ANNUAL REPORT 2022

CI FINANCIAL

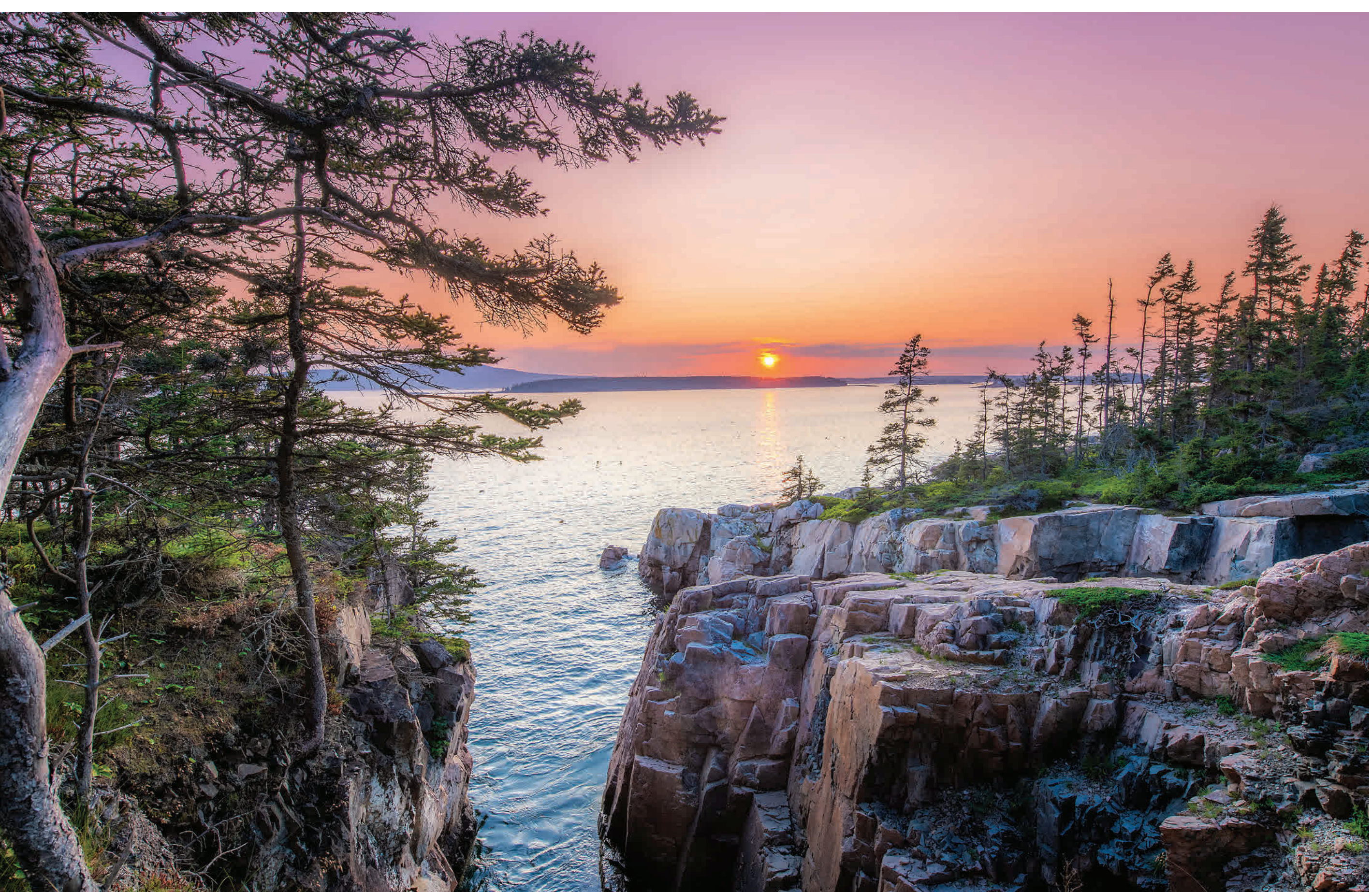
TABLE OF CONTENTS

ABOUT CI FINANCIAL

CI Financial Corp. ("CI") is a diversified global asset and wealth management company operating primarily in Canada, the United States and Australia. Founded in 1965, CI has developed world-class portfolio management talent, extensive capabilities in all aspects of wealth planning, and a comprehensive product suite.

We are guided by our core beliefs that active management adds value to clients' portfolios and that investors benefit from the advice provided by professional financial advisors. At March 31, 2023, CI had total assets of $391.1 billion, consisting of asset management assets of $122.0 billion, Canadian wealth management assets of $81.6 billion, and U.S. wealth management assets of $187.5 billion.

CI has been listed on the Toronto Stock Exchange since June 1994 (symbol: CIX). Our head office is in Toronto and our U.S. headquarters is in Miami.



CI OPERATES IN THESE SEGMENTS:
Asset Management, Canadian Wealth Management and U.S. Wealth Management.

01.
ASSET MANAGEMENT

CI Global Asset Management is one of Canada's pre-eminent investment managers and offers a comprehensive selection of investment solutions, including mutual funds, ETFs and alternatives, to retail and institutional clients. The CI GAM portfolio management team consists of more than 100 investment professionals with expertise spanning asset classes and industry sectors globally.

GSFM Pty Limited, which operates as GSFM Funds Management, is a leading manager and distributor of investment strategies and products to Australian institutional and retail investors.

CI also owns a majority interest in **Marret Asset Management Inc.**, a Toronto-based specialized fixed-income manager, a minority stake in Altrinsic Global Advisors, LLC, a global equity investment boutique based in Greenwich, Connecticut, and has a joint venture with Axia Real Assets LP of Toronto, an alternative asset manager focused on global real estate and infrastructure.

02.
CANADIAN WEALTH MANAGEMENT

CI Assante Wealth Management is one of Canada's largest wealth management firms, supporting 550 practices in the delivery of complete financial advice for affluent Canadian families, business owners and professionals.

Aligned Capital Partners Inc. is a Canadian full-service investment dealer supporting a network of more than 260 advisor teams across Canada. CI holds a majority interest.

CI Private Wealth (Canada) is a discretionary investment counsel business that provides a highly personalized wealth management experience tailored to ultra-high-net-worth and high-net-worth individuals, business owners and families.

Northwood Family Office is Canada's leading multi-family office, focusing on families with $10 million to $1+ billion in family net worth.

CI Direct Investing is a leading Canadian online investment and financial planning platform.

CI Investment Services is a Canadian financial technology company that provides a wide range of innovative brokerage and trading services.

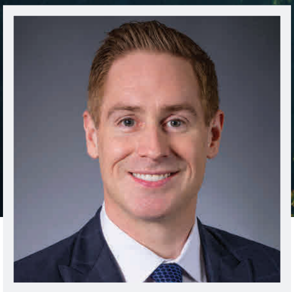
03.
U.S. WEALTH MANAGEMENT

The U.S. wealth management segment's primary business is CIPW Holdings, LLC, which operates as **CI Private Wealth ("CIPW")**. CIPW is an integrated wealth management business focused on providing comprehensive wealth management solutions to affluent and wealthy individuals, families and institutions.

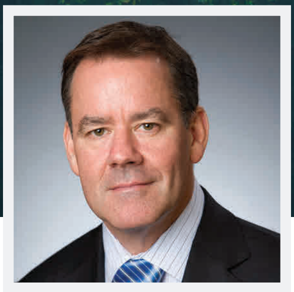
CIPW was established in 2020 with the goal of building the leading private wealth management firm in the United States. Today, after three years of rapid growth, CIPW is one of the largest registered investment advisor firms in the country with offices across the U.S.

NOTE: All financial amounts in this Annual Report are in Canadian dollars unless stated otherwise.

CI FINANCIAL DIRECTORS



KURT MACALPINE
Chief Executive Officer and Director



WILLIAM T. HOLLAND
Chairman of the Board

WILLIAM (BILL) BUTT
Director

BRIGETTE CHANG
Director

DAVID P. MILLER
Director

TOM P. MUIR
Director

PAUL J. PERROW
Director

SARAH M. WARD
Director

2022 AT A GLANCE

FINANCIAL HIGHLIGHTS[1]

TOTAL ASSETS
$375.8B

ADJUSTED EPS
$3.10

BASIC EPS
$1.58

NET REVENUES
$2.3B

TOTAL DIVIDENDS
$137.4M

SHARE REPURCHASES
$232M

FREE CASH FLOW
$687.4M

OPERATING CASH FLOW
$564.5M

WEALTH MANAGEMENT NET INFLOWS
$10.9M

CANADIAN RETAIL ASSET MANAGEMENT NET SALES
$1.0B

OPERATIONAL HIGHLIGHTS

INCREASED U.S. ASSETS TO $180.6 BILLION through strong inflows and five direct acquisitions

LAUNCHED A UNIQUE PARTNERSHIP STRUCTURE for CI Private Wealth U.S.

ACQUIRED NORTHWOOD FAMILY OFFICE, Canada's leading multi-family office

REORGANIZED COMPANY MANAGEMENT STRUCTURE to streamline and focus decision-making

INITIATED SIGNIFICANT EXPANSION of the CI Investment Services custody business

EXPANDED AND DIVERSIFIED PRODUCT LINEUP with new mandates in digital assets, technological innovations, environmental, social and governance (ESG), liquid alternatives, private markets, and fixed income

[1] As at or for the year ended December 31, 2022. Adjusted earnings per share and free cash flow are not standardized measures prescribed by IFRS. Descriptions of these measures are provided in the "Non-IFRS Measures" section starting on page 6 of the attached Financial Report dated December 31, 2022.

LETTER TO SHAREHOLDERS

Dear Shareholders,

As we look back on 2022, I am pleased to report that CI Financial performed well during an incredibly challenging year. The war in Ukraine, rising inflation and the dramatic jump in interest rates dominated the headlines. These developments triggered a rare simultaneous decline in both the stock and bond markets.

While the market turbulence affected our asset levels and share price, CI continued to make excellent progress in executing on its strategic priorities and delivered strong business and financial results.

For fiscal 2022, we had the second-highest adjusted earnings per share[1] in CI's history, only 1% below last year's record result and 27% higher than the next best year.

Our Canadian and U.S. wealth management businesses attracted record combined inflows of $10.9 billion during the year, led by $6.6 billion of inflows into the U.S. business. In asset management, our Canadian retail business had its highest level of positive net sales since 2015 — at a time when the overall Canadian fund industry experienced significant redemptions.

CI's total assets reached a record high of $384.9 billion in November as robust flows and acquisitions helped to offset the impact of market declines. Total assets at year-end were $375.8 billion, down just 0.1% from December 31, 2021. CI's assets have more than doubled since we adopted new strategic priorities in November 2019.

To have achieved these results during a very difficult environment speaks to the dedication of our people and the success of our strategy, which has transformed CI into a larger, more diversified company.

In 2022, CI expanded its reporting to three segments: Asset Management, Canadian Wealth Management, and U.S. Wealth Management. This change allowed for increased disclosure around the U.S. business, which has become our largest segment by assets. We have also reorganized our management structure so that each segment operates as a standalone business unit with dedicated leadership and operating functions. Each leadership team has the authority and accountability to drive enhanced outcomes for our clients.

In this letter, I will discuss the highlights of our 2022 accomplishments in each of our operating segments.

STRATEGIC PRIORITIES

Our strategic priorities and the rationale for each are shown below. These priorities were adopted in November 2019 to leverage CI's strengths and take advantage of opportunities for growth in a rapidly changing financial services industry. All initiatives at CI support one or more of these priorities.

MODERNIZE ASSET MANAGEMENT	EXPAND WEALTH MANAGEMENT	GLOBALIZE OUR COMPANY
Evolving demographics - Shifts in investor preferences - Changing expectations for servicing and support - Ongoing regulatory change	Role of advisor is more important than ever - Our breadth of capabilities uniquely positions us to be Canada's market leader - Consumers' lives are becoming increasingly complex and digital	Scale is becoming increasingly important and difficult to achieve in Canada - Investors want to be serviced and supported globally - Talent acquisition from global markets

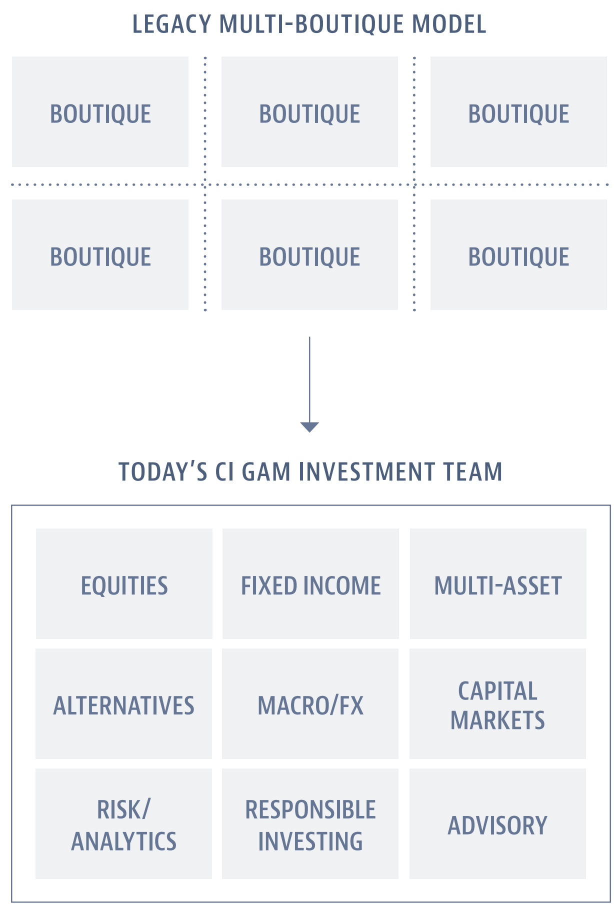
ASSET MANAGEMENT

In 2022, reporting for the Asset Management segment was unified under CI President and Chief Operating Officer Darie Urbanky, who oversees all aspects of that business apart from shared services such as Finance, Marketing, Legal and Human Resources.

One of the most important elements in modernizing our asset management business over the last three years has been the development of an integrated, global, institutional-grade investment platform at CI Global Asset Management ("CI GAM"). The build-out of this modernized platform continued in 2022 and the results demonstrate the wisdom of this change.

Prior to the integration, CI GAM's in-house portfolio management consisted of a series of boutiques operating independently of one another. Not only did these boutiques effectively compete with one another for business, there were extensive redundancies between them, as each was responsible for its own research, risk management and so on. This meant that our investment management operations did not fully benefit from CI GAM's scale as one of Canada's largest asset managers.

Today, the CI GAM investment team is the largest it's ever been, and employs a collaborative, team-based approach under the direction of Marc-André Lewis, our first firm-wide Chief Investment Officer. The group has introduced institutional-grade tools, technology and processes to support our commitment to delivering the best possible investment experience for our clients. The new structure includes teams dedicated to specific asset classes, backed by extensive research capabilities and specialists in trading, analytics, risk management, and responsible investment. The redundancies of the multi-boutique model have been replaced by true scale in all aspects of investment management.



In 2022, CI GAM also claimed compliance with the Global Investment Performance Standards ("GIPS®") from CFA Institute, the global standard for presenting investment performance. This was a significant undertaking and further underscores CI GAM's commitment to following industry best practices and modernizing its business.

These changes to our investment management platform have already had a significant impact, leading to a sustained improvement in relative investment performance and, along with enhancements in sales and marketing and new product development, driving a dramatic turnaround in net sales.

At December 31, 2022, funds representing 66% and 71% of CI GAM's assets under management were beating peer group averages over three years and five years, respectively. Our investment performance was also recognized through 14 Refinitiv Canada Lipper Fund Awards and 39 FundGrade A+® Awards for 2022. The annual awards programs identify funds with consistently strong risk-adjusted performance, relative to peers.

CI posted net sales in Canadian retail during the year of $1.0 billion, the best result since 2015 and the second consecutive year of net sales in this category. This was truly impressive given the macroeconomic uncertainty and the significant correction in capital markets. In contrast, the Investment Funds Institute of Canada reported total industry net redemptions of $8.0 billion for the year.

LEADING IN PRODUCT INNOVATION

As part of our strategic priority of modernizing asset management, we have put an increased emphasis on updating our product lineup, which we believe has contributed substantially to our sales. Our efforts in this area are guided by three themes: providing new strategies to help investors thrive in challenging markets; providing investment options that align with investors' evolving preferences; and enhancing and simplifying our existing product lineup.

In 2022, we continued to demonstrate innovation and leadership in product development, launching mutual funds and ETFs representing a diverse range of mandates. New products during the year included the following mandates:

- **Thematic —** CI GAM launched ETFs focused on digital security, digital health care, blockchain, and the metaverse.
- **Digital assets —** We expanded our lineup of cryptocurrency funds with CI Galaxy Multi-Crypto ETF, which invests in our Bitcoin and Ether ETFs.
- **Environmental, Social and Governance (ESG) —** CI Global Green Bond and CI Global Sustainable Infrastructure Fund expanded CI GAM's lineup of ESG funds to meet the increasing interest in this approach.
- **Fixed income —** Fixed income remains a key component of investor portfolios and in 2022, CI GAM expanded its lineup with ETF series of CI Floating Rate Income Fund, CI Global Investment Grade Fund and CI Global High Yield Private Pool, along with several other global bond fund options.
- **Alternatives —** CI expanded its lineup of liquid alternative investments with the introduction of CI Alternative Multi-Strategy Fund and CI Auspice Broad Commodities ETF, and added to its private markets solutions with CI HarbourVest Private Infrastructure Income Fund.

As we continue to enhance our product offering, developing alternative investments remains a priority for us. In liquid alternatives, which offer alternative investment approaches in a mutual fund or ETF structure, CI is an industry leader with $3.5 billion under management and a 15% market share as at March 31, 2023 (as ranked by the Canadian Association of Alternative Assets and Strategies).

The next step is to make private markets solutions more accessible to the Canadian market. Leading institutional investors will allocate 30% or more of their portfolios to alternative investments, while Canadian retail investors will typically have 0%. To address this opportunity, CI offers accredited investors a high-quality lineup of three private markets funds focused on private equity and credit, real estate, and infrastructure. In the first quarter of 2023, we launched a diversified, multi-manager strategy that provides Canadian retail investors with a single ticket solution for investing in private markets. The fund is currently open to investments from other CI funds and we plan to make it available to accredited investors later this year. We believe this solution will extend our leadership in this increasingly important segment.

TRANSFORMING OUR OPERATIONS

The strategic priority of modernizing our business also applies to our operations, and here we have continued to make great strides. CI initiated its digital transformation strategy in 2019 and it has resulted in cost savings and value for clients. This work was recognized in 2022 with a Digital Transformation Award (Large Private Sector Category) from ITWC.

Also in 2022, we entered into a strategic partnership with CGI, a global business consulting firm, under which CGI will manage our transfer agency and related services — the technology, operations and client services functions that involve the record-keeping and client support for CI's conventional mutual funds. CGI, which has deep expertise in this field, is working to provide CI with a modernized, leading-edge transfer agency platform with expanded capabilities, which will result in enhanced services and support for our advisor and investor clients. As part of the agreement, CI's transfer agency employees were offered equivalent employment.

