in 2013. These related primarily to leasehold improvements and investments in technology.

During the year, CI repurchased 3.2 million shares under its normal course issuer bid at a total cost of $108.1 million or $33.98 per share. CI paid dividends of $335.5 million, which represented 64% of net income and 60% of free cash flow for the year. At year-end, CI's dividend payments were $0.105 per share per month, or approximately $355 million per fiscal year.

CI's working capital and other increased $20.3 million in 2014 ($35.4 million in 2013) primarily due to the increase in monthly and quarterly accrued liabilities and a larger income taxes payable balance (above required instalment payments), which were greater than the increase in management fees accrued in accounts receivable.

The statement of financial position for CI at December 31, 2014 reflects total assets of $3.016 billion, a decrease of $78.0 million from $3.094 billion at December 31, 2013. This change can be attributed to a decrease in current assets of $41.0 million and a decrease in deferred sales commissions of $32.0 million.

CI's cash and cash equivalents decreased by $67.6 million in 2014, as the outlay for new investments in deferred sales commissions and capital assets, dividends paid, repurchase of shares and the repayment of outstanding debt exceeded operating cash flows. Marketable securities increased by $9.3 million on the net purchase of $7.1 million in securities and unrealized gains recorded as a result of positive market performance. Accounts receivable and prepaid expenses increased by $16.8 million to $98.9 million, in conjunction with the growth in fee revenues at CI Investments and AWM.

Deferred sales commissions decreased $32.0 million to $401.3 million as a result of the $152.0 million in amortization expense offset by the $120.0 million in sales commissions paid. Capital assets decreased $4.8 million during the year as a result of $7.7 million amortized during the year offset by $2.9 million in capital additions.

Total liabilities decreased by $160.8 million during the year to $1.110 billion at December 31, 2014. The primary contributors to this change were a $197.8 million decrease in the current portion of long-term debt offset by a $45.3 million increase in other current liabilities. Current liabilities increased primarily in conjunction with the growth in expense levels at CI along with an increase in income taxes payable as a result of higher earnings.

At December 31, 2014, CI was in a negative working capital position, which has typically been the case when there is a significant current balance of long-term debt. However this may also occur when CI has paid down its debt and has less cash on hand because CI receives the majority of its management fee revenues daily whereas its significant expenses are accrued and paid subsequent to the period end. There is minimal impact to CI as there has been sufficient cash on hand and availability of CI's credit facility to meet cash flow requirements.

At December 31, 2014, CI had drawn $8 million against its $250 million credit facility. Principal repayments on any drawn amounts are only required should the bank decide not to renew the facility on its anniversary, in which case 6.25% of the principal would be repaid at each calendar quarter-end, with the balance payable at the end of the credit facility term (March 14, 2017). These payments would be payable beginning March 31, 2015 should the bank not renew the facility.

At December 31, 2014, CI had $300 million in outstanding debentures at an interest rate of 3.94% with a carrying value of $299.4 million. At December 31, 2013, CI had $498.9 million of debt outstanding at an average rate of 3.50%. Net debt, as discussed in the "Non-IFRS Measures" section, and as set out in Table 4, was $185.2 million at December 31, 2014, down from $315.3 million at December 31, 2013. The average debt level for the year ended December 31, 2014 was approximately $492 million, compared to $551 million for 2013.

CI's current ratio of debt to EBITDA and net debt to EBITDA are 0.3 to 1 and 0.2 to 1, respectively, giving CI significant financial flexibility for future debt financing. CI expects that, absent acquisitions in which debt is increased, excess cash flow will be used to pay down debt and the ratio of debt to EBITDA will trend lower. CI is within its financial covenants with respect to its credit facility, which requires that the debt to EBITDA ratio remain below 2.5 to 1, and assets under management not fall below $40 billion, based on a rolling 30-day average.

Shareholders' equity was $1.903 billion at December 31, 2014, an increase of $83.4 million for the year, which approximates net income less dividends and share repurchases.

RISK MANAGEMENT

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

MARKET RISK

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

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

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

Asset Management Segment

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

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

At December 31, 2014, approximately 26% of CI's assets under management were held in fixed-income securities, which are exposed to interest rate risk. An increase in interest rates causes market prices of fixed-income securities to fall, while a decrease in interest rates causes market prices to rise. CI estimates that a 50 basis point change in interest rates would cause a change of about $5 million in annual pre-tax earnings in the Asset Management segment.

At December 31, 2014, about 52% of CI's assets under management were based in Canadian currency, which diminishes the exposure to foreign exchange risk. However, at the same time, approximately 27% of CI's assets under management were based in U.S. currency. Any change in the value of the Canadian dollar relative to U.S. currency will cause fluctuations in CI's assets under management upon which CI's management fees are calculated. CI estimates that a 10% change in Canadian/U.S. exchange rates would cause a change of about $28 million in the Asset Management segment's annual pre-tax earnings.

About 60% of CI's assets under management were held in equity securities at December 31, 2014, 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 $62 million in annual pre-tax earnings.

Asset Administration Segment

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

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

CI's operating results are not materially exposed to market risk impacting the asset administration segment given that this segment usually generates less than 1% of the total income before non-segmented items (this segment had income of $2.4 million before income taxes and non-segmented items for the year ended December 31, 2014). Investment advisors regularly review their client portfolios to assess market risk and consult with clients to make appropriate changes to mitigate it. The effect of a 10% change in any component of market risk (comprised of interest rate risk, foreign exchange risk and equity risk) would have resulted in a change of less than $2 million to the Asset Administration segment's annual pre-tax earnings.

CREDIT RISK

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

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

LIQUIDITY RISK

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

STRATEGIC RISKS

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

DISTRIBUTION RISK

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

OPERATIONAL RISKS

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

INFORMATION TECHNOLOGY RISK

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

TAXATION RISK

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

COMPETITION

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

REGULATORY AND LEGAL RISK

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

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

CAPITAL RISK

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

KEY PERSONNEL RISK

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

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

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

INSURANCE RISK

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

INFORMATION REGARDING GUARANTORS

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

CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 2014 and 2013 (unaudited)

	CI Financial		CI Investments		Other Subsidiaries		Consolidating Adjustments		Total Consolidated Amounts	
(in millions of dollars)	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenue	382.6	395.3	1,661.7	1,435.5	531.9	442.1	(700.3)	(656.2)	1,875.9	1,616.7
Net income	375.9	387.6	474.3	386.6	74.6	56.2	(399.5)	(403.8)	525.3	426.6
Net income attributable to shareholders	375.9	387.6	474.3	386.6	74.0	56.0	(399.2)	(403.8)	525.0	426.4

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION DATA AS AT DECEMBER 31, 2014 and 2013 (unaudited)*

	CI Financial		CI Investments		Other Subsidiaries		Consolidating Adjustments		Total Consolidated Amounts	
(in millions of dollars)	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Current assets	295.2	295.1	373.0	277.0	232.1	210.5	(535.8)	(377.1)	364.5	405.5
Non-current assets	2,054.3	1,902.4	3,000.3	2,882.9	280.4	248.0	(2,683.5)	(2,344.8)	2,651.5	2,688.5
Current liabilities	402.2	335.5	180.8	163.3	174.1	169.1	(354.3)	(112.7)	402.8	555.2
Non-current liabilities	12.4	11.5	1,164.1	1,119.6	8.2	4.5	(478.0)	(420.5)	706.7	715.1

(*) Some comparative figures have been reclassified to conform to the presentation in the current year.

SHARE CAPITAL

As at December 31, 2014, CI had 281,708,663 shares outstanding.

At December 31, 2014, 5.6 million options to purchase shares were outstanding, of which 1.3 million options were exercisable.

CONTRACTUAL OBLIGATIONS

The table that follows summarizes CI's contractual obligations at December 31, 2014.

PAYMENTS DUE BY YEAR

(millions of dollars)	Total	1 year or less	2	3	4	5	More than 5 years
Long-term debt	308.0	2.0	302.0	4.0	—	—	—
Operating leases	87.9	10.3	10.1	9.3	8.7	8.3	41.2
Total	395.9	12.3	312.1	13.3	8.7	8.3	41.2

SIGNIFICANT ACCOUNTING ESTIMATES

The December 31, 2014 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. Included in the Notes to the Consolidated Financial Statements is Note 4 which provides a discussion regarding the recoverable amount of CI's goodwill and intangible assets compared to its carrying value.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), together with management, are responsible for the design of CI's disclosure controls and procedures. Management has evaluated, with participation of the CEO and CFO, the effectiveness of the disclosure controls and procedures as at December 31, 2014. Based on this evaluation, the CEO and CFO have concluded that they are reasonably assured these Disclosure Controls and Procedures were effective and that material information relating to CI was made known to them within the time periods specified under applicable securities legislation.