We have made exceptional strategic progress in our asset management business and are well positioned for continued gains in investment performance, net flows and market share.

CANADIAN WEALTH MANAGEMENT

CI's Canadian wealth management business had another highly successful year despite the turbulent environment, with net inflows of $4.3 billion for the period. These results are a testament to the expertise of our advisor teams and employees and the exceptional value they provide to clients. In challenging markets, investors seek out the most qualified and credible companies and the quality of our firms is second to none.

CI today has the enviable ability to seamlessly serve clients across the full spectrum of affluence and delivery models, from do-it-yourself investors to the wealthiest families. With the addition of Northwood Family Office in April 2022, the CI group gained Canada's foremost multi-family office, greatly strengthening our position in the ultra-high-net-worth segment. Northwood has a sterling global reputation, being ranked as the No. 1 multi-family office in Canada in the 2022 Euromoney Private Banking and Wealth Management survey. With Northwood and CI Private Wealth (Canada), we have an impressive roster of talent to meet the distinct needs of ultra-high-net-worth clients.

BUILDING A UNIFIED PLATFORM

As noted earlier, in 2022 we changed the management structure of Canadian wealth management to improve the advisor and client experience and promote continued growth. Sean Etherington, President of Assante, and Christopher Enright, President of Aligned Capital Partners, were named Co-Heads of Canadian Wealth Management with a mandate to build a single industry-leading wealth platform that will support the distinct business model of each channel. This change has streamlined decision making and allowed us to integrate our advisor recruiting efforts, consolidate technology and discontinue redundant systems.

A central part of this new framework is the use of technology throughout our operations to modernize our processes and enhance our services. Here are just a few examples: the expansion of Assante's discretionary platform, automation of certain back-office tasks, and adopting a digital solution for account openings and updates. As part of our commitment to this strategy, we appointed our first Chief Technology Officer for Canadian Wealth to oversee these efforts.

Our strategic priority of expanding wealth management extends across our family of firms — we have also made significant investments to grow the custody and clearing business at CI Investment Services ("CIIS"). We expect to finalize the transfer of over $14 billion of client assets at Aligned Capital to CIIS later this year in what will be one of the largest-ever custody conversions in Canadian wealth management. Once that transfer is completed, CIIS will have over $20 billion of assets on its custody platform, with the capacity to administer tens of billions in additional assets.

This capability presents a meaningful competitive advantage for us. By using CIIS as custodian for our wealth management business, we can manage and improve the experience for advisors, as well as generate new fee revenue. We also believe there is great potential to onboard other firms and expand this business considerably.

With these initiatives, we are building on an already strong position in Canadian wealth management and we look forward to even greater success in the coming years.

U.S. WEALTH MANAGEMENT

We have made tremendous progress towards our goal of becoming the leading private wealth firm in the United States. In just three years, we have built one of the nation's largest registered investment advisor ("RIA") firms with $180.6 billion in assets at December 31, 2022. Assets grew by 19% during the year, due to acquisitions and exceptional organic growth, with the business attracting net inflows of $6.6 billion.

It's important to note that the U.S. wealth business is distinctly different from the Canadian wealth management industry, as its higher margins are more in line with what we see in asset management.

In 2022, we acquired five RIAs, all high-quality teams that share CI Private Wealth's focus on meeting the complex needs of ultra-high-net-worth individuals and families through comprehensive wealth management services. They included:

- **Corient Capital Partners, LLC**, of Newport Beach, California, which now operates as CI Corient Private Wealth.
- The Boston-based team and assets of **Eaton Vance WaterOak Advisors** (formerly Eaton Vance Investment Counsel), which is now CI Eaton Private Wealth.
- **Galapagos Partners, LP**, a multi-family office based in Houston. It has been rebranded CI Galapagos Private Wealth.
- **Kore Private Wealth, LLC**, of New York City, which now operates as CI Kore Private Wealth
- **Inverness Counsel, LLC**, also of New York City, which has been rebranded CI Inverness Private Wealth.

Achieving $6.6 billion in inflows during a time of severe market volatility is extraordinary. Our advisor teams provide a high level of service excellence that has earned the loyalty and trust of our clients.

CREATING A UNIQUE BUSINESS MODEL

It also reflects the benefits of the unique integrated business model we have developed for CI Private Wealth ("CIPW"), which fosters strategic, cultural and financial alignment across the organization. It is fundamentally different than other public wealth management structures, which are typically platforms where individual advisors share a common brand, technology and real estate, or are financial investors or aggregators taking stakes in multiple firms.

Crucial to our model is the partnership we established in January 2022, in which certain employees of CIPW and its affiliates own equity in the RIA business while CI has retained majority ownership. By holding equity in the larger, national business, CIPW partners are incentivized to grow and enhance the firm as whole. The ability to offer equity in the partnership is also a powerful influence in recruiting and retaining talent.

This structure also facilitates acquisitions by allowing RIA owners who share our vision of building a leading national wealth management firm to exchange ownership in their firm for equity in the larger business.

The integration of our U.S. business has proceeded apace. The head office in Miami is fully staffed and we have an extremely capable and experienced Chief Operating Officer in Lennie Gullan to oversee CIPW's daily business operations, trading and technology. All non-client-facing or supporting functions have been centralized, including finance, legal, compliance, technology, marketing and human resources.

To realize further synergies, we have renegotiated or are in the process of renegotiating vendor agreements and are planning to consolidate our office space in those cities with multiple offices. Our local offices are all co-branded with CI and we expect to make a full transition to a unified brand at a later date. We have also introduced new services to benefit our clients, such as impact investing capabilities, tax preparation, and corporate trustee services.

FINANCIAL RESULTS

REALIZING SHAREHOLDER VALUE

We first announced our plans to sell a portion of our U.S. subsidiary, CI US Holdings Inc. ("CI US") through an initial public offering in April 2022. We believe that the success of our U.S. wealth management business is not recognized in our share price and that an IPO would realize this value for shareholders.

In December, CI US confidentially submitted a draft registration statement on Form S-1 with the Securities and Exchange Commission (the "SEC"), relating to the proposed IPO of CI US common stock. At the time of writing, we continue to work on this process.

CI voluntarily delisted its shares from the New York Stock Exchange in January 2023 and now trades exclusively on the Toronto Stock Exchange. We expect CI US would trade exclusively on a U.S. exchange following an IPO, with CI remaining the majority owner.

We are very confident our U.S. business has a bright future. Our unique business model has allowed us to deliver exceptional growth rates and profit margins.

CI's financial performance in 2022 was exceptional, given a market environment that saw double-digit declines in most global stock and bond indexes. This reflects the strategic transformation of our business, which has resulted in a larger company with more diversified sources of revenues and earnings. Wealth management businesses in both Canada and the U.S. are now making significant contributions to the firm's profitability.

Here are a few highlights of our 2022 results[1]:

- Adjusted EPS was $3.10, the second-best result in our history and just 1% lower than the previous year's $3.14 and 27% higher than 2020's EPS of $2.45. Basic EPS was $1.58 in 2022, $2.02 in 2021, and $2.21 in 2020.

- Total net revenues were $2.3 billion, versus $2.2 billion in 2021.

- Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) was at the same level as the prior year, at $1.0 billion. On a non-adjusted basis, EBITDA was $786.0 million, compared to $794.7 billion in 2021.

- Free cash flow was $687.4 million, essentially unchanged from 2021, while operating cash flow was $564.5 million in 2022, compared to $650.2 million the year before.

- CI's total assets at year-end were $375.8 billion, compared to $376.2 billion at December 31, 2021. Record inflows of $10.9 billion in Canadian and U.S. wealth management, along with acquisitions, helped to offset general market declines and outflows in asset management.

CAPITAL ALLOCATION

We maintain a dynamic approach to capital allocation, using our considerable cash flow to finance multiple priorities, including acquisitions and other investments in transforming the business, as well as returning money to shareholders through dividends and share repurchases.

In 2022, we paid $137.4 million in dividends at a rate of $0.72 per share, and repurchased 14.2 million shares at a total cost of $232.0 million. We will seek to repurchase shares as long as our stock price is disconnected from the inherent value of our business. Our share buybacks have had a significant impact, reducing the number of outstanding shares by more than 59.2 million or 24% over the last four years. There were 184.5 million shares outstanding at December 31, 2022.

We also took advantage of the low interest rate environment of prior years to lock in longer-term financing at favourable rates, giving CI a very attractive debt profile. At December 31, 2022, our debt had a weighted average maturity of 11.5 years and a weighted average interest rate of 4.1%, while 92% of the debt was at a fixed interest rate and free of financial covenants.

COMMITMENT TO EMPLOYEES

I'm especially proud of our commitment to our employees' growth and development, which we see as critical to fostering a high-performance workplace. Since the start of the pandemic, we have bolstered our support for employees with an increased emphasis on mental health and wellness and an expanded diversity and inclusion program.

Our longstanding focus on an inclusive culture has resulted in CI having one of the most diverse workforces in our industry. Approximately 40% of our total workforce identify as minorities and 43% of our C-suite level executives are women. At the executive level, 40% of positions are held by women.

This success was recently recognized through two third-party programs. CI was named a Greater Toronto Top Employer for 2023 in a competitive selection process that cited our commitment to professional development, our highly diverse and inclusive culture, and our investment in employee wellness and care. CI was also named to the 2023 Report on Business magazine's Women Lead Here list, which recognizes leading Canadian businesses with the greatest female representation in their executive ranks. Only 90 companies out of more than 500 large public Canadian companies achieved this ranking from the magazine.

CI also received the Great Place to Work® certification in 2022 and was named to the 2022 list of Canada's Best Workplaces for Hybrid Work.

We believe this support has contributed to the outstanding performance of our employees over the last three years. Despite the pandemic and last year's challenging markets, we have continued to provide excellent service to our clients and execute well on our strategic priorities. I thank our employees for their dedication and hard work.

For more information on our commitment to employees, please see the Corporate Social Responsibility section of this Annual Report.

OUTLOOK

Capital markets staged a modest recovery in the first quarter of 2023. However, financial stocks, including CI, have lagged the broader market following the collapse in March of two large U.S. regional banks and the forced takeover of Credit Suisse by rival UBS. CI's total assets were $391.1 billion at March 31, 2023, an increase of 4% from year-end.

Uncertainty remains high as investors consider the prospects of an economic recession, the strength of inflation and whether central banks will continue to raise interest rates.

At CI, we will continue to focus on what we can control — and that is the operation or our business and the execution of our strategic priorities. On that score, we have made tremendous gains over the last three years. Not only are we very well positioned to benefit from a market recovery, but we also have an ambitious agenda ahead to continue to enhance and grow our business. I am very confident we will continue to deliver results.

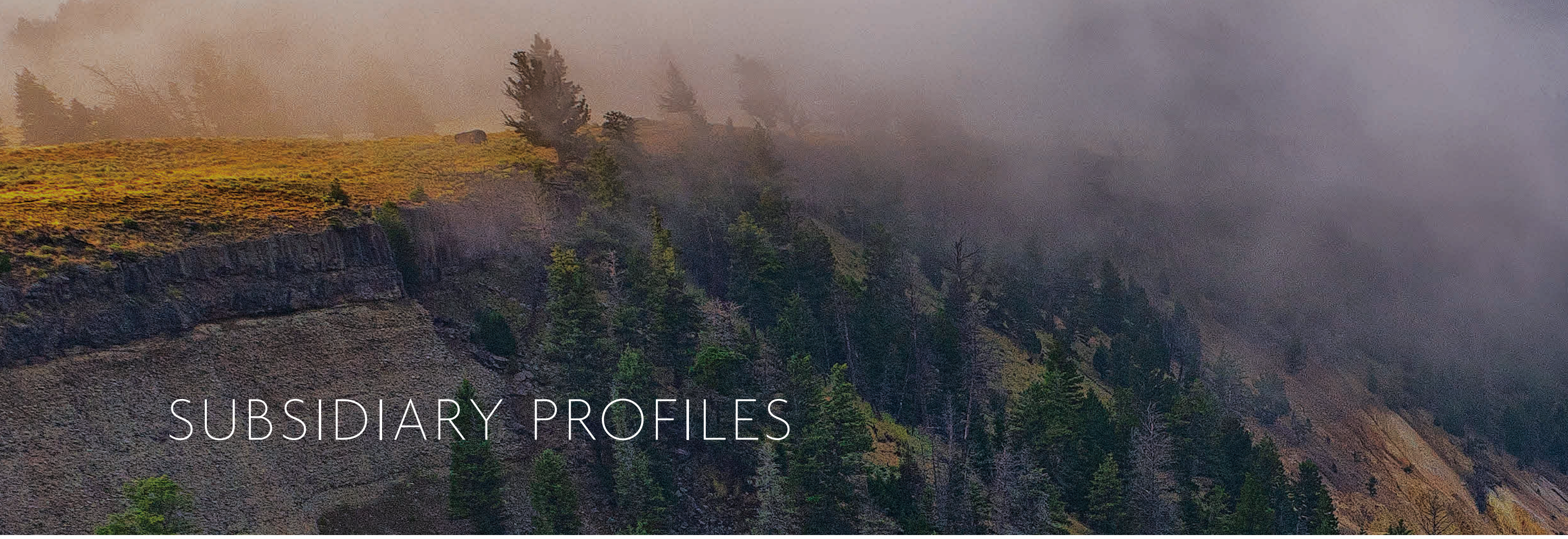
Sincerely,

Kurt MacAlpine

Chief Executive Officer

March 31, 2023

[1] Adjusted earnings per share, adjusted EBITDA and free cash flow are not standardized measures prescribed by IFRS. Descriptions of these measures are provided in the "Non-IFRS Measures" section starting on page 6 of the attached Financial Report dated December 31, 2022.



SUBSIDIARY PROFILES

ASSET MANAGEMENT

CI GLOBAL ASSET MANAGEMENT

CI GLOBAL ASSET MANAGEMENT

CI Global Asset Management ("CI GAM") is one of Canada's largest investment management companies with global scale and capabilities. We are proud to partner with financial advisors to serve approximately 1.4 million investors across the country. We also provide investment services to pension funds, foundations and other institutional investors through a dedicated institutional group. CI GAM had approximately $117.1 billion in assets under management as at March 31, 2023.

We offer a comprehensive selection of effective investment solutions, including mutual funds, exchange-traded funds, segregated funds, managed solutions and alternative investments. Our product lineup spans a wide range of investment disciplines and mandates covering various geographic regions, asset classes and industries.

As we have modernized our asset management business over the past three years, CI GAM has become a leader in product innovation. Examples include mandates for cryptocurrency, liquid alternatives, private markets, environmental, social and governance (ESG), commodities, thematic ETFs, and an expansion of our offerings in covered call funds and actively managed ETFs.

CI GAM has also modernized its portfolio management, building an integrated, global, institutional-grade investment platform. We employ diversity of thought, collaboration, well-defined investment disciplines, asset class expertise and in-depth research to deliver the best possible outcomes for our clients. The CI GAM investment team consists of more than 100 investment professionals with extensive expertise on a global basis.

As a signatory of the United Nations Principles for Responsible Investment and an associate member of Canada's Responsible Investment Association, CI GAM integrates ESG screens into its investment process.

CI GAM has continued to receive extensive industry recognition for investment performance, and was the recipient of 39 FundGrade A+® Awards and 14 Refinitiv Canada Lipper Fund Awards for 2022.

GSFM
FUNDS MANAGEMENT

GFSM PTY LIMITED

GSFM, which does business as GSFM Funds Management, is a leading manager and distributor of investment funds to institutional and retail investors in Australia. The firm was founded in 2007 and today manages approximately $7.6 billion in assets (as at March 31, 2023).

GSFM partners with high-calibre investment managers in Australia and globally to offer unique investment strategies to the Australian market. We have relationships with six investment managers — New York-based Epoch Investment Partners, Los Angeles-based Payden & Rygel, London-based Man Group, and Australian managers Munro Partners, Tribeca Investment Partners and Tanarra Credit Partners. Each offers a differentiated investment strategy in their specialist asset classes. These mandates span Australian equities, global equities, fixed income, and alternatives.

CI Financial owns a majority interest in GSFM and GSFM executives hold a minority equity stake.

CANADIAN WEALTH MANAGEMENT

CI's Canadian wealth management platform administers $81.6 billion (as at March 31, 2023) in assets across the full spectrum of advice channels and client complexity. As one of Canada's largest wealth managers, we are leveraging our scale to drive innovation and enhance the client experience across our businesses.

CI ASSANTE WEALTH MANAGEMENT

CI Assante Wealth Management ("Assante") is one of Canada's largest wealth management firms, supporting 550 practices in the delivery of complete financial advice for affluent Canadian families, business owners and professionals. Assante's services are offered through Assante Capital Management, an investment dealer, and Assante Financial Management, a mutual fund dealer. Assante advisors also have exclusive access to Assante Private Client, a division of CI Private Counsel, for high-net-worth investment management and holistic advice services.

Assante recorded its second-best year of net inflows in 2022, despite the volatile market backdrop. This reflects the value of our services and the strength of our relationships with clients. Assets under advisement were $52.4 billion as at March 31, 2023.

Our success is closely linked to the close partnerships we have developed with our advisor network and our goal of delivering an industry-leading advisor and client experience.

Backed by a wealth of resources, including investment analysts, portfolio managers, tax lawyers, accountants, estate planning and insurance specialists and wealth planners, our advisors provide a comprehensive and integrated approach to wealth management.

ALIGNED CAPITAL PARTNERS

Aligned Capital Partners Inc. ("ACPI") supports a network of over 260 advisor teams across Canada. CI holds a majority interest in the firm.

ACPI is one of the fastest-growing, progressive securities dealers in the country. Its assets reached a record $16.7 billion as at March 31, 2023.

Our success flows from a solid foundation and an adaptive digital platform. Unique to the industry, ACPI was founded on the principle that Canadian financial advisors should have the freedom to run their businesses independently while being supported by an unconflicted dealer platform. The end goal for both: a better, more customized investor experience and ultimately a better outcome for investors.

In its evolution, ACPI has become an industry leader on several fronts. First by recognizing the need for change and challenging the status quo, then by inciting that change not just on a platform level, but also on a wider industry level. Innovation is at the core of the ACPI initiative. A large part of that is developing a fully integrated digital ecosystem designed to grow and support both the company's business and our advisor partners' businesses, while at the same time remaining flexible enough to meet the demands of technological advancements as they come into play.

The next phase of the evolution of this back office platform will see the Aligned 360 ecosystem fully integrated into CI's proprietary custody and clearing platform. This transformation is scheduled to be completed in July 2023.

CI PRIVATE WEALTH — CANADA

CI Private Wealth ("CIPW Canada") is a full-service wealth management firm that offers a highly personalized experience tailored to the financial goals, unique needs and evolving priorities of high-net-worth and ultra-high-net-worth individuals, business owners and families. It combines the benefits of a boutique client experience, one guided by the fiduciary standard and principle of always placing client interests first, supported by the strength, size and scale of being part of CI Financial. CIPW Canada offers an unrivalled experience that combines discretionary investment management and comprehensive wealth planning, including sophisticated financial planning, retirement planning, estate and legacy planning, and tax strategies for individuals, businesses and multi-generational families.

Supporting our advisory teams across Canada in the delivery of an integrated client experience is a robust, multi-disciplinary team of experts — including lawyers, accountants, Certified Financial Planners, Certified Financial Analysts, MBAs and other professionals. They are all part of a dedicated client service team that is available to help plan, provide guidance, and answer technical questions that may impact our clients — be they business owners contemplating transition, professionals and executives looking to mitigate tax, individuals working through a divorce, who've inherited money or dealing with other life events.

CIPW is a division of CI Private Counsel LP ("CIPC"), which also manages the Assante Private Client Program. CIPC's assets stood at $8.5 billion at March 31, 2023.

NORTHWOOD FAMILY OFFICE

Northwood Family Office Ltd. was founded in 2003 and has become Canada's leading multi-family office. It manages and co-ordinates the integrated financial, investment and personal affairs of wealthy Canadian and global families with $10 million to $1+ billion in family net worth.

Northwood manages approximately $2.5 billion of investment assets and $9 billion of family net worth on behalf of clients who include entrepreneurs, senior corporate executives, charitable and family foundations, and other ultra-high-net-worth individuals and families. We help our clients sustain and grow financial and human capital across the generations.

In 2022, Northwood achieved the prestigious distinction of being named the #1 Family Office in Canada in the Euromoney Private Banking and Wealth Management Survey. The firm was also ranked the #1 Family Office in Canada from 2016 to 2021.

CI DIRECT INVESTING

CI Direct Investing is the umbrella brand for CI's online investment platforms: CI Direct Investing and CI Direct Trading.

CI Direct Investing gives Canadians a convenient and affordable way to build a brighter financial future, whether they're starting with $1,000 or $1 million. We make it easy to build one's financial future with online savings and investing tools, and financial advice.

CI Direct Investing offers a "hybrid model" that combines technology with professional advice for a personalized experience. Through its online platform, investors can access a mix of investment portfolios, including ETF, Impact, and Private portfolios. Investors also have the option to invest in high interest saving accounts.

CI Direct Trading, formerly Virtual Brokers, is designed for self-directed retail traders and offers a selection of innovative trading platforms and a variety of investment programs and account types.

CI INVESTMENT SERVICES

CI Investment Services ("CIIS") is a Canadian financial technology company and registered investment dealer that provides a wide range of innovative brokerage and trading services to a diverse client base of portfolio managers, broker dealers, and institutional investors.

The services CIIS offers include clearing, custody, settlement and trade execution services for all investment types. CI is currently expanding the CIIS custody and clearing functions to serve as the foundation of an integrated platform supporting CI's Canadian wealth management business.

U.S. WEALTH MANAGEMENT

CI's U.S. Wealth Management segment manages $187.5 billion in client assets (as at March 31, 2023) from offices across the U.S. and its headquarters in Miami. Its primary business is CIPW Holdings, LLC, which operates as CI Private Wealth ("CIPW").

CIPW is an integrated wealth management business focused on providing comprehensive wealth management solutions to affluent and wealthy individuals, families and institutions. We combine the personal service, creativity and objective advice of a boutique with the extensive resources and intellectual capital of an innovative industry leader to provide a profoundly different wealth management experience.

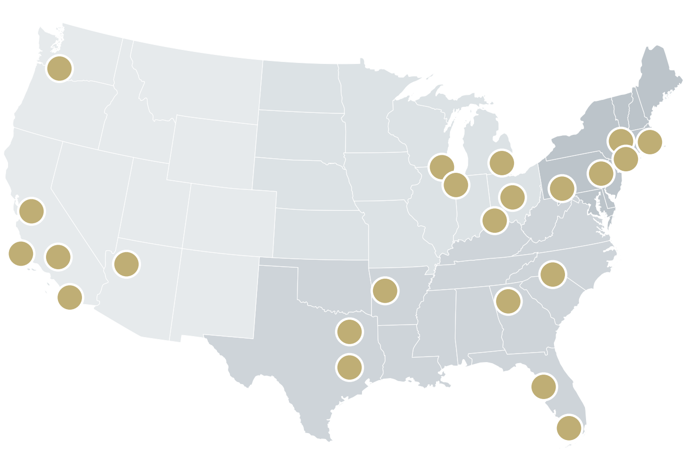
CI entered the U.S. in 2020 with the goal of building the leading private wealth management firm in the United States. Today, after three years of rapid growth, CIPW is one of the largest integrated registered investment advisor ("RIA") firms in the country. We have achieved this success by developing and executing a highly differentiated strategy in our market that has included acquisitions of high-quality RIAs, achieving strong organic growth in the acquired firms, and by providing a comprehensive and integrated fiduciary-based client experience.

We understand and accommodate the distinct needs of ultra-high-net-worth and high-net worth clients. In addition to our core wealth management, financial planning and customized investment management services, we provide numerous complementary services to provide a holistic solution. These services may include estate and retirement planning, corporate trustee services, business succession planning, family office services, values-aligned investing, tax services and concierge services. CIPW is also leveraging its size and scale to provide enhanced access to alternative investments, which can provide valuable portfolio diversification benefits to our clients.

CIPW is further distinguished by its unique partnership model, which we believe underpins our ability to outperform peers in growth and profit margin. This model, in which certain CIPW advisors and employees receive equity in the overall business, incentivizes partners to collaborate in enhancing the growth and profitability of the overall firm. It also helps to position CIPW as the industry acquiror of choice, as we can offer equity participation in a larger, growing business, and it serves to attract and retain the best talent in the industry.

CI's U.S. Wealth Management segment also includes Segall Bryant & Hamill, LLC, an institutional asset manager and wealth management firm, as well as strategic minority stakes in alternative asset managers Columbia Pacific Advisors, LLC and GLASfunds, LLC.

CI'S U.S. LOCATIONS



CORPORATE SOCIAL RESPONSIBILITY

CI strives to operate with responsibility and integrity in all aspects of our business. We are committed to ethical behavior and good governance, treating our clients and business partners with respect, investing responsibly, supporting our communities, and minimizing our impact on the environment. We emphasize a people-first culture that provides our employees with an inclusive and engaging environment to drive high performance. This report highlights some of our initiatives and achievements in key areas.

GOVERNANCE — PROVIDING OVERSIGHT AND CONTROLS

Strong governance is embedded in the practices and policies of CI. This starts with the Board of Directors, of which seven of the eight members are independent, and extends through the executive leadership team that manages CI on a day-to-day basis.

The Board and the executive team have strong controls and oversight around enterprise risk management, strategic planning, financial information and reporting, succession planning, investor relations, integrity and ethics, share ownership, and human capital, among other areas. The Board, as part of its oversight, has two standing committees: the Audit and Risk Committee, and the Governance, Human Resources and Compensation Committee.

As part of its governance mandate, the Board believes that diversity on the Board and in management leads to a stronger, more resilient and better-performing company, and established a Board Gender Diversity Policy with the ultimate goal of having a composition of the Board where self-identified men or women each represents: at least two directors on a Board of seven or fewer members; or, at least 30% of the directors on a Board of more than seven members.

In addition, CI executives and the Board annually approve updated policies that set expectations clearly and hold everyone at CI accountable for their actions, including:

- Anti-Bribery and Anti-Corruption Policy
- CI Code of Conduct
- Insider Trading Policy
- Whistleblower Policy.

RESPONSIBLE INVESTING — OUR FIDUCIARY DUTY TO CLIENTS

CI Global Asset Management ("CI GAM") is a signatory to the United Nations' Principles for Responsible Investment ("UNPRI"), which was developed by an international group of institutional investors to reflect the increasing relevance of environmental, social and corporate governance ("ESG") issues to investment practices.

UNPRI works to understand the investment implications of ESG factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions. As a signatory since 2016, CI GAM has, amongst other principles, committed to incorporate ESG factors into its investment analysis, decision-making processes and ownership practices.

CI GAM believes that the consideration of material ESG factors alongside traditional and non-traditional factors in its analysis and portfolio construction can help mitigate risk and enhance a portfolio's risk-adjusted returns. By integrating the consideration of all risks, including ESG, we seek to gain a more accurate view of our investments. Examples of issuers with strong ESG performance are:

- **Environmental:** Issuers with solid operating track records with efficient use of resources (e.g., water/waste), protection of biodiversity, without environmental lapses, resilient to climate change, and positioned to leverage opportunities in energy transition.
- **Social:** Issuers that respect human rights and labour standards, have strong diversity practices, safe and decent working conditions, responsible sourcing/supply chains, invest in employee training, and protect personal privacy.
- **Governance:** Issuers with strong business ethics and corporate governance (board structure, executive pay, accounting practices) that ensure protection of shareholder rights.

CI GAM's *Responsible Investing Policy* and *ESG Guidelines*, updated in early 2023, direct our investment professionals and inform our process. The governance of our responsible investing practice rests with the newly formed *Responsible Investing Forum*, which handles related strategic, structural and controversial decisions. It is chaired by the Chief Investment Officer and comprises the heads of asset classes, risk, and the Head of Responsible Investing hired in 2022. In addition to enhancements to our responsible investment process, CI GAM also launched two new ESG-branded funds in 2022: CI Global Sustainable Infrastructure Fund and CI Global Green Bond Fund.

PEOPLE FIRST — BUILDING AN ENTREPRENEURIAL, HIGH-PERFORMING AND COLLABORATIVE CULTURE

We are deliberate in fostering an environment that enables employees to reach their fullest potential and bring their expertise, creativity, persistence, curiosity and commitment to CI. It is our people who are the engine behind the execution and realization of our business strategy and serve as the heart of our high-performance, talent-rich culture.

Our people strategy consists of three major components:

- Competitive rewards, pay for performance philosophy and a robust benefits plan focused on employee wellness
- Meaningful learning and development opportunities that encourage and reward personal and professional growth, and
- A diverse, inclusive and engaging workplace in which talented people with a range of backgrounds and experiences can collaborate in a team-oriented environment.

MEANINGFUL AND COMPETITIVE TOTAL REWARDS

At CI, we thrive in a pay-for-performance culture, in which exceptional performance is rewarded on a commensurate basis. This results-oriented environment is sustained through a commitment to employee wellness, financial resilience and inclusion. Our commitment to wellness is underscored by our belief that employees who are healthy and supported are best equipped to deliver service to our clients, both internal and external.

Our competitive benefits are fully funded from day one for new hires, and we continuously enhance our resources and programs based on employee feedback and needs. For instance, we made several significant investments in benefits related to the pandemic to facilitate employees working more productively from home, supplement mental health support, and encourage continued staff interaction.

We have a long-standing philosophy that employees should be shareholders with a stake in the collective future of CI. We award each employee shares or restricted share units (RSUs) annually, and they are offered the opportunity to purchase additional shares with an additional contribution by the Corporation through the Employee Share Purchase Plan.

Our total rewards program is constructed and evaluated comprehensively, ensuring that we have programs and resources that support employees and their families across all facets of wellness.

Lastly, we value long-term contributions and impact. CI offers a premier service recognition award of a $10,000 vacation and an additional week of paid time off to employees who reach a 20-year tenure milestone.

MEANINGFUL GROWTH AND DEVELOPMENT OPPORTUNITIES

Building a meaningful career and talent pipeline requires thoughtful planning and investment. We are intentional about providing both the right environment for learning and development — backed by senior leadership — and the right programs. We then empower employees to "own" their development.

The centre of our talent and performance management ecosystem is an enterprise-wide platform that employees and managers utilize on an ongoing basis. Feedback is not viewed as a one-time event; rather, it is designed to engage employees, understand their workstyles, build on their strengths, and create a collaborative team environment. Check-ins happen frequently, allowing for constant communication and creating trust and partnership between employees and managers.

Building on our philosophy of ongoing engagement and development, we also have four key development programs for employees: mentoring; people manager development; tuition and professional development cost reimbursement; and learning and development courses and cost reimbursement.

DIVERSE AND INCLUSIVE WORKPLACE

CI's Diversity Statement serves as the way we will treat others and expect to be treated.

DIVERSITY STATEMENT

VALUED
Employees are appreciated and respected for their unique perspectives and talents.

TRUSTED
Employees make meaningful contributions and are influential in decision-making.

AUTHENTIC
Employees can bring their full selves to work and express aspects of themselves that may be different from their peers.

PSYCHOLOGICALLY SAFE
Employees feel free to hold differing views and make mistakes without being penalized and secure enough to address tough issues or take risks.

Our history of making decisions based on talent-first and then enabling them to prosper and develop has strengthened the diversity of our senior ranks. Accordingly, 13 executive officers of the Corporation, including its major subsidiaries, identify as women, or 43% of such executive officers. Moreover, 44% of all senior vice-presidents and above identify as a person of colour.

We are pleased to be recognized by the Report on Business on its Women Lead Here list, which identifies those publicly traded companies in Canada with the greatest representation of women in their executive ranks.

We accelerate our commitment to diversity through a variety of means. CI's Diversity and Inclusion Committee focuses on four key pillars: Policy, Education, Celebration and Awareness. Furthermore, senior leaders serve as champions for multiple Employee Resource Groups, amplifying employee voices and promoting inclusive practices at all levels of the organization.

2023 TOP EMPLOYER
Greater Toronto's Top Employers (Mediacorp Canada)

CANADA'S BEST WORKPLACES FOR HYBRID WORK
Great Place to Work®

DIGITAL TRANSFORMATION AWARD
IT World Canada
Large Private Sector category

2023 WOMEN LEAD HERE List
Globe & Mail
Report on Business

5-STAR WEALTH TECH PROVIDER (CI DIRECT INVESTING)
Wealth Professional Canada

SUPPORT FOR EMPLOYEES' GIVING

Our employees give their time, dollars and energy to many organizations to make a difference, and we support them in several ways: providing some paid time off; matching contributions; and networking, internships and learning sessions.

AREAS OF CORPORATE SUPPORT

In the last five years, CI has made a significant investment in our communities, through leadership, time and financial support. Through our corporate philanthropy, we strive to make a meaningful impact in key areas of need while aligning to our values: investing in our future, supporting community well-being and creating a more inclusive society.

ENVIRONMENTAL SUSTAINABILITY — STRIVING FOR ENERGY EFFICIENCY

CI acknowledges the importance of climate change issues, and to operating in a manner that contributes to sustainability.

Several recent examples of environmentally friendly initiatives CI has undertaken include:

- Since the beginning of 2021, 24 million pages of printed paper have been eliminated by providing clients with digital statements.
- Another 23 million pages of printed paper have been eliminated by using electronic signature software for contracts and agreements.
- Toronto office space was consolidated into a single, LEED-certified building, reducing energy consumption; the building is located close to the subway, facilitating the use of public transit.
- Instituting environmentally sensible office practices, including a multi-stream recycling program, purchasing non-disposable catering equipment, and installing low-energy lighting.

CORPORATE INFORMATION

HEAD OFFICE

15 York Street, Second Floor
Toronto, Ontario M5J 0A3

416.364.1145
1.800.268.9374 Toll-Free

cifinancial.com

INVESTOR RELATIONS

JASON WEYENETH
Vice-President, Investor Relations & Strategy

416.681.8779
1.800.268.9374 Toll-Free

jweyeneth@ci.com

TRADING SYMBOL

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

AUDITORS

ERNST & YOUNG LLP
Chartered Accountants

100 Adelaide Street West
Toronto, Ontario M5H 0B3

REGISTRAR AND TRANSFER AGENT

COMPUTERSHARE INVESTOR SERVICES INC.
8th Floor, 100 University Avenue
Toronto, Ontario M5J 2Y1

1.800.564.6253

COMPUTERSHARE TRUST COMPANY N.A.
462 South 4th Street
Louisville, Kentucky USA 40202

1.800.962.4284

NORMAL COURSE ISSUER BID

Effective June 20, 2022, the Toronto Stock Exchange (the "TSX") accepted CI Financial's notice of intention to commence a normal course issuer bid. Under the bid, CI may purchase up to 16,828,703 of its shares at the prevailing market price. Common shares may be purchased by CI or purchased by a trustee to satisfy obligations under equity-based compensation plans for CI. All common shares purchased by CI (but not those purchased by such a trustee) will be cancelled. Purchases under the bid will terminate on June 19, 2023, or on such earlier date as CI completes its purchases or provides notice of termination. As of March 31, 2023, CI has acquired an aggregate of 6,163,293 shares under the normal course issuer bid at an average price of $14.18 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 20, 2023, subject to receipt of approval from the TSX.

DIGITAL REPORT

This Annual Report can be downloaded from the Investor Relations section of CI's website under "Financials."

ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders will be held at 2 p.m. EDT on June 27, 2023. The meeting will be held in a virtual-only format by way of live audio webcast. Instructions on how to access the webcast and vote at the virtual meeting will be posted to the Investor Relations section of www.cifinancial.com.

QUARTERLY FINANCIAL REPORT

Q4 | 2022

DECEMBER 31, 2022

TABLE OF CONTENTS

Management's Discussion and Analysis

DECEMBER 31, 2022

CI FINANCIAL CORP.

This Management's Discussion and Analysis ("MD&A") dated March 13, 2023, presents an analysis of the financial position of CI Financial Corp. and its subsidiaries ("CI") as at December 31, 2022, compared with December 31, 2021, and the results of operations for the quarter and year ended December 31, 2022, compared with the quarter and year ended December 31, 2021 and the quarter ended September 30, 2022.

This MD&A contains forward-looking statements concerning anticipated future events, results, circumstances, performance or expectations with respect to CI and its products and services, including its business operations, strategy and financial performance and condition. Forward-looking statements are typically identified by words such as "believe", "expect", "foresee", "forecast", "anticipate", "intend", "estimate", "goal", "plan" and "project" and similar references to future periods, or conditional verbs such as "will", "may", "should", "could" or "would". These statements are not historical facts but instead represent management beliefs regarding future events, many of which by their nature are inherently uncertain and beyond management's control. Although management believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, such statements involve risks and uncertainties. The material factors and assumptions applied in reaching the conclusions contained in these forward-looking statements include that the investment fund industry and wealth management industry will remain stable and that interest rates will remain relatively stable. 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, the impact of the coronavirus pandemic, changes in government regulations or in tax laws, industry competition, technological developments and other factors described or discussed in CI's disclosure materials filed with applicable securities regulatory authorities from time to time.

The foregoing list is not exhaustive and the reader is cautioned to consider these and other factors carefully and not to place undue reliance on forward-looking statements. Other than as specifically required by applicable law, CI undertakes no obligation to update or alter any forward-looking statement after the date on which it is made, whether to reflect new information, future events or otherwise.

BUSINESS OVERVIEW

We are a diversified global asset and wealth management firm operating in Canada, the United States and Australia. Our business is the management, marketing, distribution and administration of investment products for Canadian and Australian investors, as well as providing financial advice, tax, retirement, estate and wealth planning services in the U.S. and Canada. Effective January 1, 2022, we operate in three reportable segments:

- The Asset Management segment includes the results of our asset management business in Canada, which operates under the brand CI Global Asset Management, in addition to GSFM Funds Management, our asset management business in Australia.
- The Canada Wealth Management segment includes the results of our wealth management operations in Canada, which operate under the brands Assante Wealth Management, CI Private Wealth, CI Investment Services, CI Direct Investing, Aligned Capital Partners, and Northwood Family Office.
- The U.S. Wealth Management segment comprises wealth management businesses operating across the United States as affiliates of CI Private Wealth, in addition to strategic investments in alternative investment providers.