Management, under the supervision of the CEO and CFO, is responsible for the design and maintenance of adequate internal controls over financial reporting for the purposes of providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. However, due to its inherent limitations, internal controls over financial reporting can only provide reasonable, not absolute, assurance that the financial statements are free of misstatements. The COSO framework was used to assist management, along with the CEO and CFO, in the evaluation of these internal control systems. Management, under the direction of the CEO and CFO, have concluded that the internal controls over financial reporting are effective. Management used various tools to evaluate internal controls over financial reporting which included interaction with key control systems, review of policy and procedure documentation, observation or reperformance of control procedures to evaluate the effectiveness of controls and concluded that these controls are effective. For the year ended December 31, 2014, there have been no changes to the internal controls over financial reporting that have materially affected, or are reasonably likely to affect, internal controls over financial reporting.

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

Consolidated Financial Statements

December 31, 2014

CI Financial Corp.

Independent Auditors' Report

TO THE SHAREHOLDERS OF CI FINANCIAL CORP.

We have audited the accompanying consolidated financial statements of CI Financial Corp. ["CI"], which comprise the consolidated statements of financial position as at December 31, 2014 and 2013, and the consolidated statements of income and comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of CI as at December 31, 2014 and 2013, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
February 12, 2015

Consolidated Statements of Financial Position

[in thousands of Canadian dollars]	**As at December 31, 2014** **$**	As at December 31, 2013 $
ASSETS		
Current		
Cash and cash equivalents	**51,246**	118,812
Client and trust funds on deposit	**130,665**	130,194
Marketable securities	**83,718**	74,403
Accounts receivable and prepaid expenses	**98,881**	82,065
Total current assets	**364,510**	405,474
Capital assets, net *[note 3]*	**37,952**	42,717
Deferred sales commissions, net of accumulated amortization of $469,645 [December 31, 2013 – $484,142]	**401,321**	433,314
Intangibles *[note 4]*	**2,189,091**	2,191,248
Other assets *[note 5]*	**23,093**	21,216
Total assets	**3,015,967**	3,093,969
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	**172,674**	150,546
Provision for other liabilities *[note 7]*	**1,293**	2,334
Dividends payable *[note 9]*	**59,161**	54,143
Client and trust funds payable	**128,715**	128,274
Income taxes payable *[note 10]*	**38,940**	20,209
Current portion of long-term debt *[note 6]*	**2,000**	199,765
Total current liabilities	**402,783**	555,271
Deferred lease inducement	**14,238**	15,816
Long-term debt *[note 6]*	**305,392**	299,107
Provision for other liabilities *[note 7]*	**19,251**	20,302
Deferred income taxes *[note 10]*	**367,865**	379,851
Total liabilities	**1,109,529**	1,270,347
Equity		
Share capital *[note 8(a)]*	**1,968,692**	1,987,642
Contributed surplus	**10,386**	8,350
Deficit	**(84,692)**	(183,349)
Accumulated other comprehensive income	**8,311**	6,684
Total equity attributable to the shareholders of the Company	**1,902,697**	1,819,327
Non-controlling interests	**3,741**	4,295
Total equity	**1,906,438**	1,823,622
Total liabilities and equity	**3,015,967**	3,093,969

(see accompanying notes)

On behalf of the Board of Directors:

William T. Holland
Director

Paul Derksen
Director

Consolidated Statements of Income and Comprehensive Income

for the years ended December 31

[in thousands of Canadian dollars, except per share amounts]	**2014 $**	2013 $
REVENUE		
Management fees	**1,669,125**	1,432,559
Administration fees	**141,346**	131,227
Redemption fees	**20,361**	22,459
Gain on sale of marketable securities	**379**	1,970
Other income *[note 5]*	**44,706**	28,438
	1,875,917	1,616,653
EXPENSES		
Selling, general and administrative *[note 17]*	**341,751**	314,457
Trailer fees	**511,610**	429,161
Investment dealer fees	**113,198**	103,420
Amortization of deferred sales commissions	**151,969**	155,834
Amortization of intangibles *[note 4]*	**4,571**	3,351
Interest *[note 6]*	**18,056**	19,058
Other *[note 5]*	**16,870**	8,881
	1,158,025	1,034,162
Income before income taxes	**717,892**	582,491
Provision for income taxes *[note 10]*		
Current	**204,769**	160,207
Deferred	**(12,234)**	(4,304)
	192,535	155,903
Net income for the year	**525,357**	426,588
Net income attributable to non-controlling interests	**313**	193
Net income attributable to shareholders	**525,044**	426,395
Other comprehensive income, net of tax		
Unrealized gain on available-for-sale financial assets, net of income taxes of $298 [2013 – $823]	**1,956**	5,385
Reversal of (gains) losses to net income on available-for-sale financial assets, net of income taxes of ($50) [2013 – $172]	**(329)**	1,129
Total other comprehensive income, net of tax	**1,627**	6,514
Comprehensive income for the year	**526,984**	433,102
Comprehensive income attributable to non-controlling interests	**313**	193
Comprehensive income attributable to shareholders	**526,671**	432,909
Basic earnings per share attributable to shareholders *[note 8(c)]*	**$1.85**	$1.50
Diluted earnings per share attributable to shareholders *[note 8(c)]*	**$1.84**	$1.50

(see accompanying notes)

Consolidated Statements of Changes in Shareholders' Equity

for the years ended December 31

[in thousands of Canadian dollars]	Share capital *[note 8(a)]* $	Contributed surplus $	Deficit $	Accumulated other comprehensive income $	Total shareholders' equity $	Non-controlling interests *[note 2]* $	Total equity $
Balance, January 1, 2014	**1,987,642**	**8,350**	**(183,349)**	**6,684**	**1,819,327**	**4,295**	**1,823,622**
Comprehensive income	**—**	**—**	**525,044**	**1,627**	**526,671**	**313**	**526,984**
Dividends declared *[note 9]*	**—**	**—**	**(340,528)**	**—**	**(340,528)**	**(867)**	**(341,395)**
Shares repurchased	**(22,229)**	**—**	**(85,859)**	**—**	**(108,088)**	**—**	**(108,088)**
Issuance of share capital on exercise of options	**3,279**	**(3,170)**	**—**	**—**	**109**	**—**	**109**
Compensation expense for equity-based plans	**—**	**5,206**	**—**	**—**	**5,206**	**—**	**5,206**
Change during the year	**(18,950)**	**2,036**	**98,657**	**1,627**	**83,370**	**(554)**	**82,816**
Balance, December 31, 2014	**1,968,692**	**10,386**	**(84,692)**	**8,311**	**1,902,697**	**3,741**	**1,906,438**
Balance, January 1, 2013	1,964,433	14,511	(303,126)	170	1,675,988	—	1,675,988
Comprehensive income	—	—	426,395	6,514	432,909	193	433,102
Business combination *[note 2]*	12,500	—	—	—	12,500	4,102	16,602
Dividends declared *[note 9]*	—	—	(306,618)	—	(306,618)	—	(306,618)
Issuance of share capital on exercise of options	10,709	(10,570)	—	—	139	—	139
Compensation expense for equity-based plans	—	4,409	—	—	4,409	—	4,409
Change during the year	23,209	(6,161)	119,777	6,514	143,339	4,295	147,634
Balance, December 31, 2013	1,987,642	8,350	(183,349)	6,684	1,819,327	4,295	1,823,622

(see accompanying notes)

Consolidated Statements of Cash Flows

for the years ended December 31

[in thousands of Canadian dollars]	2014 $	2013 $
OPERATING ACTIVITIES (*)		
Net income	**525,357**	426,588
Add (deduct) items not involving cash		
Gain on sale of marketable securities	**(379)**	(1,970)
Fair value adjustment to contingent consideration	**(5,000)**	—
Equity-based compensation	**5,206**	4,409
Amortization of deferred sales commissions	**151,969**	155,834
Amortization of intangibles	**4,571**	3,351
Amortization and depreciation of other	**7,907**	9,157
Deferred income taxes	**(12,234)**	(4,304)
Cash provided by operating activities before changes in operating assets and liabilities	**677,397**	593,065
Net change in operating assets and liabilities	**25,193**	28,369
Cash provided by operating activities	**702,590**	621,434
INVESTING ACTIVITIES		
Purchase of marketable securities	**(9,692)**	(25,758)
Proceeds on sale of marketable securities	**2,631**	26,988
Additions to capital assets	**(2,908)**	(5,100)
Dispositions of capital assets	**—**	609
Deferred sales commissions paid	**(119,976)**	(136,829)
Decrease (increase) in other assets	**(1,877)**	1,233
Cash and cash equivalents acquired	**—**	6,012
Additions to intangibles	**(2,414)**	(304)
Cash used in investing activities	**(134,236)**	(133,149)
FINANCING ACTIVITIES		
Increase (decrease) in long-term debt	**8,286**	(96,000)
Repayment of debentures	**(200,000)**	—
Repurchase of share capital	**(108,088)**	—
Issuance of share capital	**109**	119
Dividends paid to shareholders	**(335,510)**	(297,729)
Dividends paid to non-controlling Interests	**(717)**	—
Cash used in financing activities	**(635,920)**	(393,610)
Net increase (decrease) in cash and cash equivalents during the year	**(67,566)**	94,675
Cash and cash equivalents, beginning of year	**118,812**	24,137
Cash and cash equivalents, end of year	**51,246**	118,812
(*) Included in operating activities are the following:		
Interest paid	**18,242**	19,112
Income taxes paid	**186,007**	146,553

(see accompanying notes)

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements of CI have been prepared in accordance with International Financial Reporting Standards [“IFRS”] as issued by the International Accounting Standards Board [“IASB”].

These consolidated financial statements were authorized for issuance by the Board of Directors of CI on February 12, 2015.

BASIS OF PRESENTATION

The 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 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.

BASIS OF CONSOLIDATION

The 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 consolidated statement of income and comprehensive income to reflect the non-controlling interest’s share of the net income and comprehensive income, and a non-controlling interest is recorded within equity in the consolidated statement of financial position to reflect the non-controlling interest’s share of the net assets of Marret.

CI manages a range of mutual funds, segregated funds, structured products and other funds that meet the definition of structured entities under IFRS. CI earns fees for providing management and administrative services to these investment funds. Fees are calculated on assets under management in these funds which totalled $102.9 billion as at December 31, 2014 [2013 – $91.1 billion]. CI does not consolidate these investment funds because the form of fees and ownership interest are not significant enough to meet the definition of control under IFRS. CI provides no guarantees against the risk of financial loss to the investors of these investment funds.

REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that economic benefits will flow to CI and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. In addition to these general principles, CI applies the following specific revenue recognition policies:

Management fees are based upon the net asset value of the funds managed by CI and are recognized on an accrual basis.

Administration fees and other income are recognized as services are provided under contractual arrangements. Administration fees include commission revenue, which is recorded on a trade date basis and advisory fees, which are recorded when the services related to the underlying engagements are completed.

Redemption fees payable by securityholders of deferred sales charge mutual funds, the sales commission of which was financed by CI, are recognized as revenue on the trade date of the redemption of the applicable mutual fund securities.

FINANCIAL INSTRUMENTS

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

Financial instruments are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of a financial instrument classified as other than at FVPL are added to the carrying amount of the asset or liability. Financial instruments classified as FVPL are carried at fair value in the statement of financial position and any gains or losses are recorded in net income in the period in which they arise. Financial instruments classified as FVPL include cash and cash equivalents as well as contingent consideration included in provision for other liabilities.

Financial assets classified as AFS are carried at fair value in the statement of financial position. Movements in the fair value are recorded in other comprehensive income until disposed, at which time the cumulative amount recorded in comprehensive income is recognized in net income. Where there is objective evidence that an AFS asset is impaired, the cumulative impairment loss is reclassified from other comprehensive income to net income with subsequent movements also recognized in net income. Financial assets classified as AFS include marketable securities.

Loans and receivables and other financial liabilities are recognized at amortized cost using the effective interest rate method. Such accounts include client and trust funds on deposits, accounts receivable, accounts payable and accrued liabilities, dividends payable, client and trust funds payable, provision for other liabilities and long-term debt.

Cash and cash equivalents

Cash and cash equivalents include cash on deposit, highly liquid investments and interest bearing deposits with original maturities of 90 days or less.

Client and trust funds

Client and trust funds on deposit include amounts representing cash held in trust with Canadian financial institutions for clients in respect of self-administered Registered Retirement Savings Plans and Registered Retirement Income Funds, and amounts received from clients for which the settlement date on the purchase of securities has not occurred or accounts in which the clients maintain a cash balance. Client and trust funds on deposit also include amounts for client transactions that are entered into on either a cash or margin basis and recorded on the trade date of the transaction. Amounts are due from clients on the settlement date of the transaction for cash accounts. For margin accounts, CI extends credit to a client for the purchase of securities, collateralized by the financial instruments in the client's account. Amounts loaned are limited by margin regulations of the Investment Industry Regulatory Organization of Canada ["IIROC"] and other regulatory authorities, and are subject to CI's credit review and daily monitoring procedures. The corresponding liabilities related to the above accounts and transactions are included in client and trust funds payable.

Marketable securities

Marketable securities consist of investments in mutual fund securities. Marketable securities are measured at fair value and recognized on trade date. Mutual fund securities are valued using the net asset value per unit of each fund. Realized and unrealized gains and losses are recognized using average cost. Except for impairment losses, gains and losses in the fair value of marketable securities are recorded as other comprehensive income until disposed of, at which time any gain or loss is recorded in net income. When a decline in fair value is other than temporary and there is objective evidence of impairment, the cumulative loss that had been recognized directly in other comprehensive income is removed and recognized in net income, even though the financial asset has not been derecognized. Distributions from mutual fund securities are recorded as other income. Distributions that are reinvested increase the cost base of the marketable securities.

FAIR VALUE MEASUREMENT

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

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, CI determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

CAPITAL ASSETS

Capital assets are recorded at cost less accumulated amortization. These assets are amortized over their estimated useful lives as follows:

Computer hardware	Straight-line over three years
Office equipment	Straight-line over five years
Leasehold improvements	Straight-line over the term of the lease

BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for the acquisition of subsidiaries by CI, whereby the purchase consideration is allocated to the identifiable assets and liabilities on the basis of fair value at the date of acquisition. Provisional fair values allocated at a reporting date are finalized as soon as the relevant information is available, within a period not to exceed twelve months from the acquisition date, with retroactive restatement of the impact of adjustments to those provisional fair values effective as at the acquisition date.

CI elects on a transaction-by-transaction basis whether to measure any non-controlling interest at fair value, or at the proportionate share of the recognized amount of the identifiable net assets of the acquired subsidiary, at the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred and equity interests issued by CI. Consideration also includes the fair value of any contingent consideration. Subsequent to the acquisition, contingent consideration that is based on an earnings target and classified as a liability is measured at fair value with any resulting gain or loss recognized in net income. Acquisition-related costs are expensed as incurred.

INTANGIBLES

Fund contracts

Fund administration contracts and fund management contracts [collectively, "fund contracts"] are recorded net of any write-down for impairment. CI evaluates the carrying amounts of fund contracts for potential impairment by comparing the recoverable amount with their carrying amounts. These evaluations are performed on an annual basis or more frequently if events or changes in circumstances indicate a potential impairment. Any impairment would be written off to income.

Fund administration contracts are amortized on a straight-line basis over 25 years. Fund management contracts with a finite life are amortized on a straight-line basis over a period of up to 20 years, depending on the contractual terms of such agreements and management's best estimate of their useful lives. Fund management contracts with an indefinite life are not amortized.

Goodwill

Goodwill is recorded as the excess of purchase price over identifiable assets acquired. Following initial recognition, goodwill is stated at cost less any accumulated impairment losses. Goodwill is evaluated for impairment at least annually and any impairment is recognized immediately in income and not subsequently reversed. Goodwill is allocated to the appropriate cash-generating unit for the purpose of impairment testing.

Other intangibles

Other intangibles include the costs of trademarks and computer software, capitalized where it is probable that future economic benefits that are attributable to the assets will flow to CI and the cost of the assets can be measured reliably. Computer software is recorded initially at cost and amortized over its expected useful life of two to ten years on a straight-line basis. Trademarks have an indefinite life and are not amortized.

Deferred sales commissions

Commissions paid on sales of deferred sales charge mutual funds represent commissions paid by CI to brokers and dealers, and are recorded on the trade date of the sale of the applicable mutual fund product. Deferred sales commissions are amortized over the expected investment period of 24 to 84 months on a straight-line basis from the date recorded. When redemptions occur, the actual investment period is shorter than expected, and the unamortized deferred sales commission related to the original investment in the mutual funds is charged to net income and included in the amortization of deferred sales commissions.

EQUITY-BASED COMPENSATION

CI uses the fair value method to account for equity-settled employee incentive share options. The value of the equity-based compensation, as at the date of grant, is recognized over the applicable vesting period as compensation expense with a corresponding increase in contributed surplus. When options are exercised, the proceeds received, together with the amount in contributed surplus, are credited to share capital.

The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service condition at the vesting date.

DEFERRED LEASE INDUCEMENTS

Lease inducements are deferred and amortized on a straight-line basis over the term of the lease.

INCOME TAXES

Current income tax liabilities are measured at the amount expected to be paid to tax authorities, net of recoveries based on the tax rates and laws enacted or substantively enacted at the statement of financial position date.

The liability method of tax allocation is used in accounting for income taxes. Under this method, deferred income tax assets and liabilities are determined based on differences between the carrying amount and tax basis of assets and liabilities and measured using the substantively enacted tax rates and laws that will be in effect when the differences are expected to reverse. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax liabilities are generally recognized for all taxable temporary differences.