SUMMARY FINANCIAL AND OPERATING HIGHLIGHTS

TABLE 1: FINANCIAL AND OPERATING HIGHLIGHTS

	As of and for the quarters ended				
[millions of dollars, except share amounts]	**Dec. 31, 2022**	**Sep. 30, 2022**	**Jun. 30, 2022**	**Mar. 31, 2022**	**Dec. 31, 2021**
Total AUM and Client Assets:					
Asset Management AUM	117,753	114,196	116,065	136,271	144,247
Canada Wealth Management assets	77,421	73,976	74,128	78,957	80,633
U.S. Wealth Management assets	180,579	149,841	143,520	145,768	151,339
Total assets	375,753	338,014	333,712	360,996	376,219
Asset Management Net Inflows:					
Retail	1,621	640	(381)	(861)	142
Institutional	(195)	(21)	(3,203)	(264)	(331)
Australia	12	(377)	(122)	(305)	82
Closed Business	(169)	(129)	(160)	(203)	(195)
U.S. Asset Management	595	(38)	(195)	402	260
Total	1,864	75	(4,060)	(1,231)	(42)
IFRS Results					
Net income attributable to shareholders	(9.5)	14.9	156.2	138.1	123.7
Diluted earnings per share	(0.05)	0.08	0.81	0.70	0.62
Pretax income	33.6	37.8	219.0	185.8	175.1
Pretax margin	5.4%	7.4%	38.6%	29.3%	28.3%
Operating cash flow before the change in operating assets and liabilities	150.9	64.8	141.2	207.7	179.2
Adjusted Results					
Adjusted net income	135.9	135.9	149.1	166.8	171.0
Adjusted diluted earnings per share	0.74	0.73	0.78	0.85	0.86
Adjusted EBITDA	242.7	237.5	251.0	272.9	277.2
Adjusted EBITDA margin	42.4%	43.0%	44.5%	46.5%	47.7%
Free cash flow	157.9	151.5	176.4	201.6	187.1
Average shares outstanding	183,666,579	185,601,752	191,151,896	196,111,771	196,816,227
Ending shares outstanding	184,517,832	183,526,499	189,037,762	192,987,082	197,422,270
Total debt	4,216	3,949	3,688	3,530	3,776
Net debt	4,059	3,730	3,538	3,352	3,453
Net debt to adjusted EBITDA	4.2	4.0	3.5	3.0	3.1

ASSET MANAGEMENT SEGMENT OVERVIEW

The Asset Management segment provides the majority of our earnings and generates revenues principally from the fees earned on the management of investment funds and other fee-earning investment products. We use in-house teams and external investment managers to provide portfolio management services. These investment managers typically have long careers in the industry as well as extensive track records with us. This lineup of investment managers provides a wide selection of styles and areas of expertise for our funds and ETFs. Our Canadian asset management products are distributed primarily through brokers, independent financial planners and insurance advisors, including through its Canadian wealth management businesses.

CANADA WEALTH MANAGEMENT OVERVIEW

The Canadian Wealth Management segment derives its revenue principally from fees and commissions for providing financial planning and advice (which may include investment management services), and on the sale of investment funds and other financial products through Canadian wealth managers utilizing our platform. These fees and commissions are earned based on client assets under advisement or fixed fee per wealth manager. We pay these Canadian wealth management advisors the majority of these fees and commissions charged to clients.

In addition, this segment generates revenues from providing trade settlement and record keeping services to broker dealers. Lastly, it earns trading commissions for providing online trading and robo-advisor services to retail clients.

In connection with our acquisition of Northwood, we established CI Private Wealth Canada Ltd. (CIPW-Canada), which holds our interest in Northwood. CI is the majority owner and senior leaders of Northwood are the minority owners.

U.S. WEALTH MANAGEMENT OVERVIEW

In 2019, we began to acquire wealth managers, in particular Registered Investment Advisor firms ("RIAs"), with the goal of building the leading wealth management platform in the U.S. RIAs provide clients with fee-based advice on a variety of financial matters including retirement planning, insurance, taxes, and estate planning and may also provide complementary services such as bill payment and tax preparation. We believe the role of the financial advisor is more important now than ever. As the financial needs of consumers become increasingly complex and digital, our breadth and capabilities in the RIA space will increasingly position us to be a leader in the U.S. wealth management space.

The RIA operating model is different from most wealth management businesses in Canada and the U.S. This is largely because they operate under a 'fiduciary' standard of care with respect to their clients, rather than a 'suitable' standard of care, and are less tied to related asset management businesses. Owners of wealth management businesses in Canada typically also own asset management businesses. They pay their wealth management advisors most of the fees and commissions charged to clients while retaining the fees earned on asset management products sold through the advisors. As a result, U.S. RIA businesses have evolved to be more profitable than traditional Canadian wealth management businesses.

Our approach is to acquire leading RIAs that focus on high net worth and ultra-high net worth clients, have strong organic growth profiles, and share a culture and vision aligned with ours. We typically source acquisitions through inbound inquiries from investment bankers advising RIAs on a sale or through referrals from our existing RIA leadership team. We generally look to acquire RIAs with AUM greater than $1 billion, have an average client AUM greater than $1 million, generate organic growth greater than 5%, and have operating margins greater than 30%. While these are guidelines we look for, there may be other strategic reasons we may want to acquire an RIA such as for their geographic location, type of client base (for example technology entrepreneurs or professional athletes), or types of services offered (for example family office services or tax preparation). Also important is to determine there is cultural fit and alignment with our vision which we determine through management meetings and due diligence with the leadership team and key personnel from the selling RIAs.

When we acquire an RIA, we pay an amount upfront on closing and a guaranteed, predetermined amount which is typically deferred for 90 to 270 days from closing (deferred consideration). In some cases, we may also structure an earnout payment (contingent consideration). These earnouts are not guaranteed and are only paid if the acquired RIA exceeds certain predefined performance metrics such as revenues or profitability such that there was a significant improvement in the businesses financial performance as compared to its historical results, therefore improving the economic contribution to our results over the long term. The earnouts are measured and paid over an 18 to 36 month period.

Also included in the U.S. Wealth Management segment are strategic investments in GLASfunds, a turnkey alternative investment platform and alternative asset management firm based in the U.S; and Columbia Pacific Advisors, an alternative asset management firm that manages with a broad selection of institutional-caliber real estate private equity, direct lending, opportunistic and hedged strategies. We believe these strategic investments will strengthen our relationship with these firms, while providing our U.S. wealth management clients with enhanced access to alternative asset classes through a best-in-class platform and products.

<u>CI Private Wealth</u>

We established CI Private Wealth US, a private partnership which holds our interests in our U.S. RIAs. CI is the majority owner and senior leaders of the RIAs are the minority owners. CIPW focuses on achieving the best possible experience for clients while promoting collaboration and growth. The former RIA owners gain ownership in the larger, national business rather than retaining an interest in their own RIA. This aligns the interests of all owners and incentivizes them to improve and grow CIPW as a whole, as they share in benefits of collaborating, realizing synergies, and driving profitable growth. It fosters an entrepreneurial, ownership mindset. Additionally, the potential to gain and grow ownership in CIPW provides a way to incentivize and reward the next generation of leaders at the firm. This is important to attract, retain and develop the industry's top talent. Finally, this model provides CIPW with a currency in making acquisitions, since RIA owners can exchange equity in their firm for equity in CIPW.

<u>Planned initial public offering of our U.S. Wealth Management business</u>

In April 2022, we announced our intention to sell up to 20% of our U.S. wealth management business via a U.S. initial public offering. We have confidentially submitted a draft registration statement on Form S-1 with the Securities and Exchange Commission (the "SEC"). We intend to use the net proceeds from the IPO to pay down debt. We will remain the majority shareholder of our U.S. wealth management business and we currently have no intention of spinning out or otherwise divesting its remaining ownership interest. A final decision on the IPO size, conditions and timing is pending and will be subject to market conditions.

Accounting for CIPW US and Canada

Because of certain terms associated with the liquidity features, IFRS requires the units to be classified as a liability and as a compensatory award, not equity. Accordingly, accounting for the CIPW units will be similar to share based compensation payments.

Each quarter end, we will recognize a liability reflecting the fair value of the units issued that have vested. The fair value per unit will be based on the predefined valuation formula. The change in fair value each quarter related to awards that have vested will be recorded as compensation expense in SG&A over the vesting period.

An increase in the liability/expense results when the fair value formula reflects an increase in price of CIPW units, which ultimately means that the AUM, profitability and operating margin of CIPW has increased. The liability will also increase due to additional units vesting each period.

As a result of CIPW units being classified as a liability and a compensatory award, distributions to the owners of CIPW, other than us, are recognized as compensation expense in SG&A.

Given the CIPW units are classified as a liability, we will not record non-controlling interest on the income statement to reflect the ownership of CIPW earnings attributable to CIPW's minority owners. Instead this amount will be reflected through compensation expense.

NON-IFRS MEASURES

In an effort to provide additional information regarding our results as determined by IFRS, we also disclose certain non-IFRS information which we believe provides useful and meaningful information. Our management reviews these non-IFRS financial measurements when evaluating our financial performance and results of operations; therefore, we believe it is useful to provide information with respect to these non-GAAP measurements so as to share this perspective of management. Non-IFRS measurements do not have any standardized meaning, do not replace nor are superior to IFRS financial measurements and may not be comparable to similar measures presented by other companies. The non-IFRS financial measurements include:

- Adjusted net income and adjusted basic and diluted earnings per share
- Adjusted EBITDA, adjusted EBITDA margin and adjusted net revenue
- Free cash flow
- Net debt

These non-IFRS measurements exclude the following revenues and expenses which we believe allows investors a consistent way to analyze our financial performance, allows for better analysis of core operating income and business trends and permits comparisons of companies within the industry, normalizing for different financing methods and levels of taxation:

- gains or losses related to foreign currency fluctuations
- costs related to our acquisitions including:
    - amortization of intangible assets
    - change in fair value of contingent consideration
    - related advisory fees
    - contingent consideration classified as compensation per IFRS
- restructuring and severance related charges including organizational expenses for the establishment of CIPW
- legal provisions for a class action related to market timing
- certain gains or losses in assets and investments
- costs related to issuing or retiring debt obligations
- compensation expenses associated with CIPW redeemable units
- organizational expenses for the establishment of CIPW and preparation of the initial public offering of our US Wealth business
- non-cash charges related to guarantees for CIPW related loans

TABLE 2: ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE

	Quarters ended			**Years ended**	
[millions of dollars, except per share amounts]	**Dec. 31, 2022**	**Sep. 30, 2022**	**Dec. 31, 2021**	**Dec. 31, 2022**	**Dec. 31, 2021**
Net Income	(8.3)	14.4	123.7	301.8	412.4
Amortization of intangible assets from acquisitions	26.5	27.7	18.7	105.7	57.4
Amortization of equity accounted investments	2.6	—	—	2.6	—
Change in fair value of contingent consideration	76.8	22.5	43.9	27.4	149.9
Contingent consideration recorded as compensation	1.5	3.8	2.1	24.2	7.2
Non-controlling interest reclassification	1.2	1.0	—	4.0	—
CIPW adjustments	27.7	11.5	—	55.5	—
FX (gains)/losses	(15.2)	73.9	(3.1)	80.1	18.8
Transaction, integration, restructuring and legal	41.3	13.1	13.6	62.7	35.9
Other (gains)/losses	7.1	—	(16.8)	5.9	(11.1)
Trading and bad debt	—	8.0	—	8.0	24.9
Total adjustments	169.6	161.5	58.4	376.1	283.1
Tax effect of adjustments	(9.9)	(27.8)	(11.1)	(43.6)	(57.5)
Less: Non-controlling interest	15.5	12.1	—	46.7	3.1
Adjusted net income	**135.9**	**135.9**	**171.0**	**587.7**	**634.8**
Adjusted earnings per share	**0.74**	**0.73**	**0.87**	**3.11**	**3.15**
Adjusted diluted earnings per share	**0.74**	**0.73**	**0.86**	**3.10**	**3.14**

TABLE 3: EBITDA, ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

	Quarters ended			Years ended	
[millions of dollars, except per share amounts]	**Dec. 31, 2022**	**Sep. 30, 2022**	**Dec. 31, 2021**	**Dec. 31, 2022**	**Dec. 31, 2021**
Pretax income	33.6	37.8	175.1	476.2	586.2
Amortization of intangible assets from acquisitions	26.5	27.7	18.9	105.7	57.9
Amortization of equity accounted investments	2.6	—	—	2.6	—
Depreciation and other amortization	13.1	13.0	10.9	49.4	41.0
Interest and lease finance expense	41.4	38.6	32.5	152.1	109.7
EBITDA	**117.2**	**117.1**	**237.3**	**786.0**	**794.7**
Change in fair value of contingent consideration	76.8	22.5	43.9	27.4	149.9
Contingent consideration recorded as compensation	1.5	3.8	2.1	24.2	7.2
Non-controlling interest reclassification	1.2	1.0	—	4.0	—
CIPW adjustments	27.7	11.5	—	55.5	—
FX (gains)/losses	(15.2)	73.9	(3.1)	80.1	18.8
Transaction, integration, restructuring and legal	41.3	13.1	13.6	62.7	35.9
Other (gains)/losses	7.1	—	(16.8)	5.9	(11.1)
Trading and bad debt	—	8.0	—	8.0	24.9
Total adjustments	140.5	133.8	39.6	267.8	225.6
Less: Non-controlling interest	15.0	13.4	(0.2)	49.8	6.4
Adjusted EBITDA	**242.7**	**237.5**	**277.2**	**1,004.0**	**1,013.9**
Reported net revenue	620.3	513.6	619.3	2,334.3	2,169.6
Less: FX gains/(losses)	15.2	(73.9)	3.1	(80.1)	(18.8)
Less: Non-Operating Other gains/(losses)	(7.1)	—	16.8	(5.9)	18.1
Less: Non-controlling interest revenues	40.6	35.1	17.9	146.0	69.3
Adjusted net revenue	**571.7**	**552.4**	**581.5**	**2,274.4**	**2,100.9**
Adjusted EBITDA margin	**42.4%**	**43.0%**	**47.7%**	**44.1%**	**48.3%**

TABLE 4: FREE CASH FLOW

	Quarters ended			Years ended	
[millions of dollars]	**Dec. 31, 2022**	**Sep. 30, 2022**	**Dec. 31, 2021**	**Dec. 31, 2022**	**Dec. 31, 2021**
Cash provided by operating activities	56.7	103.3	163.7	478.9	666.0
Less: Net change in operating assets and liabilities	(94.1)	38.4	(15.5)	(85.6)	15.7
Operating cash flow before the change in operating assets and liabilities	**150.9**	**64.8**	**179.2**	**564.5**	**650.2**
FX (gains)/losses	(15.2)	73.9	(3.1)	80.1	18.8
Transaction, integration, restructuring and legal	41.3	13.1	13.6	62.7	35.9
Trading and bad debt	—	8.0	—	8.0	—
Other (gains)/losses	—	—	—	—	7.1
Total adjustments	26.1	95.0	10.5	150.8	61.8
Tax effect (recovery) of adjustments	(18.8)	(14.1)	(2.6)	(37.4)	(18.1)
Less: Non-controlling interest	0.3	(5.8)	—	(9.4)	6.2
Free cash flow	**157.9**	**151.5**	**187.1**	**687.4**	**687.7**

TABLE 5: NET DEBT

	Quarters ended				
[millions of dollars]	**Dec. 31, 2022**	**Sep. 30, 2022**	**Jun. 30, 2022**	**Mar. 31, 2022**	**Dec. 31, 2021**
Current portion of long-term debt	320.0	400.5	314.6	225.3	444.5
Long-term debt	3,896.2	3,548.2	3,373.5	3,304.7	3,331.6
	4,216.2	3,948.7	3,688.1	3,530.0	3,776.0
Less:					
Cash and short-term investments	153.6	220.4	154.8	186.1	230.8
Marketable securities	20.6	17.8	18.1	20.3	116.9
Add:					
Regulatory capital and non-controlling interests	16.8	19.9	22.4	28.8	25.0
Net Debt	**4,058.8**	**3,730.3**	**3,537.5**	**3,352.4**	**3,453.4**
Adjusted EBITDA	242.7	237.5	251.0	272.9	277.2
Adjusted EBITDA, annualized	962.8	942.1	1,006.9	1,106.6	1,099.8
Gross leverage (Gross debt/Annualized adjusted EBITDA)	4.4	4.2	3.7	3.2	3.4
Net leverage (Net debt/Annualized adjusted EBITDA)	4.2	4.0	3.5	3.0	3.1

TABLE 6: ASSET MANAGEMENT ADJUSTED EBITDA

	Quarters ended			Years ended	
[millions of dollars]	**Dec. 31, 2022**	**Sep. 30, 2022**	**Dec. 31, 2021**	**Dec. 31, 2022**	**Dec. 31, 2021**
Pretax income	158.0	78.2	208.1	591.8	774.6
Amortization of intangible assets from acquisitions	0.6	0.6	0.6	2.4	2.3
Depreciation and other amortization	4.7	5.0	5.4	19.6	23.1
Interest and lease finance expense	0.9	1.0	0.5	4.0	2.2
EBITDA	**164.2**	**84.7**	**214.7**	**617.8**	**802.2**
Change in fair value of contingent consideration	1.6	3.2	14.2	4.9	26.2
FX (gains)/losses	(15.5)	74.4	1.4	80.2	11.0
Transaction, integration, restructuring and legal	11.0	2.6	10.4	15.0	25.6
Other (gains)/losses	7.1	—	(16.8)	5.9	(18.1)
Trading and bad debt	—	7.1	—	7.1	—
Total adjustments	4.2	87.3	9.2	113.2	44.6
Less: Non-controlling interest	0.1	0.1	0.1	1.0	0.8
Adjusted EBITDA	**168.3**	**172.0**	**223.8**	**730.1**	**846.0**
Reported net revenue	271.2	196.4	347.5	1,032.0	1,281.6
Less: FX gains/(losses)	15.5	(74.4)	(1.4)	(80.2)	(11.0)
Less: Non-Operating Other gains/(losses)	(7.1)	—	16.8	(5.9)	18.1
Less: Non-controlling interest revenues	0.2	0.1	0.3	0.8	2.0
Adjusted net revenue	**262.6**	**270.6**	**331.8**	**1,117.3**	**1,272.5**
Adjusted EBITDA margin	**64.1%**	**63.5%**	**67.4%**	**65.3%**	**66.5%**