Deferred tax liabilities are recognized for taxable temporary differences arising in investments in subsidiaries and joint ventures except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future. Deferred tax liabilities are not recognized on temporary differences that arise from the initial recognition of goodwill which is not deductible for tax purposes. Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination.

PROVISION FOR OTHER LIABILITIES

A provision for other liabilities is recognized if, as a result of a past event, CI has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. In the event that the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects a current market assessment of the time value of money and the risks specific to the liability.

FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities are translated into Canadian dollars using the exchange rates in effect at the statement of financial position date. Non-monetary assets and liabilities are translated into Canadian dollars using historical exchange rates. Revenue and expenses are translated at average rates prevailing during the month. Other foreign currency transactions are translated into Canadian dollars using the exchange rate in effect on the transaction date. Translation exchange gains and losses are included in other income in the month in which they occur.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In the process of applying CI's accounting policies, management has made significant judgments involving estimates and assumptions which are summarized as follows:

(i) Impairment of intangible assets

Finite life intangible assets, including deferred sales commissions, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Indefinite life intangible assets, including goodwill, are tested for impairment annually or more frequently if changes in circumstances indicate that the carrying amount may be impaired. The values associated with intangibles involve estimates and assumptions, including those with respect to future cash inflows and outflows, discount rates and asset lives. These estimates require significant judgment regarding market growth rates, fund flow assumptions, expected margins and costs which could affect CI's future results if the current estimates of future performance and fair values change. These determinations also affect the amount of amortization expense on intangible assets with finite lives recognized in future periods.

(ii) Deferred tax assets

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(iii) Provision for other liabilities

Due to the nature of provisions, a considerable part of their determination is based on estimates and judgments, including assumptions concerning the future. The actual outcome of these uncertain factors may be materially different from the estimates, causing differences with the estimated provisions. Further details are provided in Note 7.

(iv) Share-based payments

The cost of employee services received (compensation expense) in exchange for awards of equity instruments recognized is estimated using a Black-Scholes option valuation model which requires the use of assumptions. Further details regarding the assumptions used in the option pricing model are provided in Note 8 [b].

[in thousands of dollars, except per share amounts]

2. BUSINESS ACQUISITION

On November 29, 2013, CI acquired 65% of the issued capital and control of Marret Asset Management Inc. and its subsidiaries, an investment management company, for equity consideration of $12,500 and contingent consideration payable in common shares with an estimated fair value of $12,500. 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, at fair value, are as follows:

	$
Cash and cash equivalents	6,012
Accounts receivable and prepaid expenses	1,920
Management contracts	15,510
Other non-current assets	35
Accounts payable and accrued liabilities	(7,627)
Deferred tax liability	(4,130)
Fair value of identifiable net assets	**11,720**
Non-controlling interest (35% of identifiable net assets)	(4,102)
Goodwill on acquisition	17,382
Total acquired cost	**25,000**

The acquired fund management contracts with a fair value of $15,510 have a finite life ranging between eight months to 20 years. The goodwill on acquisition is not deductible for income tax purposes. Goodwill of $17,382 relates to the Asset Management segment.

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

	$
Common shares issued, at fair value	12,500
Contingent consideration liability	12,500
Total consideration	**25,000**

CI issued 358,061 common shares in total as consideration for the 65% interest in Marret with a fair value of $12,500. The common shares issued were valued at $34.91 per common share.

[in thousands of dollars, except per share amounts]

The acquisition agreement provided for contingent consideration payable in common shares of CI, three years from the date of acquisition, if certain financial targets are met based on earnings before interest, tax, depreciation and amortization ["EBITDA"] generated during that period. The contingent consideration could range between nil and $20,000 depending on EBITDA generated. 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 $7,500 as at December 31, 2014 [2013 – $12,500]. The fair value of the contingent consideration is based on management's best estimate of Marret's EBITDA over the three years from the acquisition date. The contingent consideration has been included in provisions for other liabilities on the statement of financial position as at December 31, 2014 and 2013.

Cash inflow on acquisition is as follows:

	$
Net cash acquired (included in cash flows from investing activities)	6,012
Transaction costs (included in cash flows from operating activities)	(202)
Net cash inflow on acquisition	**5,810**

[in thousands of dollars, except per share amounts]

3. CAPITAL ASSETS

Capital assets consist of the following:

	Computer hardware $	Office equipment $	Leasehold improvements $	Total $
Cost				
Balance, December 31, 2012	**11,655**	**10,178**	**57,624**	**79,457**
Additions	2,272	430	2,398	5,100
Disposed	—	—	(679)	(679)
Retired	(2,360)	(83)	—	(2,443)
Balance, December 31, 2013	**11,567**	**10,525**	**59,343**	**81,435**
Additions	1,517	636	755	2,908
Retired	(1,919)	(44)	(1,219)	(3,182)
Balance, December 31, 2014	**11,165**	**11,117**	**58,879**	**81,161**
Accumulated depreciation				
Balance, December 31, 2012	**9,003**	**6,338**	**17,237**	**32,578**
Depreciation	2,623	1,252	4,778	8,653
Disposed	—	—	(70)	(70)
Retired	(2,360)	(83)	—	(2,443)
Balance, December 31, 2013	**9,266**	**7,507**	**21,945**	**38,718**
Depreciation	1,368	1,299	5,006	7,673
Retired	(1,919)	(44)	(1,219)	(3,182)
Balance, December 31, 2014	**8,715**	**8,762**	**25,732**	**43,209**
Carrying amounts				
At December 31, 2012	**2,652**	**3,840**	**40,387**	**46,879**
At December 31, 2013	**2,301**	**3,018**	**37,398**	**42,717**
At December 31, 2014	**2,450**	**2,355**	**33,147**	**37,952**

[in thousands of dollars, except per share amounts]

4. INTANGIBLES

Intangible assets consist of the following:

	Goodwill $	Fund administration contracts $	Fund management contracts finite life $	Fund management contracts indefinite life $	Other intangibles $	Total $
Cost						
Balance, December 31, 2012	**1,119,926**	**37,600**	**27,500**	**999,082**	**24,064**	**2,208,172**
Additions	17,382	—	15,510	—	304	33,196
Balance, December 31, 2013	**1,137,308**	**37,600**	**43,010**	**999,082**	**24,368**	**2,241,368**
Additions	—	—	—	—	2,414	2,414
Balance, December 31, 2014	**1,137,308**	**37,600**	**43,010**	**999,082**	**26,782**	**2,243,782**
Accumulated amortization						
Balance, December 31, 2012	**—**	**13,560**	**16,456**	**—**	**16,753**	**46,769**
Amortization	—	1,504	902	—	945	3,351
Balance, December 31, 2013	**—**	**15,064**	**17,358**	**—**	**17,698**	**50,120**
Amortization	—	1,504	2,055	—	1,012	4,571
Balance, December 31, 2014	**—**	**16,568**	**19,413**	**—**	**18,710**	**54,691**
Carrying amounts						
At December 31, 2012	**1,119,926**	**24,040**	**11,044**	**999,082**	**7,311**	**2,161,403**
At December 31, 2013	**1,137,308**	**22,536**	**25,652**	**999,082**	**6,670**	**2,191,248**
At December 31, 2014	**1,137,308**	**21,032**	**23,597**	**999,082**	**8,072**	**2,189,091**
Remaining term	**N/A**	**13.9 – 14.4 yrs**	**12.2 – 18.9 yrs**	**N/A**	**0.1 – 9.9 yrs**	

(a) Cash-generating units

CI has two cash-generating units ["CGU"] for the purpose of assessing the carrying amount of the allocated goodwill and intangible assets, being the asset management and asset administration operating segments as described in Note 15.

(b) Impairment testing of goodwill

As at December 31, 2014, CI has allocated goodwill of $944,726 [2013 – $944,726] to the asset management segment and $192,582 [2013 – $192,582] to the asset administration operating segment. The recoverable amount of goodwill for the asset management and asset administration operating segments as at December 31, 2014 and 2013 has been determined based on a fair value less costs to sell calculation. For the asset management segment, CI uses two approaches to determine the goodwill valuation. The first methodology compares CI's market capitalization against the carrying amount of goodwill for the segment. Market capitalization is based on the share price of CI, a level 1 fair value input. The second methodology, applies a trading multiple, a level 3 fair value input, to CI's assets under management. This methodology is also used to determine the fair value of the asset administration segment however a trading multiple is applied to CI's assets under administration. This methodology is commonly used in the marketplace by independent equity research analysts.

The calculation of the recoverable amounts exceeds the carrying amounts of both the asset management and the asset administration operating segments, including goodwill. Recent equity market performance, recent market transactions and CI's current market capitalization provide additional evidence that the recoverable amount of these operating segments is in excess of the carrying amounts.

(c) Impairment testing of fund contracts

As at December 31, 2014 and 2013, CI had indefinite life fund management contracts within the asset management CGU of $999,082. These are contracts for the management of open end funds, which have no expiry or termination provisions. The fair value of indefinite life intangibles within the asset management operating segment as at December 31, 2014 and 2013 has been determined based on a value in use calculation, using 10 year forecasts and a terminal value for the period thereafter. CI uses a 10 year period to reflect the fact that following an acquisition, it may take several years to integrate operations and benefit from synergies. The key assumptions used in the forecast calculation include assumptions on market appreciation, net sales of funds and operating margins. Market appreciation rates are determined using historical inflation adjusted index returns adjusted for CI's average management fee. Net sales are determined based on the historical two year average as well as management's forecasts for future sales. Inputs to the operating margin include estimates for management and trailer fees using current average fee rates and historical rates for selling, general and administrative costs that are applied to forecasted average assets under management over the 10 year period. The terminal value has been calculated assuming a long-term growth rate of 2% per annum in perpetuity based on a long-term real GDP growth rate as at December 31, 2014 and 2013. A discount rate of 7.25% per annum has been applied to the recoverable calculation as at December 31, 2014 and 2013.

The calculation of the recoverable amount exceeds the carrying amount of indefinite life management contracts as at December 31, 2014 and 2013. Recent equity market performance provides additional evidence that the recoverable amount of indefinite life intangibles is in excess of the carrying amount.

5. OTHER ASSETS, INCOME AND EXPENSE

Other assets consists mainly of long-term investments, long-term accounts receivable, deferred charges and loans advanced to employees, shareholders and investment advisors.

CI has an employee share purchase loan program for key employees. These loans are renewable yearly and bear interest at prescribed rates. As at December 31, 2014, the carrying amount of employee share purchase loans is $6,722 [2013 – $6,952] and is included in other assets. These loans become due immediately upon termination of employment or sale of the shares that are held as collateral. As at December 31, 2014, the shares held as collateral have a market value of approximately $13,869 [2013 – $16,158].

Other assets include shareholder loans in the amount of $379 as at December 31, 2014 [2013 – $2,464] issued primarily to investment advisors. These amounts are secured by common shares of CI that are held as collateral. These loans become due immediately either on termination of the advisor relationship or upon the sale of CI shares that are held as collateral. As at December 31, 2014, the shares held as collateral have a market value of approximately $656 [2013 – $4,708].

CI has a hiring and retention incentive program whereby loans are extended to current investment advisors. These loans are initially recorded at their fair value, may bear interest at prescribed rates and are contractually forgiven on a straight-line basis over the applicable contractual period, which varies in length from three to seven years. CI utilizes the effective interest rate method to amortize the forgiven amount. The forgiven amount is included in selling, general and administrative expenses. As at December 31, 2014, loans to investment advisors of $5,058 [2013 – $5,151] are included in other assets. These loans become due on demand upon termination or breach in the terms of the agreements.

Other income consists mainly of fees received for the administration of third-party mutual funds, custody fees, investment income, foreign exchange gains (losses), interest income and the revenue earned by Marret. Other income also includes the fair value adjustment to the contingent consideration discussed in Note 2. Other expenses consist mainly of distribution fees to limited partnerships, legal settlements, amortization of debenture transaction costs and the expenses incurred by Marret.

[in thousands of dollars, except per share amounts]

6. LONG-TERM DEBT

Long-term debt consists of the following:

	As at December 31, 2014 $	As at December 31, 2013 $
Credit facility		
Banker's acceptances	8,000	—
	8,000	—
Debentures		
$200 million, 4.19%, due December 16, 2014	—	199,765
$300 million, 3.94% until December 13, 2015 and floating rate until December 14, 2016	299,392	299,107
	299,392	498,872
Long-term debt	307,392	498,872
Current portion of long-term debt	2,000	199,765

CREDIT FACILITY

Effective February 14, 2014, CI renewed its revolving credit facility with two chartered banks. There were no amendments made to the terms of the financial terms of the credit facility. Amounts may be borrowed under the facility in Canadian dollars through prime rate loans, which bear interest at the greater of the bank's prime rate and the Canadian Deposit Offering Rate plus 1.00%, or bankers' acceptances, which bear interest at bankers' acceptance rates plus 0.75%. Amounts may also be borrowed in U.S. dollars through base rate loans, which bear interest at the greater of the bank's reference rate for loans made by it in Canada in U.S. funds and the federal funds effective rate plus 1.00%, or LIBOR loans which bear interest at LIBOR plus 0.75%.

CI may also borrow under this facility in the form of letters of credit, which bear a fee of 0.75% on any undrawn portion. As at December 31, 2014 and 2013, CI had not accessed the facility by way of letters of credit.

Loans are made by the bank under a 364-day revolving credit facility, the term of which may be extended annually at the bank's option. If the bank elects not to extend the term, 50% of the outstanding principal amount shall be repaid in equal quarterly instalments over the following two years, with the remaining 50% of the outstanding principal balance due two years following the first quarter-end payment.

The credit facility is fully and unconditionally guaranteed by CI Investments, a wholly owned subsidiary of CI, and may be guaranteed by certain other subsidiaries of CI. 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 require that the funded debt to annualized earnings before interest, taxes, depreciation and amortization ratio remain below 2.5:1 and that CI's assets under management not fall below $40 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 16, 2014, $200 million in outstanding debentures matured [the "2014 Debentures"].

For the year ended December 31, 2014, interest expense attributable to the 2014 Debentures and the debentures due December 14, 2016 ["2016 Debentures"] was $5,468 and $11,820, respectively [2013 – $5,758 and $11,820, for the 2014 Debentures and the 2016 Debentures, respectively].

Issuance costs and the issuance discount are amortized over the term of the Debentures using the effective interest rate method. The amortization expense related to the discount and transaction costs for CI's issued Debentures for the year ended December 31, 2014 was $522 [2013 – $504] which is included in other expenses.

CI Investments may, at its option, redeem the 2016 Debentures, in whole or in part, from time to time, on not less than 30 nor more than 60 days' prior notice to the registered holder, at a redemption price which is equal to the greater of par or the Government of Canada Yield, plus 37.5 basis points. CI considers this embedded prepayment option to be closely related to the Debentures and, as such, does not account for it separately as a derivative.

In the event that both a change of control occurs and the rating of the Debentures is lowered to below investment grade, defined as below BBB- by Standard and Poor's and BBB (low) by DBRS Limited, CI will be required to make an offer to repurchase all or, at the option of each holder, any part of each holder's Debentures at a purchase price payable in cash equivalent to 101% of the outstanding principal amount of the Debentures together with accrued and unpaid interest, to the date of purchase.

The 2016 Debentures are fully and unconditionally guaranteed by CI.

[in thousands of dollars, except per share amounts]

7. 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 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 any such contingent consideration, claims, proceedings and investigations. The movement in amounts provided for contingent liabilities and related expenses during the years ended December 31, are as follows:

	2014 **$**	2013 $
Provision for other liabilities, beginning of year	**22,636**	7,708
Additions (*)	**4,767**	17,323
Amounts used	**(1,773)**	(2,062)
Amounts reversed (*)	**(5,086)**	(333)
Provision for other liabilities, end of year	**20,544**	22,636
Current portion of provision for other liabilities	**1,293**	2,334

(*) 2013 includes contingent consideration of $12,500; 2014 amounts reversed includes a fair value adjustment to contingent consideration of $5,000 [Note 2]

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 year ended December 31, 2014, CI received insurance proceeds of $499 related to the settlement of legal claims [2013 – $501]. As at December 31, 2014, CI has accrued $906 for amounts to be received under insurance policies [2013 – $792], which is included in accounts receivable.

LITIGATION

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

TAXATION

CI is subject to various uncertainties concerning the interpretation and application of Canadian tax laws. If tax authorities disagree with CI's application of such tax laws, CI's profitability and cash flows could be adversely affected. CI Investments is considered a large case file by the Canada Revenue Agency, 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.

CONTINGENT CONSIDERATION

CI entered into an acquisition agreement with the shareholders of Marret 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.

8. 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, 2012	**282,915**	**1,964,433**
Issuance of share capital on exercise of share options	1,123	10,709
Issued for acquisition	358	12,500
Common shares, balance, December 31, 2013	**284,396**	**1,987,642**
Issuance of share capital on exercise of share options	493	3,279
Share repurchases	(3,181)	(22,229)
Common shares, balance, December 31, 2014	**281,708**	**1,968,692**

During the year ended December 31, 2014, 3,181 shares were repurchased under a normal course issuer bid at an average cost of $33.98 per share for total consideration of $108,088. Deficit was increased by $85,859 during the year 2014 for the cost of the shares repurchased in excess of their stated value. CI did not repurchase any shares under a normal course issuer bid during the year 2013.

[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.