TABLE 7: CANADA WEALTH MANAGEMENT ADJUSTED EBITDA

	Quarters ended			Years ended	
[millions of dollars]	**Dec. 31, 2022**	**Sep. 30, 2022**	**Dec. 31, 2021**	**Dec. 31, 2022**	**Dec. 31, 2021**
Pretax income	6.4	8.4	8.5	31.1	28.2
Amortization of intangible assets from acquisitions	2.1	2.1	1.6	7.8	5.8
Amortization of equity accounted investments	0.1	—	—	0.1	—
Depreciation and other amortization	3.2	3.2	2.3	11.7	9.7
Interest and lease finance expense	—	—	0.2	0.1	0.5
EBITDA	**11.8**	**13.7**	**12.6**	**50.8**	**44.1**
Change in fair value of contingent consideration	1.9	(0.7)	—	0.7	—
Contingent consideration recorded as compensation	0.2	0.1	—	0.3	—
CIPW adjustments	0.1	0.1	—	0.4	—
FX (gains)/losses	0.4	(0.5)	(0.8)	(0.1)	(3.4)
Transaction, integration, restructuring and legal	0.2	0.3	0.1	1.7	0.8
Non-controlling interest reclassification	1.2	1.0	—	4.0	—
Other (gains)/losses	—	—	—	—	7.1
Trading and bad debt	—	0.8	—	0.8	—
Total adjustments	4.0	1.2	(0.7)	7.6	4.4
Less: Non-controlling interest	1.3	1.2	(1.5)	4.3	—
Adjusted EBITDA	**14.5**	**13.7**	**13.5**	**54.1**	**48.5**
Reported net revenue	205.5	197.7	201.1	803.0	758.9
Less: FX gains/(losses)	(0.4)	0.5	0.8	0.1	3.4
Less: Non-controlling interest revenues	14.4	13.9	11.9	54.6	44.9
Adjusted net revenue	**191.5**	**183.4**	**188.4**	**748.2**	**710.6**
Adjusted EBITDA margin	**7.6%**	**7.5%**	**7.1%**	**7.2%**	**6.8%**

TABLE 8: U.S. WEALTH MANAGEMENT ADJUSTED EBITDA

	Quarters ended			Years ended	
[millions of dollars]	**Dec. 31, 2022**	**Sep. 30, 2022**	**Dec. 31, 2021**	**Dec. 31, 2022**	**Dec. 31, 2021**
Pretax income	(91.1)	(11.9)	(10.2)	(1.3)	(85.9)
Amortization of intangible assets from acquisitions	23.8	25.0	16.5	95.5	49.3
Amortization of equity accounted investments	2.5	—	—	2.5	—
Depreciation and other amortization	5.2	4.8	3.1	18.1	8.2
Interest and lease finance expense	0.8	0.7	0.4	2.5	1.1
EBITDA	**(58.8)**	**18.6**	**9.9**	**117.4**	**(27.1)**
Change in fair value of contingent consideration	73.3	20.0	29.7	21.9	123.7
Contingent consideration recorded as compensation	1.3	3.7	2.1	23.9	7.2
CIPW adjustments	27.6	11.4	—	55.1	—
FX (gains)/losses	—	—	(3.7)	—	11.2
Transaction, integration, restructuring and legal	30.0	10.2	3.1	46.1	9.6
Total adjustments	132.2	45.3	31.1	147.0	151.7
Less: Non-controlling interest	13.6	12.1	1.0	44.8	5.1
Adjusted EBITDA	**59.9**	**51.8**	**40.0**	**219.6**	**119.4**
Reported net revenue	193.1	168.2	125.9	704.0	339.3
Less: FX gains/(losses)	—	—	3.7	—	(11.2)
Less: Non-controlling interest revenues	26.0	21.1	5.8	90.5	22.4
Adjusted net revenue	**167.0**	**147.2**	**116.5**	**613.5**	**328.0**
Adjusted EBITDA margin	**35.8%**	**35.2%**	**34.3%**	**35.8%**	**36.4%**

OUR FINANCIAL RESULTS

TABLE 9: SELECTED ANNUAL INFORMATION

	Years ended		
[millions of dollars, except per share amounts]	**Dec. 31, 2022**	**Dec. 31, 2021**	**Dec. 31, 2020**
Net asset management fees	1,112.3	1,234.7	1,126.3
Total revenue	2,334.3	2,169.6	1,543.3
Selling, general & administration	1,020.0	742.3	449.4
Total expenses	1,858.1	1,583.4	900.6
Income before income taxes	476.2	586.2	642.7
Income taxes	174.4	173.8	167.2
Non-controlling interest	2.1	3.0	(0.4)
Net income available to shareholders	299.8	409.3	476.0
Basic earnings per share	1.59	2.03	2.22
Diluted earnings per share	1.58	2.02	2.21
Dividends declared per share	0.72	0.72	0.72
Total assets	9,708.4	8,659.6	6,359.8
Gross debt	4,216.2	3,776.0	2,456.1
Average shares outstanding	189.1	201.6	214.1
Shares outstanding	184.5	197.4	210.4
Share price	13.51	26.44	15.78
Market capitalization	2,492.8	5,219.8	3,319.5

TABLE 10: SUMMARY OF ANNUAL RESULTS

	IFRS Results		Adjusted Results	
	For the years ended		For the years ended	
[millions of dollars, except per share amounts]	**Dec. 31, 2022**	**Dec. 31, 2021**	**Dec. 31, 2022**	**Dec. 31, 2021**
Revenues				
Asset management fees	1,606.8	1,792.1	1,606.8	1,792.1
Trailer fees and deferred sales commissions	(494.5)	(557.4)	(494.5)	(557.4)
Net asset management fees	1,112.3	1,234.7	1,112.3	1,234.7
Canada wealth management fees	530.7	506.8	530.7	506.8
U.S. wealth management fees	687.6	345.0	687.6	345.0
Other revenues	95.7	83.1	98.3	83.1
FX gains/(losses)	(80.1)	(18.8)	—	—
Other gains/(losses)	(11.9)	18.7	(6.0)	7.7
Total net revenues	**2,334.3**	**2,169.6**	**2,423.0**	**2,177.3**
Expenses				
Selling, general & administrative	1,020.0	742.3	940.4	735.1
Advisor and dealer fees	406.0	396.7	406.0	396.7
Other	34.6	52.0	22.7	27.1
Interest and lease finance expense	152.1	109.7	152.1	109.7
Depreciation and other amortization	49.4	41.0	49.4	39.4
Amortization of intangible assets from acquisitions	105.7	55.8	—	—
Transaction, integration, restructuring and legal	62.7	35.9	—	—
Change in fair value of contingent consideration	27.4	149.9	—	—
Total expenses	**1,858.1**	**1,583.4**	**1,570.6**	**1,308.0**
Pretax income	**476.2**	**586.2**	**852.4**	**869.3**
Income tax expense	174.4	173.8	217.9	231.3
Net income	**301.8**	**412.4**	**634.4**	**637.9**
Less: Non-controlling interest	2.1	3.0	46.7	3.1
Net income attributable to shareholders	**299.8**	**409.3**	**587.7**	**634.8**
Basic earnings per share	1.59	2.03	3.11	3.15
Diluted earnings per share	1.58	2.02	3.10	3.14
Non-IFRS adjustments				
Net Income	301.8	412.4		
Amortization of intangible assets from acquisitions	105.7	57.4		
Amortization of equity accounted investments	2.6	—		
Change in fair value of contingent consideration	27.4	149.9		
Contingent consideration recorded as compensation (included in SG&A)	24.2	7.2		
Non-controlling interest reclassification (included in Other)	4.0	—		
CIPW adjustments (included in SG&A)	55.5	—		
FX (gains)/losses	80.1	18.8		
Transaction, integration, restructuring and legal	62.7	35.9		
Other (gains)/losses	5.9	(11.1)		

Bad debt and trading (included in Other)	8.0	24.9
Total adjustments	376.1	283.1
Tax effect of adjustments	(43.6)	(57.5)
Less: Non-controlling interest	46.7	3.1
Adjusted net income	**587.7**	**634.8**
Adjusted earnings per share	3.11	3.15
Adjusted diluted earnings per share	3.10	3.14
Average shares outstanding	189.1	201.6
Average diluted shares outstanding	189.8	202.5

TABLE 11: SUMMARY OF QUARTERLY RESULTS

	IFRS Results					**Adjusted Results**				
	For the quarters ended					**For the quarters ended**				
[millions of dollars, except per share amounts]	**Dec. 31, 2022**	**Sep. 30, 2022**	**Jun. 30, 2022**	**Mar. 31, 2022**	**Dec. 31, 2021**	**Dec. 31, 2022**	**Sep. 30, 2022**	**Jun. 30, 2022**	**Mar. 31, 2022**	**Dec. 31, 2021**
Revenues										
Asset management fees	378.2	386.7	404.3	437.6	464.9	378.2	386.7	404.3	437.6	464.9
Trailer fees and deferred sales commissions	(116.0)	(119.2)	(124.0)	(135.3)	(143.6)	(116.0)	(119.2)	(124.0)	(135.3)	(143.6)
Net asset management fees	262.2	267.5	280.3	302.3	321.3	262.2	267.5	280.3	302.3	321.3
Canada wealth management fees	133.1	129.2	130.1	138.2	134.9	133.1	129.2	130.1	138.2	134.9
U.S. wealth management fees	190.1	164.1	168.9	164.5	120.9	190.1	164.1	168.9	164.5	120.9
Other revenues	26.2	26.6	21.2	21.6	27.3	28.8	26.6	21.2	21.6	27.3
FX gains/(losses)	15.2	(73.9)	(32.9)	11.5	3.1	—	—	—	—	—
Other gains/(losses)	(6.5)	0.1	(1.1)	(4.4)	11.9	0.6	0.1	(2.3)	(4.4)	(4.9)
Total net revenues	**620.3**	**513.6**	**566.7**	**633.8**	**619.3**	**614.9**	**587.5**	**598.3**	**622.3**	**599.4**
Expenses										
Selling, general & administrative	277.2	245.6	238.0	259.3	214.6	248.0	230.3	234.2	227.9	212.5
Advisor and dealer fees	101.1	98.3	99.7	106.9	104.8	101.1	98.3	99.7	106.9	104.8
Other	9.2	17.1	4.7	3.6	5.7	8.1	8.1	3.8	2.7	5.7
Interest and lease finance expense	41.4	38.6	36.2	35.9	32.5	41.4	38.6	36.2	35.9	32.5
Depreciation and other amortization	13.1	13.0	11.9	11.4	10.9	13.1	13.0	11.9	11.4	10.4
Amortization of intangible assets from acquisitions	26.5	27.7	27.4	24.1	18.2	—	—	—	—	—
Transaction, integration, restructuring and legal	41.3	13.1	4.6	3.8	13.6	—	—	—	—	—
Change in fair value of contingent consideration	76.8	22.5	(75.0)	3.1	43.9	—	—	—	—	—
Total expenses	**586.7**	**475.8**	**347.7**	**448.0**	**444.2**	**411.7**	**388.2**	**386.0**	**384.8**	**365.9**
Pretax income	**33.6**	**37.8**	**219.0**	**185.8**	**175.1**	**203.2**	**199.3**	**212.3**	**237.5**	**233.4**
Income tax expense	41.9	23.5	60.7	48.3	51.3	51.8	51.3	55.1	59.7	62.5
Net income	**(8.3)**	**14.4**	**158.3**	**137.5**	**123.7**	**151.4**	**148.1**	**157.2**	**177.8**	**171.0**
Less: Non-controlling interest	1.2	(0.5)	2.1	(0.6)	—	15.5	12.1	8.1	10.9	—
Net income attributable to shareholders	**(9.5)**	**14.9**	**156.2**	**138.1**	**123.7**	**135.9**	**135.9**	**149.1**	**166.8**	**171.0**
Basic earnings per share	(0.05)	0.08	0.82	0.70	0.63	0.74	0.73	0.78	0.85	0.87
Diluted earnings per share	(0.05)	0.08	0.81	0.70	0.62	0.74	0.73	0.78	0.85	0.86

Non-IFRS adjustments					
Net Income	(8.3)	14.4	158.3	137.5	123.7
Amortization of intangible assets from acquisitions	26.5	27.7	27.4	24.1	18.7
Amortization of equity accounted investments	2.6	—	—	—	—
Change in fair value of contingent consideration	76.8	22.5	(75.0)	3.1	43.9
Contingent consideration recorded as compensation (included in SG&A)	1.5	3.8	0.7	18.2	2.1
Non-controlling interest reclassification (included in Other)	1.2	1.0	0.9	0.9	—
CIPW adjustments (included in SG&A)	27.7	11.5	3.1	13.2	—
FX (gains)/losses	(15.2)	73.9	32.9	(11.5)	(3.1)
Transaction, integration, restructuring and legal	41.3	13.1	4.6	3.8	13.6
Other (gains)/losses	7.1	—	(1.2)	—	(16.8)
Bad debt and trading (included in Other)	—	8.0	—	—	—
Total adjustments	169.6	161.5	(6.7)	51.7	58.4
Tax effect of adjustments	(9.9)	(27.8)	5.6	(11.5)	(11.1)
Less: Non-controlling interest	15.5	12.1	8.1	10.9	—
Adjusted net income	**135.9**	**135.9**	**149.1**	**166.8**	**171.0**
Adjusted earnings per share	0.74	0.73	0.78	0.85	0.87
Adjusted diluted earnings per share	0.74	0.73	0.78	0.85	0.86
Average shares outstanding	183.7	185.6	191.2	196.1	196.8
Average diluted shares outstanding	184.6	186.4	191.8	197.0	198.4

Market Environment

Equity markets started the fourth quarter on a positive note, rising in October as optimism emerged that the worst of the market drawdown might be over. This momentum was carried into November and by the end of the month equities had posted sequential monthly gains. Despite giving back some of the previous gains, markets ended the quarter up. The S&P/TSX Composite Index ended the quarter up 5.1%, while the S&P 500 Index was up 7.1% in U.S. dollars (up 5.1% in Canadian dollars). The MSCI World Index, which reflects returns for developed equity markets around the globe was up 9.4% for the quarter in U.S. dollars (up 7.4% in Canadian dollars).

In bond markets, U.S. and Canadian bond yields continued to rise through the fourth quarter on forecasts of an economic slowdown in 2023. The price of oil, considered a leading barometer of inflation, ended the quarter near US$80 a barrel, relatively unchanged from the third quarter. The Canadian dollar, due to its close ties with the oil sector and declining inflation, strengthened slightly against the U.S. dollar.

TABLE 12: TOTAL AUM AND CLIENT ASSETS

	Quarters ended				
[billions of dollars]	**Dec. 31, 2022**	**Sep. 30, 2022**	**Jun. 30, 2022**	**Mar. 31, 2022**	**Dec. 31, 2021**
Asset management segment AUM	117.8	114.2	116.1	136.3	144.2
Canada wealth management segment assets	77.4	74.0	74.1	79.0	80.6
U.S. wealth management segment assets	180.6	149.8	143.5	145.8	151.3
Total AUM and client assets	**375.8**	**338.0**	**333.7**	**361.0**	**376.2**

Assets under management decreased 18% year over year due to negative investment performance and net redemptions. The 4% decrease in Canada wealth management assets from last year was a result of negative investment performance, partially offset by positive net flows. U.S. wealth management segment assets increased 19% year over year primarily due to acquisitions. Total assets, which include mutual funds, segregated funds, separately managed accounts, structured products, exchange-traded funds, pooled funds, hedge funds and wealth management assets, were $375.8 billion at December 31, 2022, down $0.5 billion from $376.2 billion at December 31, 2021.

Year Ended December 31, 2022

For the year ended December 31, 2022, CI reported net income attributable to shareholders of $299.8 million ($1.59 per share) down from $409.3 million ($2.03 per share) for the year ended December 31, 2021, as seen in Table 10 above. Including the adjustments presented in Table 10 above and referenced in Table 2 of the non-IFRS measures section, adjusted net income attributable to shareholders was $587.7 million ($3.10 per share) for the year ended December 31, 2022, down from $634.8 million ($3.14 per share) for the year ended December 31, 2021. The decrease from the prior period was mainly due to lower management fee revenues in the asset management segment driven by a decrease in average assets offset by acquisitions made during the year.

CI's total net revenue was $2,334.3 million in 2022, up from $2,169.6 million in 2021. Total net revenue included realized and unrealized losses on investments of $11.9 million in 2022, compared with gains on investments of $18.7 million in 2021. Total net revenue also included $80.1 million of foreign exchange losses in 2022, compared with foreign exchange losses of $18.8 million in 2021.

As presented in Table 3, adjusted net revenue was $2,274.4 million in 2022, an increase from $2,100.9 million in 2021. The increase from the prior year was mainly a result of acquisitions made during the year.

For the year ended December 31, 2022, SG&A expenses were $1,020.0 million, up from $742.3 million in 2021. The increase in SG&A from the prior year was primarily related to acquisitions made during the year.

In 2022, CI paid $494.5 million in trailer fees and deferred sales commissions, compared with $557.4 million in 2021. Changes from the prior periods are due to changes in average AUM.

Interest and lease finance expense of $152.1 million was recorded for the year ended December 31, 2022 compared with $109.7 million for the year ended December 31, 2021. The change in interest and lease finance expense reflects the changes in average debt levels and interest rates, as discussed under the Liquidity and Capital Resources section.

For 2022, CI recorded $174.4 million in income tax expense for an effective tax rate of 36.6% compared to $173.8 million, or 29.6%, in 2021. The effective tax rate for the current quarter was higher than the same quarter in 2021 and higher than the prior quarter due to foreign exchange losses deductible at a lower tax rate. CI's effective tax rate on adjusted net income was 25.6% for 2022. CI's effective tax rate may differ from its statutory tax rate, which is currently 26.5%, as a result of some expenses being nondeductible or partially deductible, or some revenue items not being fully taxable.

Quarter Ended December 31, 2022

For the quarter ended December 31, 2022, CI reported net income attributable to shareholders of $(9.5) million ($(0.05) per share) down from $123.7 million ($0.63 per share) for the quarter ended December 31, 2021 and down from $14.9 million ($0.08 per share) for the quarter ended September 30, 2022 as seen in Table 11 above. Including the adjustments presented in Table 11 above and referenced in Table 2 of the non-IFRS measures section, adjusted net income attributable to shareholders was $135.9 million ($0.74 per share) for the quarter ended December 31, 2022, down from $171.0 million ($0.86 per share) for the quarter ended December 31, 2021 and unchanged from $135.9 million ($0.73 per share) for the quarter ended September 30, 2022. The decrease from last year was mainly due to lower management fee revenues in the asset management segment driven by a decrease in average assets.

CI's total net revenue was $620.3 million in the fourth quarter of 2022, up from $619.3 million in the same period in 2021 and up from $513.6 million for the quarter ended September 30, 2022. Total net revenue included realized and unrealized losses on investments of $6.5 million in the fourth quarter of 2022, compared with gains on investments of $11.9 million in the same period in 2021, and gains on investments of $0.1 million in the prior quarter. Total net revenue also included $15.2 million of foreign exchange gains in the fourth quarter of 2022, compared with foreign exchange gains of $3.1 million in the same period in 2021, and foreign exchange losses of $73.9 million in the prior quarter.

As presented in Table 3, adjusted net revenue was $571.7 million in the fourth quarter of 2022, a decrease from $581.5 million in the same period in 2021, and an increase from $552.4 million in the prior quarter. The decrease from the prior year was mainly a result of lower management fee revenues in the asset management segment offset by acquisitions made during the year. The increase from the prior quarter was primarily due to higher management fee revenues in the asset management segment driven by an increase in average assets and acquisitions made during the quarter.