During the year, CI granted 2,223 options [2013 – 2,120 options] to employees. The fair value method of accounting is used for the valuation of the 2014 and 2013 share option grants. Compensation expense is recognized over the three-year vesting period, assuming an estimated forfeiture rate of 0% and 1.5%, [options issued 2013 – 0% and 1.3%], with an offset to contributed surplus. When exercised, amounts originally recorded against contributed surplus as well as any consideration paid by the option holder is credited to share capital. The fair value of the 2014 and 2013 option grants was estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions:

Year of grant	2014	2014	2013	2013
# of options grants [in thousands]	260	1,963	125	1,995
Vesting terms	1/3 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	4.033% – 4.286%	3.911% – 4.156%	4.013% – 4.308%	4.265% – 4.550%
Expected volatility (*)	15.5%	15.5%	16%	16%
Risk-free interest rate	1.499% – 1.718%	1.477% – 1.773%	1.536% – 1.739%	1.509% – 1.692%
Expected life [years]	2.8 – 3.9	2.8 – 3.9	2.7 – 4.0	2.7 – 4.0
Forfeiture rate	0%	1.5%	0%	1.3%
Fair value per stock option	$2.61 – $2.92	$2.71 – $3.06	$2.38 – $2.68	$2.07 – $2.33
Exercise price	$34.52	$35.60	$30.27	$27.03

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

The maximum number of shares that may be issued under the Share Option Plan is 14,000 shares. As at December 31, 2014, there are 5,552 shares [2013 – 4,771 shares] reserved for issuance on exercise of share options. These options vest over periods of up to five years, may be exercised at prices ranging from $19.48 to $35.60 per share and expire at dates up to 2019.

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, 2012	**6,364**	**20.45**
Options exercisable, December 31, 2012	**2,418**	**18.34**
Options granted	2,120	27.22
Options exercised (*)	(3,629)	19.70
Options cancelled	(84)	22.35
Options outstanding, December 31, 2013	**4,771**	**24.00**
Options exercisable, December 31, 2013	**807**	**20.47**
Options granted	2,223	35.47
Options exercised (*)	(1,338)	22.22
Options cancelled	(104)	30.12
Options outstanding, December 31, 2014	**5,552**	**28.91**
Options exercisable, December 31, 2014	**1,335**	**23.48**

(*) Weighted-average share price of options exercised was $35.07 during the year 2014 [2013 – $28.79]

The equity-based compensation expense under the Share Option Plan for the year ended December 31, 2014 of $5,206 [2013 – $4,409] has been included in selling, general and administrative expenses.

Options outstanding and exercisable as at December 31, 2014 are as follows:

Exercise price $	Number of options outstanding [in thousands]	Weighted average remaining contractual life [years]	Number of options exercisable [in thousands]
19.48	17	0.4	17
21.27	151	0.2	151
21.55	237	1.1	237
21.73	162	2.4	85
21.98	977	2.1	372
22.45	53	1.2	53
27.03	1,656	3.1	378
30.27	125	3.4	42
34.52	260	4.4	—
35.60	1,914	4.1	—
19.48 to 35.60	**5,552**	**3.1**	**1,335**

[C] BASIC AND DILUTED EARNINGS PER SHARE

The following table presents the calculation of basic and diluted earnings per common share for the years ended December 31:

[in thousands]	**2014**	2013
Numerator:		
Net income attributable to shareholders of the Company – basic and diluted	**$525,044**	$426,395
Denominator:		
Weighted average number of common shares – basic	**283,667**	283,640
Weighted average effect of dilutive stock options (*)	**982**	1,251
Weighted average number of common shares – diluted	**284,649**	284,891
Net earnings per common share attributable to shareholders of the Company		
Basic	**$1.85**	$1.50
Diluted	**$1.84**	$1.50

(*) The determination of the weighted average number of common shares – diluted excludes 2,173 thousand shares related to stock options that were anti-dilutive for the year ended December 31, 2014 [2013 – 125 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 January 31, 2015 were exercised and outstanding:

[in thousands]	
Shares outstanding at January 31, 2015	281,726
Options to purchase shares	5,328
	287,054

[in thousands of dollars, except per share amounts]

9. DIVIDENDS

The following dividends were paid by CI during the year ended December 31, 2014:

Record date	Payment date	Cash dividend per share $	Total dividend amount $
December 31, 2013	January 15, 2014	0.095	27,070
January 31, 2014	February 14, 2014	0.095	27,099
February 28, 2014	March 14, 2014	0.095	27,106
March 31, 2014	April 15, 2014	0.095	27,055
April 30, 2014	May 15, 2014	0.095	27,040
May 31, 2014	June 13, 2014	0.10	28,512
June 30, 2014	July 15, 2014	0.10	28,515
July 31, 2014	August 15, 2014	0.10	28,431
August 31, 2014	September 15, 2014	0.10	28,401
September 30, 2014	October 15, 2014	0.10	28,343
October 31, 2014	November 14, 2014	0.10	28,273
November 30, 2014	December 15, 2014	0.105	29,665
Paid during the year ended December 31, 2014			335,510

The following dividends were declared but not paid by CI during the year ended December 31, 2014:

Record date	Payment date	Cash dividend per share $	Total dividend amount $
December 31, 2014	January 15, 2015	0.105	29,580
January 31, 2015	February 13, 2015	0.105	29,581
Declared and accrued as at December 31, 2014			59,161

[in thousands of dollars, except per share amounts]

The following dividends were paid by CI during the year ended December 31, 2013:

Record date	Payment date	Cash dividend per share $	Total dividend amount $
December 31, 2012	January 15, 2013	0.08	22,627
January 31, 2013	February 15, 2013	0.08	22,655
February 28, 2013	March 15, 2013	0.085	24,067
March 31, 2013	April 15, 2013	0.085	24,076
April 30, 2013	May 15, 2013	0.085	24,083
May 31, 2013	June 14, 2013	0.09	25,523
June 30, 2013	July 15, 2013	0.09	25,528
July 31, 2013	August 15, 2013	0.09	25,539
August 31, 2013	September 13, 2013	0.09	25,551
September 30, 2013	October 15, 2013	0.09	25,547
October 31, 2013	November 15, 2013	0.09	25,556
November 30, 2013	December 13, 2013	0.095	26,977
Paid during the year ended December 31, 2013			297,729

The following dividends were declared but not paid by CI during the year ended December 31, 2013:

Record date	Payment date	Cash dividend per share $	Total dividend amount $
December 31, 2013	January 15, 2014	0.095	27,072
January 31, 2014	February 14, 2014	0.095	27,071
Declared and accrued as at December 31, 2013			54,143

[in thousands of dollars, except per share amounts]

10. INCOME TAXES

[a] The following are the major components of income tax expense for the years ended December 31:

	2014 $	2013 $
Statement of Income		
Current income tax expense		
Based on taxable income of the current year	204,329	161,947
Adjustments in respect of prior years	440	(1,740)
	204,769	160,207
Deferred income tax expense		
Origination and reversal of temporary differences	(11,103)	(4,162)
Other	(1,131)	(142)
	(12,234)	(4,304)
Income tax expense reported in the statement of income	192,535	155,903
Statement of Other Comprehensive Income		
Deferred income taxes		
Unrealized gain on available-for-sale financial assets	298	823
Reversal of (gains) losses to net income on available-for-sale financial assets	(50)	172
Income tax expense reported in the statement of other comprehensive income	248	995

[b] The following is a reconciliation between CI's statutory and effective income tax rates for the years ended December 31:

	2014 $	2013 $
Combined Canadian federal and provincial income tax rate	26.5	26.5
Increase (decrease) in income taxes resulting from		
Impact of rate changes on deferred income taxes	(0.2)	—
Recovery of prior years' provisions for settled tax items	0.1	(0.1)
Other, net	0.4	0.4
	26.8	26.8

[in thousands of dollars, except per share amounts]

[c] Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of CI's deferred income tax liabilities and assets are as follows at December 31, 2014:

	As at December 31, 2013 $	Recognized in net income $	Recognized in other comprehensive income $	As at December 31, 2014 $
Deferred income tax liabilities				
Fund contracts	277,972	(1,089)	—	276,883
Deferred sales commissions	112,690	(8,656)	—	104,034
Total deferred income tax liabilities	390,662	(9,745)	—	380,917
Deferred income tax assets				
Equity-based compensation	985	238	—	1,223
Non-capital loss carry forwards	1,829	104	—	1,933
Provision for other liabilities	2,604	578	—	3,182
Other	5,393	1,569	(248)	6,714
Total deferred income tax assets	10,811	2,489	(248)	13,052
Net deferred income tax liabilities	379,851	(12,234)	248	367,865

Significant components of CI's deferred income tax liabilities and assets are as follows at December 31, 2013:

	As at December 31, 2012 $	Recognized in net income $	Recognized in other comprehensive income $	Business combination $	As at December 31, 2013 $
Deferred income tax liabilities					
Fund contracts	274,617	(755)	—	4,110	277,972
Deferred sales commissions	117,719	(5,029)	—	—	112,690
Total deferred income tax liabilities	392,336	(5,784)	—	4,110	390,662
Deferred income tax assets					
Equity-based compensation	1,034	(49)	—	—	985
Non-capital loss carryforwards	4,918	(3,089)	—	—	1,829
Provision for other liabilities	1,869	735	—	—	2,604
Other	5,485	923	(995)	(20)	5,393
Total deferred income tax assets	13,306	(1,480)	(995)	(20)	10,811
Net deferred income tax liabilities	379,030	(4,304)	995	4,130	379,851

[in thousands of dollars, except per share amounts]

The ultimate realization of deferred tax assets is dependent upon future taxable profits during the periods in which those temporary differences become deductible. Management considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is probable that CI will realize the benefits of these deductible differences.