For the quarter ended December 31, 2022, SG&A expenses were $277.2 million, up from $214.6 million in the same quarter of 2021 and up from $245.6 million in the prior quarter. The increase in SG&A from the prior periods was primarily related to acquisitions made during the year and increases in discretionary spend.

In the fourth quarter of 2022, CI paid $116.0 million in trailer fees and deferred sales commissions, compared with $143.6 million in the same quarter of 2021 and $119.2 million in the prior quarter. Changes from the prior periods are due to changes in average AUM.

Interest and lease finance expense of $41.4 million was recorded for the quarter ended December 31, 2022 compared with $32.5 million for the quarter ended December 31, 2021 and $38.6 million for the quarter ended September 30, 2022. The change in interest and lease finance expense reflects the changes in average debt levels and interest rates, as discussed under the Liquidity and Capital Resources section.

For the fourth quarter of 2022, CI recorded $41.9 million in income tax expense for an effective tax rate of 124.7% compared to $51.3 million, or 29.3%, in the fourth quarter of 2021, and $23.5 million, or 62.0%, in the prior quarter. The effective tax rate for the current quarter was higher than the same quarter in 2021 and higher than the prior quarter due to the reversal of tax benefits on foreign exchange losses from prior quarters. CI's effective tax rate on adjusted net income was 25.5% for the current quarter. CI's effective tax rate may differ from its statutory tax rate, which is currently 26.5%, as a result of some expenses being nondeductible or partially deductible, or some revenue items not being fully taxable.

ASSET MANAGEMENT SEGMENT

TABLE 13: ASSETS UNDER MANAGEMENT AND NET FLOWS

	Quarters ended				
[billions of dollars]	**Dec. 31, 2022**	**Sep. 30, 2022**	**Jun. 30, 2022**	**Mar. 31, 2022**	**Dec. 31, 2021**
Beginning AUM	114.2	116.1	136.3	144.2	139.4
Gross inflows	7.3	4.9	4.8	4.9	5.2
Gross outflows	(6.0)	(4.8)	(8.7)	(6.6)	(5.5)
Net inflows/(outflows)	1.3	0.1	(3.9)	(1.6)	(0.3)
Acquisitions	—	—	—	—	—
Market move and FX	2.3	(2.0)	(16.3)	(6.3)	5.2
Ending AUM	117.8	114.2	116.1	136.3	144.2
Proprietary AUM	31.9	30.4	30.8	34.5	36.2
Non-proprietary AUM	85.9	83.7	85.2	101.7	108.1
Average assets under management	117.7	119.1	125.4	138.2	143.0
Annualized organic growth	4.4 %	0.4 %	(11.4)%	(4.6)%	(0.9)%
Gross management fee/average AUM	1.29 %	1.30 %	1.31 %	1.30 %	1.30 %
Net management fee/average AUM	0.87 %	0.88 %	0.89 %	0.88 %	0.88 %
Net Inflows/(Outflows)					
Retail	1.6	0.6	(0.4)	(0.9)	0.1
Institutional	(0.2)	—	(3.2)	(0.3)	(0.3)
Closed business	(0.2)	(0.1)	(0.2)	(0.2)	(0.2)
Total Canada net inflows/(outflows)	1.3	0.5	(3.7)	(1.3)	(0.4)
Australia	—	(0.4)	(0.1)	(0.3)	0.1
Total net inflows/(outflows)	1.3	0.1	(3.9)	(1.6)	(0.3)

CI's asset management segment reported net sales of $1.3 billion for the fourth quarter of 2022. CI's Canadian retail business, excluding products closed to new investors, had $1.6 billion in net sales for the fourth quarter of 2022 and CI's Canadian institutional business had net redemptions $0.2 billion for the fourth quarter of 2022. CI's Australian business had flat net flows in the fourth quarter of 2022. CI's closed business, comprised primarily of segregated fund contracts that are no longer available for sale, had $0.2 billion in net redemptions for the quarter.

TABLE 14: AUM BY ASSET CLASS

	Quarters ended				
[billions of dollars]	**Dec. 31, 2022**	**Sep. 30, 2022**	**Jun. 30, 2022**	**Mar. 31, 2022**	**Dec. 31, 2021**
Balanced	50.3	49.8	50.9	59.4	62.1
Equity	41.6	40.2	41.4	49.3	52.3
Fixed income	11.0	11.2	11.7	13.1	14.2
Alternatives	3.6	3.8	3.6	4.9	5.7
Cash/Other	6.2	4.5	3.4	3.0	2.7
Total Canada asset management	112.8	109.5	111.0	129.7	137.0
Australia	5.0	4.7	5.1	6.6	7.3
Total asset management segment	117.8	114.2	116.1	136.3	144.2

TABLE 15: RESULTS OF OPERATIONS - ASSET MANAGEMENT SEGMENT

	IFRS Results		Adjusted Results	
	For the years ended		For the years ended	
[millions of dollars, except per share amounts]	**Dec. 31, 2022**	**Dec. 31, 2021**	**Dec. 31, 2022**	**Dec. 31, 2021**
Revenues				
Asset management fees	1,624.7	1,810.0	1,624.7	1,810.0
Trailer fees and deferred sales commissions	(526.5)	(592.4)	(526.5)	(592.4)
Net asset management fees	1,098.2	1,217.6	1,098.2	1,217.6
Other revenues	25.9	56.1	25.9	56.1
FX gains/(losses)	(80.2)	(11.0)	—	—
Other gains/(losses)	(11.9)	18.9	(6.0)	0.8
Total net revenues	**1,032.0**	**1,281.6**	**1,118.1**	**1,274.5**
Expenses				
Selling, general & administrative	387.1	426.0	387.1	426.0
Other	7.1	1.7	—	1.7
Interest and lease finance expense	4.0	2.2	4.0	2.2
Depreciation and other amortization	19.6	23.1	19.6	23.1
Amortization of intangible assets from acquisitions	2.4	2.3	—	—
Transaction, integration, restructuring and legal	15.0	25.6	—	—
Change in fair value of contingent consideration	4.9	26.2	—	—
Total expenses	**440.1**	**507.0**	**410.6**	**452.9**
Pretax income	**591.8**	**774.6**	**707.5**	**821.6**
Non-IFRS adjustments				
Pretax income	591.8	774.6	707.5	821.6
Amortization of intangible assets from acquisitions	2.4	2.3	—	—
Depreciation and other amortization	19.6	23.1	19.6	23.1
Interest and lease finance expense	4.0	2.2	4.0	2.2
EBITDA	**617.8**	**802.2**	**731.1**	**846.9**
Change in fair value of contingent consideration	4.9	26.2	—	—
FX (gains)/losses	80.2	11.0	—	—
Transaction, integration, restructuring and legal	15.0	25.6	—	—
Other (gains)/losses	5.9	(18.1)	—	—
Trading and bad debt	7.1	—	—	—
Total adjustments	113.2	44.6	—	—
Less: Non-controlling interest	1.0	0.8	1.0	0.8
Adjusted EBITDA	**730.1**	**846.0**	**730.1**	**846.0**

TABLE 16: RESULTS OF OPERATIONS - ASSET MANAGEMENT SEGMENT

	IFRS Results					Adjusted Results				
	For the quarters ended					For the quarters ended				
[millions of dollars, except per share amounts]	Dec. 31, 2022	Sep. 30, 2022	Jun. 30, 2022	Mar. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Sep. 30, 2022	Jun. 30, 2022	Mar. 31, 2022	Dec. 31, 2021
Revenues										
Asset management fees	382.3	390.9	408.9	442.5	469.6	382.3	390.9	408.9	442.5	469.6
Trailer fees and deferred sales commissions	(123.8)	(126.8)	(131.9)	(143.9)	(152.6)	(123.8)	(126.8)	(131.9)	(143.9)	(152.6)
Net asset management fees	258.5	264.1	277.0	298.6	316.9	258.5	264.1	277.0	298.6	316.9
Other revenues	3.6	6.6	5.6	10.2	19.9	3.6	6.6	5.6	10.2	19.9
FX gains/(losses)	15.5	(74.4)	(32.8)	11.4	(1.4)	—	—	—	—	—
Other gains/(losses)	(6.5)	0.1	(1.1)	(4.4)	12.0	0.6	0.1	(2.3)	(4.4)	(4.8)
Total net revenues	**271.2**	**196.4**	**248.7**	**315.8**	**347.5**	**262.8**	**270.7**	**280.2**	**304.4**	**332.1**
Expenses										
Selling, general & administrative	94.3	98.7	97.3	96.8	108.7	94.3	98.7	97.3	96.8	108.7
Other	—	7.2	—	—	(0.5)	—	—	—	—	(0.5)
Interest and lease finance expense	0.9	1.0	1.0	1.0	0.5	0.9	1.0	1.0	1.0	0.5
Depreciation and other amortization	4.7	5.0	5.0	5.0	5.4	4.7	5.0	5.0	5.0	5.4
Amortization of intangible assets from acquisitions	0.6	0.6	0.6	0.6	0.6	—	—	—	—	—
Transaction, integration, restructuring and legal	11.0	2.6	2.3	(0.9)	10.4	—	—	—	—	—
Change in fair value of contingent consideration	1.6	3.2	(3.9)	4.0	14.2	—	—	—	—	—
Total expenses	**113.1**	**118.2**	**102.3**	**106.5**	**139.3**	**99.9**	**104.6**	**103.3**	**102.8**	**114.1**
Pretax income	**158.0**	**78.2**	**146.4**	**209.3**	**208.1**	**162.8**	**166.1**	**176.9**	**201.6**	**218.0**
Non-IFRS adjustments										
Pretax income	158.0	78.2	146.4	209.3	208.1	162.8	166.1	176.9	201.6	218.0
Amortization of intangible assets from acquisitions	0.6	0.6	0.6	0.6	0.6	—	—	—	—	—
Depreciation and other amortization	4.7	5.0	5.0	5.0	5.4	4.7	5.0	5.0	5.0	5.4
Interest and lease finance expense	0.9	1.0	1.0	1.0	0.5	0.9	1.0	1.0	1.0	0.5
EBITDA	**164.2**	**84.7**	**153.0**	**215.9**	**214.7**	**168.4**	**172.1**	**183.0**	**207.6**	**223.9**
Change in fair value of contingent consideration	1.6	3.2	(3.9)	4.0	14.2	—	—	—	—	—
FX (gains)/losses	(15.5)	74.4	32.8	(11.4)	1.4	—	—	—	—	—
Transaction, integration, restructuring and legal	11.0	2.6	2.3	(0.9)	10.4	—	—	—	—	—
Other (gains)/losses	7.1	—	(1.2)	—	(16.8)	—	—	—	—	—
Trading and bad debt	—	7.1	—	—	—	—	—	—	—	—
Total adjustments	4.2	87.3	30.0	(8.3)	9.2	—	—	—	—	—
Less: Non-controlling interest	0.1	0.1	0.3	0.4	0.1	0.1	0.1	0.3	0.4	0.1
Adjusted EBITDA	**168.3**	**172.0**	**182.7**	**207.2**	**223.8**	**168.3**	**172.0**	**182.7**	**207.2**	**223.8**

Year Ended December 31, 2022

Pretax income for the asset management segment was $591.8 million for the year ended December 31, 2022, down from $774.6 million in 2021. Adjusted EBITDA was $730.1 million for 2022, compared to $846.0 million for 2021.

Revenues

Revenues from net asset management fees were $1,098.2 million for the year ended December 31, 2022, a decrease from $1,217.6 million for the year ended December 31, 2021. Net of inter-segment amounts, net asset management fees were $1,112.3 million for 2022, versus $1,234.7 million for 2021. The decrease in net asset management fees from prior periods was due to decreases in average AUM. Net asset management fees as a percentage of average AUM were 0.879%, down from 0.883% for 2021.

Other revenue in 2022 was $(66.2) million compared with $64.0 million for the year ended December 31, 2021. For the year ended December 31, 2022, other revenue included $80.2 million of foreign exchange losses. This compares with $11.0 million of foreign exchange losses in 2021.

Expenses

SG&A expenses for the asset management segment were $387.1 million for the year ended December 31, 2022, compared with $426.0 million for 2021. Changes from the prior period are primarily due to changes in expenses that vary with AUM, including portfolio management, regulatory expenses, and discretionary spend. As a percentage of average AUM, SG&A expenses were 0.310% for the year ended December 31, 2022, compared to 0.309% for the year ended December 31, 2021.

Trailer fees and deferred sales commissions were $526.5 million for the year ended December 31, 2022, down from $592.4 million for the year ended December 31, 2021.Net of inter-segment amounts, this expense was $494.5 million for the year ended December 31, 2022 versus $557.4 million for 2021. Changes from the prior period are due to changes in average AUM.

Other expenses were $53.1 million for the year ended December 31, 2022, down from $81.0 million in 2021. Other expenses in 2022 included $15.0 million of transaction, integration, restructuring and legal charges and a $4.9 million non-cash charge on the change in fair value of acquisition liabilities. There were $25.6 million of transaction, integration, restructuring and legal charges and a $26.2 million non-cash charge on the change in fair value of acquisition liabilities for the year ended December 31, 2021.

Quarter Ended December 31, 2022

Pretax income for the asset management segment was $158.0 million for the quarter ended December 31, 2022, down from $208.1 million in the same period in 2021 and up from $78.2 million in the prior quarter. Adjusted EBITDA was $168.3 million for the fourth quarter of 2022, compared to $223.8 million for the fourth quarter of 2021 and $172.0 million for the prior quarter.

Revenues

Revenues from net asset management fees were $258.5 million for the quarter ended December 31, 2022, a decrease from $316.9 million for the quarter ended December 31, 2021 and a decrease from $264.1 million for the quarter ended September 30, 2022. Net of inter-segment amounts, net asset management fees were $262.2 million for the fourth quarter of 2022, versus $321.3 million for the fourth quarter of 2021, and $267.5 million for the third quarter of 2022. The decrease in net asset management fees from prior periods was due to decreases in average AUM. Net asset management fees as a percentage of average AUM were 0.872%, down from 0.879% for the fourth quarter of last year and down from 0.880% in the prior quarter.

Other revenue in the fourth quarter of 2022 was $12.7 million compared with $30.5 million for the quarter ended December 31, 2021 and $(67.7) million for the prior quarter. For the quarter ended December 31, 2022, other revenue included $15.5 million of foreign exchange gains. This compares with $1.4 million of foreign exchange losses in the same period in 2021, and $74.4 million of foreign exchange losses in the prior quarter.

Expenses

SG&A expenses for the asset management segment were $94.3 million for the quarter ended December 31, 2022, compared with $108.7 million for the fourth quarter in 2021 and $98.7 million for the prior quarter. Changes from the prior periods are primarily due to changes in expenses that vary with AUM, including portfolio management, regulatory expenses, and discretionary spend. As a percentage of average AUM, SG&A expenses were 0.318% for the quarter ended December 31, 2022, compared to 0.301% for the quarter ended December 31, 2021 and 0.329% for the quarter ended September 30, 2022.

Trailer fees and deferred sales commissions were $123.8 million for the quarter ended December 31, 2022, down from $152.6 million for the quarter ended December 31, 2021 and down from $126.8 million for the quarter ended September 30, 2022. Net of inter-segment amounts, this expense was $116.0 million for the quarter ended December 31, 2022 versus $143.6 million for the fourth quarter of 2021 and $119.2 million for the third quarter of 2022. Changes from the prior periods are due to changes in average AUM.

Other expenses were $18.8 million for the quarter ended December 31, 2022, down from $30.7 million in the same quarter of 2021 and down from $19.5 million in the third quarter of 2022. Other expenses in the fourth quarter of 2022 included $11.0 million of transaction, integration, restructuring and legal charges and a $1.6 million non-cash charge on the change in fair value of acquisition liabilities. There were $10.4 million of transaction, integration, restructuring and legal charges and a $14.2 million non-cash charge on the change in fair value of acquisition liabilities for the quarter ended December 31, 2021, and $2.6 million of transaction, integration, restructuring and legal charges and a $3.2 million non-cash charge on the change in fair value of acquisition liabilities in the prior quarter.

CANADA WEALTH MANAGEMENT SEGMENT

TABLE 17: CANADA WEALTH MANAGEMENT CLIENT ASSETS

	Quarters ended				
[billions of dollars]	**Dec. 31, 2022**	**Sep. 30, 2022**	**Jun. 30, 2022**	**Mar. 31, 2022**	**Dec. 31, 2021**
Beginning client assets	74.0	74.1	79.0	80.6	76.9
Acquisitions	—	—	2.4	—	—
Net flows and market move	3.4	(0.2)	(7.2)	(1.7)	3.8
Ending client assets	77.4	74.0	74.1	79.0	80.6
Average client assets	77.3	76.0	77.7	79.0	78.9
Wealth management fees/average client assets	0.91%	0.90%	0.91%	0.95%	0.93%

TABLE 18: RESULTS OF OPERATIONS - CANADA WEALTH MANAGEMENT SEGMENT

	IFRS Results For the years ended		Adjusted Results For the years ended	
[millions of dollars, except per share amounts]	**Dec. 31, 2022**	**Dec. 31, 2021**	**Dec. 31, 2022**	**Dec. 31, 2021**
Revenues				
Canada wealth management fees	709.8	697.0	709.8	697.0
Other revenues	93.1	58.6	93.2	58.6
FX gains/(losses)	0.1	3.4	—	—
Other gains/(losses)	—	(0.1)	—	7.0
Total net revenues	**803.0**	**758.9**	**803.0**	**762.6**
Expenses				
Selling, general & administrative	175.1	148.0	174.4	148.0
Advisor and dealer fees	550.2	551.5	550.2	551.5
Other	24.7	14.8	19.9	14.8
Interest and lease finance expense	0.1	0.5	0.1	0.5
Depreciation and other amortization	11.7	9.7	11.7	9.7
Amortization of intangible assets from acquisitions	7.8	5.5	—	—
Transaction, integration, restructuring and legal	1.7	0.8	—	—
Change in fair value of contingent consideration	0.7	—	—	—
Total expenses	**771.9**	**730.7**	**756.3**	**724.5**
Pretax income	**31.1**	**28.2**	**46.6**	**38.1**
Non-IFRS adjustments				
Pretax income	31.1	28.2	46.6	38.1
Amortization of intangible assets from acquisitions	7.8	5.8	—	0.3
Amortization of equity accounted investments	0.1	—	—	—
Depreciation and other amortization	11.7	9.7	11.7	9.7
Interest and lease finance expense	0.1	0.5	0.1	0.5
EBITDA	**50.8**	**44.1**	**58.4**	**48.5**
Change in fair value of contingent consideration	0.7	—	—	—
Contingent consideration recorded as compensation (included in SG&A)	0.3	—	—	—
CIPW adjustments (included in SG&A)	0.4	—	—	—
FX (gains)/losses	(0.1)	(3.4)	—	—
Transaction, integration, restructuring and legal	1.7	0.8	—	—
Non-controlling interest reclassification (included in Other)	4.0	—	—	—
Other (gains)/losses	—	7.1	—	—
Trading and bad debt	0.8	—	—	—
Total adjustments	7.6	4.4	—	—
Less: Non-controlling interest	4.3	—	4.3	—
Adjusted EBITDA	**54.1**	**48.5**	**54.1**	**48.5**