11. FINANCIAL INSTRUMENTS

Financial assets are classified into three categories, FVPL, loans and receivables and AFS. Financial liabilities are classified as FVPL or other.

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

	December 31, 2014 $	December 31, 2013 $
Financial assets		
Fair value through profit or loss		
Cash and cash equivalents	**51,246**	118,812
Loans and receivables		
Client and trust funds on deposit	**130,665**	130,194
Accounts receivable	**88,154**	73,313
Other assets	**15,702**	16,989
Available-for-sale		
Marketable securities	**83,718**	74,403
Total financial assets	**369,485**	413,711
Financial liabilities		
Fair value through profit or loss		
Provision for other liabilities	**7,500**	12,500
Other financial liabilities		
Accounts payable and accrued liabilities	**161,923**	143,121
Provision for other liabilities	**13,044**	10,136
Dividends payable	**59,161**	54,143
Client and trust funds payable	**128,715**	128,274
Long-term debt	**307,392**	498,872
Total financial liabilities	**677,735**	847,046

CI's financial assets at December 31, 2014 and 2013 include CI's marketable securities which consist of investments in mutual fund securities. Mutual fund securities are valued using the net asset value per unit of each fund, which represents the underlying net assets at fair values determined using closing market prices. CI considers mutual fund securities that are valued daily to be in the level 1 fair value hierarchy and those mutual fund securities valued less frequently to be in the level 2 fair value hierarchy. As at December 31, 2014, CI's marketable securities of $83,718 [2013 – $74,403] are carried at fair value of which $13,226 have been classified in the level 1 fair value hierarchy and $70,492 in the level 2 fair value hierarchy [2013 – $9,410 in the level 1 fair value hierarchy and $64,993 in the level 2 fair value hierarchy]. There have been no transfers between level 1 and level 2 during the year.

Included in provision for other liabilities, as at December 31, 2014 is contingent consideration of $7,500 [2013 – $12,500] carried at fair value and classified in the level 3 fair value. Long-term debt as at December 31, 2014 includes Debentures with a fair value of $305,601 [2013 – $516,210], as determined by quoted market prices and have been classified in the level 1 fair value hierarchy.

12. RISK MANAGEMENT

Risk management is an integrated process with independent oversight. Management has developed an enterprise wide approach to risk management that involves executives in each core business unit and operating area of CI. Using a quantitative and qualitative analysis, risk factors are assessed and procedures are implemented to mitigate the various events that could impact CI's financial position and results of operations.

CI's financial instruments bear the following financial risks:

[A] 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 prices. The corporate finance group reviews the exposure to interest rate risk, foreign exchange risk and equity risk by identifying, monitoring and reporting potential market risks to the Chief Financial Officer. 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 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 the prices and the 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 and may adversely affect CI's assets under management and financial results.

[in thousands of dollars, except per share amounts]

[i] Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments. Fluctuations in interest rates have a direct impact on the interest payments CI makes on its long-term debt.

Debt outstanding on CI's credit facility of $8,000 [2013 – $nil] is borrowed at a floating interest rate. The existing credit facility provides CI with the option of fixing interest rates, should CI change its view on its exposure to rising interest rates. As at December 31, 2014, CI also has $300,000 fixed interest rate Debentures [2013 – $500,000]. Based on the amount borrowed under the credit facility and Debentures outstanding as at December 31, 2014, each 0.50% increase or decrease in interest rates would result in annual interest expense increasing or decreasing by $40 [2013 – $1,000], respectively.

[ii] Foreign exchange risk

As at December 31, 2014, net financial assets of $9,051 [2013 – $24,381] were denominated in U.S. currency. A 10% increase or decrease in U.S. exchange rates would result in a foreign exchange gain or loss of $905 [2013 – $2,438], respectively. CI may enter into forward contracts to manage its foreign exchange exposure.

[iii] Equity risk

CI's marketable securities as at December 31, 2014 of $83,718 [2013 – $74,403] are exposed to equity risk. Based on the carrying amount of these assets, an increase or decrease in equity market prices by 10% would result in estimated gains or losses of $8,372 [2013 – $7,440], respectively.

[B] LIQUIDITY RISK

Liquidity risk arises from the possibility that CI will encounter difficulties in meeting its financial obligations as they fall due. CI manages its liquidity risk through a combination of cash received from operations as well as borrowings under its revolving credit facility. Liquidity is monitored through a daily cash management process that includes the projection of cash flows to ensure CI meets its funding obligations.

CI's liabilities have contractual maturities, excluding interest payments, as follows:

	Total $	2015 $	2016 $	2017 $
Accounts payable and accrued liabilities	161,923	161,923	—	—
Dividends payable	59,161	59,161	—	—
Client and trust funds payable	128,715	128,715	—	—
Long-term debt	308,000	2,000	302,000	4,000
Provision for other liabilities	7,500	—	7,500	—
Total	665,299	351,799	309,500	4,000

[C] CREDIT RISK

Credit risk arises from the potential that investors, clients or counterparties fail to satisfy their obligations.

As at December 31, 2014, financial assets of $234,521 [2013 – $220,496], represented by client and trust funds on deposit of $130,665 [2013 – $130,194], accounts receivable of $88,154 [2013 – $73,313] and other assets of $15,702 [2013 – $16,989], were exposed to credit risk. CI does not have a significant exposure to any individual counterparty. Credit risk is mitigated by regularly monitoring the credit performance of each individual counterparty and holding collateral, where appropriate.

Client and trust funds on deposit consist mainly of cash deposits or unsettled trade receivables. CI may also extend amounts to clients on a margin basis for security purchases. Collateral is provided in margin accounts by each client in the form of securities purchased and/or other securities and cash balances. The credit extended is limited by regulatory requirements and by CI's internal credit policy. Credit risk is managed by dealing with counterparties CI believes to be creditworthy and by actively monitoring credit and margin exposure and the financial health of the counterparties.

Credit risk associated with accounts receivable is limited as the balance primarily consists of trade receivables that are outstanding for less than 90 days.

Other assets primarily represent loans granted under CI's employee share purchase plan and loans extended to investment advisors under CI's hiring and incentive program. Employee loans are collateralized by CI shares and become due immediately upon termination of the employee or upon the sale of the shares held as collateral. Commissions may be used to offset loan amounts made to investment advisors in the event of default. Credit risk associated with other assets is limited given the nature of the relationship with the counterparties.

13. 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 December 31, 2014, cash and cash equivalents of $12,552 was required to be on hand for regulatory capital maintenance. Failure to maintain required regulatory capital by CI may result in fines, suspension or revocation of registration by the relevant securities regulator. CI from time to time provides loans to its subsidiaries for operating purposes and may choose to subordinate these loans in favour of general creditors. The repayment of subordinated loans is subject to regulatory approval. As at December 31, 2014 and 2013, CI met its capital requirements.

[in thousands of dollars, except per share amounts]

CI's capital consists of the following:

	As at December 31, 2014 $	As at December 31, 2013 $
Shareholders' equity	**1,902,697**	1,819,327
Long-term debt	**307,392**	498,872
Total capital	**2,210,089**	2,318,199

14. COMMITMENTS

LEASE COMMITMENTS

CI has entered into leases relating to the rental of office premises and computer equipment. CI has the option to renew certain leases. The approximate future minimum annual rental payments under such leases are as follows:

	$
2015	10,271
2016	10,097
2017	9,340
2018	8,714
2019	8,306
2020 and thereafter	41,170

ADVISOR SERVICES AGREEMENTS

CI is a party to certain advisor services agreements, which provide that the advisor has the option to require CI to purchase a practice that cannot otherwise be transitioned to a qualified buyer. The purchase price would be in accordance with a pre-determined formula contained in the advisor services agreements.

INDEMNITIES

CI has agreed to indemnify its directors and officers, and certain of its employees in accordance with its by-laws. CI maintains insurance policies that may provide coverage against certain claims.