TABLE 19: RESULTS OF OPERATIONS - CANADA WEALTH MANAGEMENT SEGMENT

	IFRS Results					Adjusted Results				
	For the quarters ended					For the quarters ended				
[millions of dollars, except per share amounts]	**Dec. 31, 2022**	**Sep. 30, 2022**	**Jun. 30, 2022**	**Mar. 31, 2022**	**Dec. 31, 2021**	**Dec. 31, 2022**	**Sep. 30, 2022**	**Jun. 30, 2022**	**Mar. 31, 2022**	**Dec. 31, 2021**
Revenues										
Canada wealth management fees	176.8	171.7	175.6	185.7	184.3	176.8	171.7	175.6	185.7	184.3
Other revenues	29.1	25.5	21.3	17.1	16.0	29.2	25.5	21.3	17.1	16.0
FX gains/(losses)	(0.4)	0.5	—	0.1	0.8	—	—	—	—	—
Other gains/(losses)	—	—	—	—	(0.1)	—	—	—	—	(0.1)
Total net revenues	**205.5**	**197.7**	**196.9**	**202.9**	**201.1**	**206.0**	**197.2**	**196.9**	**202.8**	**200.3**
Expenses										
Selling, general & administrative	46.2	43.8	44.0	41.1	39.9	45.9	43.6	43.9	41.1	39.9
Advisor and dealer fees	136.2	132.4	135.9	145.6	145.2	136.2	132.4	135.9	145.6	145.2
Other	9.3	8.2	4.0	3.2	3.2	8.1	6.3	3.2	2.4	3.2
Interest and lease finance expense	—	—	(0.1)	0.2	0.2	—	—	(0.1)	0.2	0.2
Depreciation and other amortization	3.2	3.2	2.8	2.5	2.3	3.2	3.2	2.8	2.5	2.3
Amortization of intangible assets from acquisitions	2.1	2.1	2.1	1.6	1.5	—	—	—	—	—
Transaction, integration, restructuring and legal	0.2	0.3	0.4	0.8	0.1	—	—	—	—	—
Change in fair value of contingent consideration	1.9	(0.7)	(0.6)	—	—	—	—	—	—	—
Total expenses	**199.1**	**189.3**	**188.5**	**195.0**	**192.6**	**193.4**	**185.6**	**185.6**	**191.7**	**191.0**
Pretax income	**6.4**	**8.4**	**8.4**	**7.9**	**8.5**	**12.5**	**11.6**	**11.4**	**11.1**	**9.3**
Non-IFRS adjustments										
Pretax income	6.4	8.4	8.4	7.9	8.5	12.5	11.6	11.4	11.1	9.3
Amortization of intangible assets from acquisitions	2.1	2.1	2.1	1.6	1.6	—	—	—	—	0.1
Amortization of equity accounted investments	0.1	—	—	—	—	—	—	—	—	—
Depreciation and other amortization	3.2	3.2	2.8	2.5	2.3	3.2	3.2	2.8	2.5	2.3
Interest and lease finance expense	—	—	(0.1)	0.2	0.2	—	—	(0.1)	0.2	0.2
EBITDA	**11.8**	**13.7**	**13.1**	**12.1**	**12.6**	**15.8**	**14.9**	**14.0**	**13.8**	**11.9**
Change in fair value of contingent consideration	1.9	(0.7)	(0.6)	—	—	—	—	—	—	—
Contingent consideration recorded as compensation (included in SG&A)	0.2	0.1	0.1	—	—	—	—	—	—	—
CIPW adjustments (included in SG&A)	0.1	0.1	0.1	—	—	—	—	—	—	—
FX (gains)/losses	0.4	(0.5)	—	(0.1)	(0.8)	—	—	—	—	—
Transaction, integration, restructuring and legal	0.2	0.3	0.4	0.8	0.1	—	—	—	—	—
Non-controlling interest reclassification (included in Other)	1.2	1.0	0.9	0.9	—	—	—	—	—	—
Trading and bad debt	—	0.8	—	—	—	—	—	—	—	—
Total adjustments	4.0	1.2	0.8	1.6	(0.7)	—	—	—	—	—
Less: Non-controlling interest	1.3	1.2	1.0	0.9	(1.5)	1.3	1.2	1.0	0.9	(1.5)
Adjusted EBITDA	**14.5**	**13.7**	**13.0**	**12.9**	**13.5**	**14.5**	**13.7**	**13.0**	**12.9**	**13.5**

Year Ended December 31, 2022

The Canadian Wealth Management segment had pretax income of $31.1 million for the year ended December 31, 2022, compared to $28.2 million for 2021. Adjusted EBITDA was $54.1 million for 2022, compared to $48.5 million for 2021.

Revenues

Canada wealth management fees were $709.8 million for the year ended December 31, 2022, up from $697.0 million for 2021. The increase from the prior period primarily relates to higher average wealth management assets. Net of inter-segment amounts, Canada wealth management fee revenue was $530.7 million for the year ended December 31, 2022, up from $506.8 million for the year ended December 31, 2021.

For the year ended December 31, 2022, other revenue was $93.2 million, up from $61.9 million for the year ended December 31, 2021. Other revenue is derived mainly from non-advisor associated activities, and included foreign exchange gains of $0.1 million in 2022, compared to gains of $3.4 million in 2021.

Expenses

Advisor and dealer fees were $550.2 million for the year ended December 31, 2022 compared to $551.5 million for 2021. Net of inter-segment amounts, advisor and dealer fees were $406.0 million, up from $396.7 million for 2021. The changes from the prior period is mainly a result of changes in client asset levels and associated wealth management fee revenues.

SG&A expenses for the segment were $175.1 million for the year ended December 31, 2022 compared to $148.0 million in 2021. The change in SG&A from the prior period is mainly attributable to changes in discretionary spend in the segment and acquisitions made during the year.

Other expenses were $46.7 million for the year ended December 31, 2022, up from $31.2 million in 2021. Other expenses included amortization of intangible assets from acquisitions of $7.8 million in 2022, compared to $5.5 million in 2021.

Quarter Ended December 31, 2022

The Canadian Wealth Management segment had pretax income of $6.4 million for the quarter ended December 31, 2022, compared to $8.5 million for the fourth quarter of 2021 and $8.4 million for the prior quarter. Adjusted EBITDA was $14.5 million for the fourth quarter of 2022, compared to $13.5 million for the fourth quarter of 2021 and $13.7 million for the prior quarter.

Revenues

Canada wealth management fees were $176.8 million for the quarter ended December 31, 2022, down from $184.3 million for the same period a year ago and up from $171.7 million for the prior quarter. The changes from prior periods primarily relates to changes in average wealth management assets. Net of inter-segment amounts, Canada wealth management fee revenue was $133.1 million for the quarter ended December 31, 2022, down from $134.9 million for the quarter ended December 31, 2021 and up from $129.2 million for the quarter ended September 30, 2022.

For the quarter ended December 31, 2022, other revenue was $28.8 million, up from $16.7 million for the quarter ended December 31, 2021 and up from $26.0 million for the prior quarter. Other revenue is derived mainly from non-advisor associated activities, and included foreign exchange losses of $0.4 million in the fourth quarter of 2022, compared to gains of $0.8 million in the fourth quarter of 2021, and gains of $0.5 million in the prior quarter.

Expenses

Advisor and dealer fees were $136.2 million for the quarter ended December 31, 2022 compared to $145.2 million for the fourth quarter of 2021 and $132.4 million for the quarter ended September 30, 2022. Net of inter-segment amounts, advisor and dealer fees were $101.1 million, down from $104.8 million for the same quarter last year and up from $98.3 million for the prior quarter. The changes from prior periods is mainly a result of changes in client asset levels and associated wealth management fee revenues.

SG&A expenses for the segment were $46.2 million for the quarter ended December 31, 2022 compared to $39.9 million in the fourth quarter of 2021 and $43.8 million in the third quarter of 2022. The change in SG&A from prior periods is mainly attributable to changes in discretionary spend in the segment.

Other expenses were $16.8 million for the quarter ended December 31, 2022, up from $7.4 million in the same quarter of 2021 and up from $13.1 million in the third quarter of 2022. Other expenses included amortization of intangible assets from acquisitions of $2.1 million in the fourth quarter of 2022, compared to $1.5 million in the same quarter of 2021 and $2.1 million in the prior quarter.

U.S. WEALTH MANAGEMENT SEGMENT

TABLE 20: U.S. WEALTH MANAGEMENT CLIENT ASSETS

	Quarters ended				
[billions of dollars]	**Dec. 31, 2022**	**Sep. 30, 2022**	**Jun. 30, 2022**	**Mar. 31, 2022**	**Dec. 31, 2021**
Beginning billable client assets	144.9	138.8	141.2	146.4	96.1
Acquisitions	24.9	—	7.1	1.1	49.3
Net flows and market move	4.4	6.2	(9.5)	(6.3)	1.0
Ending billable client assets	174.3	144.9	138.8	141.2	146.4
Non-billable client assets	6.3	4.9	4.8	4.6	4.9
Total client assets	180.6	149.8	143.5	145.8	151.3
Fees/beginning billable client assets	0.52%	0.47%	0.48%	0.46%	0.50%

TABLE 21: RESULTS OF OPERATIONS - U.S. WEALTH MANAGEMENT SEGMENT

	IFRS Results For the years ended		Adjusted Results For the years ended	
[millions of dollars, except per share amounts]	**Dec. 31, 2022**	**Dec. 31, 2021**	**Dec. 31, 2022**	**Dec. 31, 2021**
Revenues				
U.S. wealth management fees	687.6	345.0	687.6	345.0
Other revenues	16.4	5.5	18.9	5.5
FX gains/(losses)	—	(11.2)	—	—
Other gains/(losses)	—	(0.1)	—	(0.1)
Total net revenues	**704.0**	**339.3**	**706.5**	**350.4**
Expenses				
Selling, general & administrative	518.5	223.8	439.5	216.6
Other	2.8	10.7	2.8	10.7
Interest and lease finance expense	2.5	1.1	2.5	1.1
Depreciation and other amortization	18.1	8.2	18.1	8.2
Amortization of intangible assets from acquisitions	95.5	48.0	—	—
Transaction, integration, restructuring and legal	46.1	9.6	—	—
Change in fair value of contingent consideration	21.9	123.7	—	—
Total expenses	**705.3**	**425.1**	**462.8**	**236.6**
Pretax income	**(1.3)**	**(85.9)**	**243.7**	**113.9**
Non-IFRS adjustments				
Pretax income	(1.3)	(85.9)	243.7	113.9
Amortization of intangible assets from acquisitions	95.5	49.3	—	1.3
Amortization of equity accounted investments	2.5	—	—	—
Depreciation and other amortization	18.1	8.2	18.1	8.2
Interest and lease finance expense	2.5	1.1	2.5	1.1
EBITDA	**117.4**	**(27.1)**	**264.3**	**124.5**
Change in fair value of contingent consideration	21.9	123.7	—	—
Contingent consideration recorded as compensation (included in SG&A)	23.9	7.2	—	—
CIPW adjustments (included in SG&A)	55.1	—	—	—
FX (gains)/losses	—	11.2	—	—
Transaction, integration, restructuring and legal	46.1	9.6	—	—
Total adjustments	147.0	151.7	—	—
Less: Non-controlling interest	44.8	5.1	44.8	5.1
Adjusted EBITDA	**219.6**	**119.4**	**219.6**	**119.4**

TABLE 22: RESULTS OF OPERATIONS - U.S. WEALTH MANAGEMENT SEGMENT

	IFRS Results					Adjusted Results				
	For the quarters ended					For the quarters ended				
[millions of dollars, except per share amounts]	**Dec. 31, 2022**	**Sep. 30, 2022**	**Jun. 30, 2022**	**Mar. 31, 2022**	**Dec. 31, 2021**	**Dec. 31, 2022**	**Sep. 30, 2022**	**Jun. 30, 2022**	**Mar. 31, 2022**	**Dec. 31, 2021**
Revenues										
U.S. wealth management fees	190.1	164.1	168.9	164.5	120.9	190.1	164.1	168.9	164.5	120.9
Other revenues	2.9	4.2	4.5	4.8	1.3	5.5	4.2	4.5	4.8	1.3
FX gains/(losses)	—	—	—	—	3.7	—	—	—	—	—
Total net revenues	**193.1**	**168.2**	**173.4**	**169.2**	**125.9**	**195.6**	**168.3**	**173.5**	**169.2**	**122.2**
Expenses										
Selling, general & administrative	151.1	117.7	112.8	136.9	80.8	122.2	102.6	109.2	105.5	78.7
Other	(0.1)	1.8	0.7	0.4	2.9	(0.1)	1.8	0.7	0.4	2.9
Interest and lease finance expense	0.8	0.7	0.6	0.5	0.4	0.8	0.7	0.6	0.5	0.4
Depreciation and other amortization	5.2	4.8	4.1	3.9	3.1	5.2	4.8	4.1	3.9	3.1
Amortization of intangible assets from acquisitions	23.8	25.0	24.7	21.9	16.1	—	—	—	—	—
Transaction, integration, restructuring and legal	30.0	10.2	2.0	3.9	3.1	—	—	—	—	—
Change in fair value of contingent consideration	73.3	20.0	(70.5)	(0.9)	29.7	—	—	—	—	—
Total expenses	**284.2**	**180.1**	**74.4**	**166.5**	**136.1**	**128.1**	**109.8**	**114.6**	**110.3**	**85.2**
Pretax income	**(91.1)**	**(11.9)**	**99.0**	**2.7**	**(10.2)**	**67.4**	**58.4**	**58.9**	**59.0**	**37.0**
Non-IFRS adjustments										
Pretax income	(91.1)	(11.9)	99.0	2.7	(10.2)	67.4	58.4	58.9	59.0	37.0
Amortization of intangible assets from acquisitions	23.8	25.0	24.7	21.9	16.5	—	—	—		0.5
Amortization of equity accounted investments	2.5	—	—	—	—	—	—	—	—	—
Depreciation and other amortization	5.2	4.8	4.1	3.9	3.1	5.2	4.8	4.1	3.9	3.1
Interest and lease finance expense	0.8	0.7	0.6	0.5	0.4	0.8	0.7	0.6	0.5	0.4
EBITDA	**(58.8)**	**18.6**	**128.4**	**29.1**	**9.9**	**73.5**	**63.9**	**63.5**	**63.4**	**41.0**
Change in fair value of contingent consideration	73.3	20.0	(70.5)	(0.9)	29.7	—	—	—	—	—
Contingent consideration recorded as compensation (included in SG&A)	1.3	3.7	0.6	18.2	2.1	—	—	—	—	—
CIPW adjustments (included in SG&A)	27.6	11.4	3.0	13.2	—	—	—	—	—	—
FX (gains)/losses	—	—	—	—	(3.7)	—	—	—	—	—
Transaction, integration, restructuring and legal	30.0	10.2	2.0	3.9	3.1	—	—	—	—	—
Total adjustments	132.2	45.3	(64.9)	34.3	31.1	—	—	—	—	—
Less: Non-controlling interest	13.6	12.1	8.2	10.9	1.0	13.6	12.1	8.2	10.9	1.0
Adjusted EBITDA	**59.9**	**51.8**	**55.4**	**52.5**	**40.0**	**59.9**	**51.8**	**55.4**	**52.5**	**40.0**

Year Ended December 31, 2022

The U.S. wealth management segment had pretax income of $(1.3) million for the year ended December 31, 2022, compared to $(85.9) million for 2021. Adjusted EBITDA was $219.6 million for 2022, compared to $119.4 million for 2021.

Revenues

U.S. wealth management fees were $687.6 million for the year ended December 31, 2022, up from $345.0 million for 2021. The increase from the prior year primarily related to higher asset levels resulting from acquisitions made during the year.

For the year ended December 31, 2022, other revenue was $16.4 million, up from $(5.8) million for the year ended December 31, 2021. Other revenue is derived mainly from non-advisor associated activities, and included foreign exchange gains of nil in 2022, compared to losses of $11.2 million in 2021.

Expenses

SG&A expenses for the segment were $518.5 million for the year ended December 31, 2022 compared to $223.8 million in 2021. The increase in SG&A from the prior year was mainly attributable to acquisitions made during the year.

Other expenses were $186.8 million for the year ended December 31, 2022, down from $201.4 million in 2021. Other expenses included a $21.9 million non-cash charge from a change in the fair value of acquisition liabilities in 2022, compared to a charge of $123.7 million in 2021. Other expenses also included amortization of intangible assets from acquisitions of $95.5 million for the year ended December 31, 2022, up from $48.0 million for the year ended December 31, 2021. The year ended December 31, 2022 also included CIPW related adjustments of $55.1 million compared with nil in 2021.

Quarter Ended December 31, 2022

The U.S. wealth management segment had pretax income of $(91.1) million for the quarter ended December 31, 2022, compared to $(10.2) million for the fourth quarter of 2021 and $(11.9) million for the prior quarter. Adjusted EBITDA was $59.9 million for the fourth quarter of 2022, compared to $40.0 million for the fourth quarter of 2021 and $51.8 million for the prior quarter.

Revenues

U.S. wealth management fees were $190.1 million for the quarter ended December 31, 2022, up from $120.9 million for the same period a year ago and up from $164.1 million for the prior quarter. The increases from the prior periods primarily related to higher asset levels resulting from acquisitions made during the year.

For the quarter ended December 31, 2022, other revenue was $3.0 million, down from $5.0 million for the quarter ended December 31, 2021 and down from $4.2 million for the prior quarter. Other revenue is derived mainly from non-advisor associated activities, and included foreign exchange gains of nil in the fourth quarter of 2022, compared to gains of $3.7 million in the fourth quarter of 2021, and gains of nil in the prior quarter.

Expenses

SG&A expenses for the segment were $151.1 million for the quarter ended December 31, 2022 compared to $80.8 million in the fourth quarter of 2021 and $117.7 million in the third quarter of 2022. The increases in SG&A from the prior periods as mainly attributable to acquisitions made during the year and increases in discretionary spend.

Other expenses were $133.1 million for the quarter ended December 31, 2022, up from $55.3 million in the same quarter of 2021 and up from $62.4 million in the third quarter of 2022. Other expenses included a $73.3 million non-cash charge from a change in the fair value of acquisition liabilities in the fourth quarter of 2022, compared to $29.7 million in the same quarter of 2021 and $20.0 million in the prior quarter. Other expenses also included amortization of intangible assets from acquisitions of $23.8 million for the quarter ended December 31, 2022, up from $16.1 million for the quarter ended December 31, 2021 and down from $25.0 million for the prior quarter. The quarter ended December 31, 2022 also included CIPW related adjustments of $27.6 million compared with nil in the fourth quarter of 2021 and $11.4 million in the third quarter of 2022.

LIQUIDITY AND CAPITAL RESOURCES

CI generated $687.4 million of free cash flow in 2022, compared to $687.7 million for the same period in 2021.

CI primarily uses cash flow to fund capital expenditures, fund acquisitions, pay down debt, pay dividends on its shares, and repurchase shares through its normal course issuer bid. At current levels of cash flow and anticipated dividend payout rates, CI expects to meet its obligations and support planned business operations.