[in thousands of dollars, except per share amounts]

15. SEGMENTED INFORMATION

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

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

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

Segmented information as at and for the year ended December 31, 2014 is as follows:

	Asset Management $	Asset Administration $	Intersegment eliminations $	Total $
Management fees	1,669,125	—	—	1,669,125
Administration fees	—	276,723	(135,377)	141,346
Other revenue	44,779	20,667	—	65,446
Total revenue	1,713,904	297,390	(135,377)	1,875,917
Selling, general and administrative	279,196	62,555	—	341,751
Trailer fees	533,396	—	(21,786)	511,610
Investment dealer fees	—	223,332	(110,134)	113,198
Amortization of deferred sales commissions and intangibles	158,107	2,203	(3,770)	156,540
Other expenses	10,052	6,818	—	16,870
Total expenses	980,751	294,908	(135,690)	1,139,969
Income before income taxes and non-segmented items	733,153	2,482	313	735,948
Interest expense				(18,056)
Provision for income taxes				(192,535)
Net income for the year				525,357
Identifiable assets	560,572	329,481	(10,476)	879,577
Indefinite life intangibles				
Goodwill	944,726	192,582	—	1,137,308
Fund contracts	999,082	—	—	999,082
Total assets	2,504,380	522,063	(10,476)	3,015,967

[in thousands of dollars, except per share amounts]

Segmented information as at and for the year ended December 31, 2013 is as follows:

	Asset Management $	Asset Administration $	Intersegment eliminations $	Total $
Management fees	1,432,559	—	—	1,432,559
Administration fees	—	243,509	(112,282)	131,227
Other revenue	36,503	16,364	—	52,867
Total revenue	1,469,062	259,873	(112,282)	1,616,653
Selling, general and administrative	256,196	58,261	—	314,457
Trailer fees	446,995	—	(17,834)	429,161
Investment dealer fees	—	194,208	(90,788)	103,420
Amortization of deferred sales commissions and intangibles	160,825	2,203	(3,843)	159,185
Other expenses	4,938	3,943	—	8,881
Total expenses	868,954	258,615	(112,465)	1,015,104
Income before income taxes and non-segmented items	600,108	1,258	183	601,549
Interest expense				(19,058)
Provision for income taxes				(155,903)
Net income for the year				426,588
Identifiable assets	675,648	293,203	(11,272)	957,579
Indefinite life intangibles				
Goodwill	944,726	192,582	—	1,137,308
Fund contracts	999,082	—	—	999,082
Total assets	2,619,456	485,785	(11,272)	3,093,969

[in thousands of dollars, except per share amounts]

16. COMPENSATION OF KEY MANAGEMENT

The remuneration of directors and other key management personnel of CI during the years ended December 31, is as follows:

	2014 **$**	2013 $
Salaries	**12,752**	12,204
Equity-based compensation	**1,188**	1,290
Total	**13,940**	13,494

17. SELLING, GENERAL AND ADMINISTRATIVE

Included in selling, general and administrative expenses ["SG&A"] are salaries and benefits of $182,647 for the year ended December 31, 2014 [2013 – $167,604]. Also included in SG&A is depreciation of capital assets of $7,673 for the year ended December 31, 2014 [2013 – $8,653]. Other SG&A of $151,431 for the year ended December 31, 2014, primarily includes marketing, lease and information technology expenses as well as professional and regulatory fees [2013 – $138,200].

18. FUTURE ACCOUNTING CHANGES

The following standards have been issued, but are not yet effective on the date of issuance of CI's financial statements. CI is currently evaluating the impact of the application of these standards on the financial statements and will adopt these standards when they become effective.

IFRS 9:

IFRS 9 *Financial Instruments* ("IFRS 9") was issued in July 2014 and will replace IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 provides a new approach for the classification of financial assets, which shall be based on the cash flow characteristics of the asset and the business model of the portfolio in which the asset is held. This final version includes requirements on: (1) Classification and measurement of financial assets and liabilities; (2) Impairment; and (3) Hedge accounting. Accounting for macro hedging has been decoupled from IFRS 9 and will not be considered and issued as a separate standard. For financial liabilities designated at fair value through profit or loss, IFRS 9 requires the presentation of the effects of changes in the liability's credit risk in OCI instead of net income. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Retrospective application is required, but comparative information is not compulsory.

IFRS 15:

IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") was issued in May 2014. IFRS 15 replaces prior guidance, including IAS 18 Revenue. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new guidance includes a five-step recognition and measurement approach, requirements for accounting of contract costs, and enhanced quantitative and qualitative disclosure requirements. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard is effective for annual periods beginning on or after January 1, 2017 and is to be applied retrospectively.

Corporate Directory

CI Financial

DIRECTORS

Ronald D. Besse
President,
Besseco Holdings Inc.;
Lead Director
Toronto, Ontario

Sonia A. Baxendale
Corporate Director,
Director
Toronto, Ontario

Paul W. Derksen
Corporate Director;
Director
Clarksburg, Ontario

William T. Holland
Chairman;
Director
Toronto, Ontario

Clay Horner
Co-Chair, Partner,
Osler, Hoskin & Harcourt LLP;
Director
Toronto, Ontario

Stephen A. MacPhail
President and
Chief Executive Officer,
CI Financial;
Director
Toronto, Ontario

David P. Miller
Senior Vice-President,
General Counsel and Secretary,
Rogers Communications Inc.;
Director
Toronto, Ontario

Stephen T. Moore
Managing Director,
Newhaven Asset Management Inc.;
Director
Toronto, Ontario

Tom P. Muir
Co-Managing Director,
Muir Detlefsen & Associates Limited;
Director
Toronto, Ontario

A. Winn Oughtred
Corporate Director;
Director
Toronto, Ontario

David J. Riddle
President,
C-Max Capital Inc.;
Director
Vancouver, B.C.

OFFICERS

Stephen A. MacPhail
President and
Chief Executive Officer

Sheila A. Murray
Executive Vice-President,
General Counsel and Secretary

Douglas J. Jamieson
Executive Vice-President and
Chief Financial Officer

David C. Pauli
Executive Vice-President and
Chief Operating Officer

CI Investments

EXECUTIVES

Derek J. Green
President

Douglas J. Jamieson
Executive Vice-President and
Chief Financial Officer

David C. Pauli
Executive Vice-President and
Chief Operating Officer

Sheila A. Murray
Executive Vice-President

Neal Kerr
President,
CI Institutional Asset Management and
Senior Vice-President,
Investment Management

Chris von Boetticher
Vice-President,
General Counsel and Secretary

Assante Wealth Management

EXECUTIVES

Steven J. Donald
President

James E. Ross
Senior Vice-President,
Wealth & Estate Planning

Robert J. Dorrell
Senior Vice-President,
Distribution Services

Corporate Information

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Investor Relations

Contact: Douglas J. Jamieson,
Executive Vice-President and Chief Financial Officer
Telephone: 416-364-1145
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Trading Symbol

CI Financial trades on the Toronto Stock Exchange under the symbol "CIX".

Auditors

Ernst & Young LLP
Chartered Accountants
Toronto-Dominion Centre
P.O. Box 251
Toronto, Ontario M5K 1J7

Registrar and Transfer Agent

Computershare Investor Services Inc.
9th Floor, 100 University Avenue
Toronto, Ontario M5J 2Y1
Telephone: 1 800 564-6253
E-mail: caregistry@computershare.com

Normal Course Issuer Bid

Effective June 18, 2014, the Toronto Stock Exchange accepted CI's notice of intention to commence a normal course issuer bid (the "Notice") through the facilities of the Toronto Stock Exchange. Under the bid, CI may purchase up to 20,000,000 Shares at the prevailing market price. Purchases under the bid will terminate no later than June 17, 2015. As of March 31, 2015, CI has acquired an aggregate of 4,240,588 Shares under the normal course issuer bid at an average price of $34.45 per Share. Shareholders may obtain a copy of the Notice, without charge, by contacting the Corporate Secretary of CI. The Corporation intends to renew its Normal Course Issuer Bid effective June 18, 2015, subject to receipt of approval from the Toronto Stock Exchange.

Shareholder rights plan

The Corporation entered into an agreement (the "Rights Plan Agreement") dated as of May 1, 2014 with Computershare Investor Services Inc., as rights agent, in connection with the adoption of a shareholder rights plan (the "Rights Plan"). The Rights Plan Agreement supersedes and replaces the rights plan agreement of the Corporation dated as of January 1, 2009 and was ratified and approved at the annual and special meeting of shareholders on June 11, 2014. The Rights Plan will terminate at the close of the annual meeting of shareholders in 2017. The Notice of Meeting and Management Information Circular of the Corporation dated May 1, 2014 includes a summary of the Rights Plan approved by the shareholders. The complete text may be found on SEDAR at www.sedar.com.

Digital Report

This Annual Report can be downloaded from CI's website at www.cifinancial.com under "Reports".

Annual Meeting

This Annual and Special Meeting of Shareholders will be held June 10, 2015 at 15 York Street, Second Floor, Toronto.