CI's cash flows may fluctuate, primarily in the first quarter, as a result of the balance of cash income taxes and incentive compensation related to the prior year being paid at the end of February.

TABLE 23: SUMMARY OF CASH FLOWS

[millions of dollars]	**Year ended December 31, 2022**	**Year ended December 31, 2021**
Cash provided by operating activities	478.9	666.0
Less: Net change in operating assets and liabilities	(85.6)	15.7
Operating cash flow before the change in operating assets and liabilities	564.5	650.2
Adjustments:		
FX (gains)/losses	80.1	18.8
Trading and bad debt	8.0	—
Other (gains)/losses	—	7.1
Transaction, integration, restructuring and legal	62.7	35.9
Total adjustments	150.8	61.8
Tax effect (recovery) of adjustments	(37.4)	(18.1)
Less:		
Non-controlling interest	(9.4)	6.2
Free cash flow	687.4	687.7
Less:		
Investments in marketable securities, net of marketable securities sold	(93.2)	(10.3)
Capital expenditures	17.5	7.8
Share repurchases, net of shares issued	229.7	364.3
Dividends paid	137.4	146.4
(Increase) / decrease in debt	(262.5)	(1,013.6)
Acquisitions, net of cash acquired	472.5	934.6
Net issuance of CIPW unit liabilities	(85.7)	—
Cash paid to settle acquisition liabilities	198.2	290.0
Working capital and other items	150.8	221.3
	764.7	940.5
Net change in cash	(77.2)	(252.8)
Cash at January 1	230.8	483.6
Cash at December 31	153.6	230.8

During 2022, CI invested $3.3 million in marketable securities and received $96.5 million in proceeds from the disposition of marketable securities. Excluding CI Investment Services' securities owned, at market, the fair value of CI's investments as of December 31, 2022 was $20.6 million. This was comprised of seed capital investments in CI funds and strategic investments.

During the year ended December 31, 2022, CI invested $17.5 million in capital assets, up from $7.8 million in the year ended December 31, 2021. These investments related primarily to leasehold improvements and technology.

During 2022, certain partners and employees subscribed for CIPW units resulting in total cash proceeds of $85.7 million.

During the year ended December 31, 2022, CI repurchased 14.2 million shares under its normal course issuer bid at a total cost of $232.0 million, or $16.28 per share. CI had 184,517,832 shares outstanding at the end of December, which differs from CI's TSX-listed shares outstanding of 186,285,351 by the amount of restricted employee shares held in trust.

CI paid dividends of $137.4 million during the year ended December 31, 2022. The Board of Directors declared a quarterly dividend of $0.18 per share, payable on July 14, 2023, to shareholders of record on June 30, 2023. All dividends are designated as eligible dividends unless indicated otherwise, as required under the Income Tax Act (Canada).

The statement of financial position for CI at December 31, 2022 reflected total assets of $9.7 billion, an increase of $1.0 billion from total assets of $8.7 billion at December 31, 2021.

CI's cash and cash equivalents decreased by $77.2 million in 2022 to $153.6 million. Accounts receivable and prepaid expenses increased by $25.8 million to $298.8 million as of December 31, 2022. Capital assets increased by $3.0 million during the twelve months ended December 31, 2022, the change was driven by $17.5 million in capital additions, including those from acquisitions, $1.0 million in currency translation, less $12.5 million in amortization and $4.3 million in disposals.

Total liabilities increased by $1.0 billion to $8.1 billion at December 31, 2022 from $7.0 billion at December 31, 2021.

At December 31, 2022, CI had $3,919.9 million in outstanding debentures with a weighted average interest rate of 3.98%, a weighted average maturity of 12.5 years, and a carrying value of $3,896.2 million. In January 2021, CI raised US$260 million by re-opening the December 2020 debenture issuance. In June 2021, CI issued US$900 million of debentures with a 30-year maturity and announced its intention to use part of the proceeds towards the repayment of outstanding indebtedness on its credit facility. CI also completed the early redemption of $200 million of debentures maturing in November 2021 and $325 million of debentures maturing in July 2023 in the first quarter of 2021. In December 2022, CI refinanced existing indebtedness by issuing $400 million of debentures with a 3-year maturity. On December 31, 2022, CI had drawn $320.0 million against its $700.0 million credit facility. In February 2023, CI entered into a new $600.0 million credit facility with four Canadian banks and paid off its previous credit facility. Terms under the new facility are generally similar to its previous facility except for the upper limit of the financial covenant to remain below 4.75:1 until December 30, 2023, and 4.50:1 thereafter. Principal repayments on any drawn amounts are only required at the maturity of the facility, which is May 27, 2024.

Net debt, as discussed in the "Non-IFRS Measures" section and as set out in Table 5, was $4,058.8 million at December 31, 2022, up from $3,453.4 million at December 31, 2021. The average gross debt level for the year ended December 31, 2022 was $3,906.5 million, compared to $2,975.0 million last year.

CI's ratios of debt to adjusted EBITDA and net debt to adjusted EBITDA were 4.4 to 1 and 4.2 to 1, respectively, using current quarter adjusted EBITDA annualized. CI was within its financial covenant of 4.5 to 1 with respect to its credit facility.

Shareholders' equity was $1.6 billion at December 31, 2022, an increase of $21.3 million from December 31, 2021.

RISK MANAGEMENT

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

CI has developed an enterprise-wide approach to identifying, evaluating, monitoring and managing risk. The members of the Risk Management Committee identify and evaluate specific and material risks, applying both a quantitative and a qualitative analysis to assess the likelihood and impact of occurrence of a particular risk event. Once risks have been identified and rated, strategies and procedures are developed to minimize, transfer or avoid negative consequences. These risk mitigation processes are implemented and monitored with each business unit. Risk updates are regularly provided by the Chief Risk Officer to the Audit and Risk Committee of CI's board.

The risks set out below are risks and uncertainties that CI believes could materially affect CI's ability to achieve its strategic and business objectives and impact future financial performance; however, they are not the only risks facing CI. The reader should carefully consider the risks described below, and the other information contained in this MD&A, including under the heading "Forward-Looking Statements" before making an investment decision.

MARKET RISK

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

CI's financial performance is indirectly exposed to market risk. Any decline in financial markets or lack of sustained growth in such markets may result in a corresponding decline in the performance of CI's investment funds and may adversely affect CI's assets under management and wealth management assets. This may reduce management fees and administration fees, which would reduce cash flow to CI and ultimately impact CI's ability to meet its financial obligations.

At December 31, 2022, approximately 36% of CI's core 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's fund managers invest in a well-diversified portfolio of securities across issuers, durations and maturities, which reduces risk. CI estimates that a 100 basis point change in interest rates across the yield curve would cause a change of approximately $10 million to $20 million in annual pre-tax earnings.

About 64% of CI's core assets under management were held in equity securities at December 31, 2022, 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 their expertise in particular market niches, sectors and products and to reduce issuer-specific risk through diversification. CI estimates that a 10% change in the value of equities would cause a change of approximately $65 million to $75 million in annual pre-tax earnings.

At December 31, 2022, about 43% of CI's core assets under management were based in Canadian currency. While CI's concentration in Canadian currency assets reduces its exposure to foreign exchange risk, approximately 43% of CI's core assets under management were based in U.S. currency. Any change in the value of the Canadian dollar relative to U.S. currency will cause fluctuations in CI's assets under management. CI estimates that a 10% change in Canadian/U.S. exchange rates would cause a change of approximately $35 million to $45 million in annual pre-tax earnings. While portfolio managers may employ currency hedging strategies to mitigate the impact of currency fluctuations, there can be no assurance that such strategies, if employed, will be successful. The exposures and sensitivities noted above do not account for any such currency hedging strategies.

In addition, CI has certain debt obligations that are denominated in U.S. dollars. At December 31, 2022, CI had par value US$1.9 billion of debentures outstanding. Any change in the value of the Canadian dollar relative to the U.S. dollar will impact the translation of this obligation into Canadian dollars and the gain or loss would be reflected in CI's income. CI estimates that a 100 basis point change in Canadian/U.S. exchange rates would cause a change of approximately $18.6 million in annual pre-tax earnings related to the currency translation of these debentures.

CI has operations in the United States, where the U.S. dollar is the functional currency. Changes in the value of the Canadian dollar relative to the U.S. dollar would impact the translation of net income from CI's U.S. operations into Canadian dollars. CI estimates that a 100 basis point change in Canadian/U.S. exchange rates would cause a change of approximately $1.3 million in annual pre-tax earnings.

There are risks and limitations with relying on models and it is possible that actual results may differ from those presented above. CI has a control environment that ensures market risks are reviewed regularly. CI's compliance group reviews and monitors CI's fund and portfolio investments for compliance with investment policies and regulations. CI also reviews investment processes, portfolio positioning and attribution of results of its investment teams on a regular basis.

POLITICAL AND MACRO-ECONOMIC RISK

CI's performance is directly affected by the performance of the financial markets which may be influenced by various political, demographic and macro-economic conditions or events, including any political change, change in government policy, conflicts, pandemics, economic sanctions and uncertainty, globally. These changes may cause significant volatility and decline in the global economy or specific international, regional and domestic financial markets which are beyond the control of CI. There can be no assurance that financial market performance will be favourable in the future. Any decline in financial markets or lack of sustained growth in such markets may result in a corresponding decline in performance, which could negatively impact CI's business and impede the growth of CI's wealth management assets and assets under management and corresponding revenue.

REDEMPTION RISK

Management fees are earned for advising and managing investment fund assets. The level of these assets is dependent on (i) sales; (ii) redemptions; and (iii) investment performance. Sales and redemptions may fluctuate depending on market and economic conditions, investment preference, or other factors.

Significant redemptions could adversely affect investor fund returns by impacting market values and increasing transaction costs or taxable distributions, which could negatively impact the prospects and operating results of CI.

A rapid and sustained increase in redemptions, particularly in the face of severe market volatility, may also adversely affect fund liquidity, which in turn could negatively affect CI's reputation and/or result in further declines in assets under management, all of which could have an unfavourable impact on our business, financial condition or operating results.

COMPETITION RISK

CI operates in a highly competitive environment, with competition based on a variety of factors, including the range of products offered, level of fees charged, investment performance, types of services offered, brand recognition, business reputation, financing strength, management and sales relationships, and quality of service. CI competes with a large number of wealth management and asset management companies and other providers of investment products, investment management firms, broker-dealers, banks, insurance companies and other financial institutions. CI's competitors seek to expand market share by offering different products and services and more competitive pricing than those offered by CI. While CI continues to develop and market new products and services and remains competitive with respect to fees, there can be no assurance that CI will maintain its current standing, market share, investment performance or fee structure relative to its competitors, which may adversely affect the business, financial condition or operating results of CI.

INFORMATION TECHNOLOGY AND CYBER RISK

CI uses information technology and the internet to streamline business operations and to improve the client and advisor experience. CI has, more recently, been expanding its online footprint by automating its product and service delivery systems and acquiring digital platforms. The use of information technology and the internet, email messaging and other online capabilities, however, exposes CI to information security risk that could have an adverse impact on its business. CI is dependent on its information security policies, procedures and capabilities to protect its computer and telecommunications systems and the data that it stores on or transmits through its information technology systems.

Cybersecurity threats and attacks, privacy and security breaches, insider threats or other incidents and malicious internet-based activity continue to increase generally, evolve in nature and become more sophisticated. In addition, the COVID-19 pandemic has required businesses to operate extensively with remote work arrangements resulting in an increase in their exposure to information technology and cyber risks. The increased dependence on and the use of online platforms, network infrastructure, remote connectivity and third-party services may lead to an increase in the incidence of cyber-attacks, malicious activity including phishing emails, malware-embedded apps and targeting of vulnerabilities in remote access platforms. Any information technology event, such as a cybersecurity breach or intrusion into CI's information technology systems, or failure to implement sufficient controls, could result in unauthorized access to sensitive or confidential information, loss or theft of data, operational disruption, regulatory actions, legal liability or reputational harm and have an adverse effect on CI's operating results and financial condition. CI actively monitors this risk and continues to develop and implement technology-enabled controls to protect against cyber threats that are becoming increasingly sophisticated and pervasive. In addition, CI has and will continue to implement safeguards to control access to sensitive information, through password protection, encryption of confidential information and other means. CI also has back-up systems to ensure business continuity in the event of a failure resulting from an attack. Notwithstanding these measures, there is no assurance that CI can fully mitigate the risks associated with information technology security. CI is dependent on the efficiency and effectiveness of the technology it uses to secure its information technology environment, the diligence of its employees and their compliance with CI's information security policy, and the ability to keep pace with a continuously evolving information technology landscape. Malfunction of any technology used by CI, breaches of security policy or inability to keep pace with evolving cybersecurity advancements may increase CI's exposure to cybersecurity risk.

CI relies on various third-party service providers to deliver its services to clients and advisors. While CI has procedures and practices in place to assess its third-parties' information technology systems, such third-parties may lack the necessary infrastructure or resources or may otherwise fail to adequately protect against or respond to a cyber-attack, data breach or other incidents. Any such event could expose confidential, proprietary, or other sensitive information of CI and its clients, advisors, employees, or other counterparties that may be stored in, or transmitted through the third-parties' computer systems, networks, or other devices. A breach in a third-party's systems could also cause disruptions in CI's operations or those of its clients or counterparties, or in the operations of other third-parties on whom CI relies.

CI's business is also dependent on the physical integrity of its infrastructure, including its office space, storage centers and other facilities. CI has taken precautions to protect the physical security of its infrastructure, and the sensitive information contained therein, through card access protection, biometrics and clean desk policies. However, a breach of the physical integrity of CI infrastructure may leave sensitive information vulnerable to unauthorized access and use, increasing a possible security risk, which could negatively impact CI's reputation, business, operating results, and financial condition.

PRIVACY AND DATA MANAGEMENT RISK

CI's business requires the creation, collection, use and sharing of personal or confidential information. The management and governance of personal or confidential information are increasingly important as CI continues to invest in digital solutions and innovation, as well as expand its business activities both domestically and in foreign jurisdictions. CI's failure to manage and safeguard its information may result in legal or regulatory consequences, loss of competitive advantage, reputational damage, or financial loss to CI.

CI is also subject to a number of laws and regulations in various jurisdictions regarding the collection, use, sharing or processing of personal information belonging to its clients, employees, consultants and third-parties. These laws and regulations are subject to frequent modification and require ongoing compliance supervision. Further, government and regulatory oversight of data privacy has increased in recent years, resulting in heightened data security and handling requirements and expanded incident response and reporting obligations. CI's failure to comply with such laws and regulations could lead to significant fines, penalties or remediation obligations imposed by regulators, as well as costs associated with direct claims by CI's clients, employees, consultants or third-parties.

PEOPLE RISK

The ability of CI to achieve operational, business and strategic objectives is dependent upon, among other things, the skills and expertise of its management, employees and investment advisors.

These individuals play an important role in developing, implementing, operating, managing and distributing CI's products and services. The potential inability to attract, hire, develop, motivate, and retain skilled and qualified personnel due to internal constraints or uncontrollable external factors could negatively affect CI's ability to compete and achieve its business objectives and strategic priorities, thereby adversely affecting CI's business, financial condition and results of operation.

We may also experience departures of key personnel in the future. We cannot predict the impact that any such departures will have on our ability to achieve our objectives.

OPERATIONAL RISK

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

STRATEGIC RISK

Strategic risks are risks that directly impact the overall direction of CI and the ability of CI to successfully identify growth opportunities and implement proposed solutions. These risks include the risk of sub-optimal outcomes arising from CI's choice of strategies, the inability to implement the chosen strategies or their improper implementation. The key strategic risk is the risk that management fails to anticipate, and respond to, changes in the business environment, including demographic, regulatory and competitive changes. CI's performance is directly affected by the financial market and business conditions, including the legislation and policies of the governments and regulatory authorities having jurisdiction over CI's operations. These are beyond the control of CI; however, an important part of the risk management process is the ongoing review and assessment of industry and economic trends and changes. Strategies are then designed to effectively respond to any anticipated changes, including identifying acquisition opportunities, developing new business lines, introducing new products, and implementing cost control strategies.

Part of CI's strategy includes strategic acquisitions and investments in growth opportunities. Strategic acquisitions may benefit CI through increasing fee earning assets, broadening CI's distribution relationships, enhancing CI's business capabilities and capturing cost synergies. CI embarks on a thorough due diligence process prior to any acquisition; however, there can be no assurances that the anticipated benefits of any acquisition will be achieved. CI may be unable to find suitable firms or companies to acquire or may be unable to realize the financial and strategic benefits of an acquisition or transaction due to competitive factors, market conditions, inability to retain key employees, inability to integrate operations or obtain cost synergies, regulatory requirements, or other factors which could have an adverse impact on CI's strategic and financial objectives. In addition, the capital utilized to finance any acquisition or transaction could limit CI's ability to deploy further capital to pursue other opportunities and initiatives which could impact CI's strategic and financial objectives.

DISTRIBUTION RISK

CI's asset management segment distributes its investment products through a number of distribution channels, including financial institutions, broker-dealers, independent financial advisors and insurance advisors. CI's ability to market its investment products is highly dependent on continued access to these distribution channels which is impacted by, among other things, the strength of its relationships within each of them. While CI continues to work to develop new relationships and enhance existing relationships, any significant reduction in access to any of its larger distribution channels could lead to a significant reduction in sales or result in redemptions of CI's investment products which could have a material adverse effect on the results of operations of the asset management segment, and in turn, CI.

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 CI's wealth management businesses 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 from any of CI's wealth management businesses could lead to the loss of client accounts which could lead have a material adverse effect on the results of operations and prospects of that business.

THIRD PARTY RISK

CI regularly engages in a variety of third-party relationships, including independent contractors, custodians, administrators, and other service suppliers to carry out certain transactions and services and to provide expertise and efficiencies that support our business and operational activities. The inability of a third-party to meet their ongoing service commitments, failure to process transactions completely and accurately, failure to safeguard sensitive client or corporate information, failure to perform to expected standards, and the failure to have adequate disaster recovery and business continuity plans could result in adverse reputational, regulatory, operational, and financial impacts to CI.

BUSINESS CONTINUITY RISKS

CI's business, operations and financial results may be adversely affected by its ability to mitigate the effect of natural and man-made disasters, including floods, earthquakes, tornadoes, fires, civil unrest, wars, epidemics, and pandemics. The occurrence of any of these events may pose significant challenges to CI's business continuity, either by exacerbating one or more of the other risks described in this section, or by introducing new risks. CI has a Business Continuity Program that includes Crisis Management, Business Continuity and Technology Recovery response plans. CI's Crisis Management Team is comprised of senior leadership who are responsible for crisis confirmation and management. In addition, this team is responsible for setting strategy, overseeing response, and ensuring appropriate subject matter experts are engaged in the scenario-dependent crisis response. CI has a comprehensive and stress-tested business continuity plan and technology recovery plan in place to deal with disaster-related scenarios, however there can be no assurance that such plan will be effective to mitigate any adverse effects on CI's business, financial condition or operating results as a result of any natural or man-made disasters or other similar events, including the recent COVID-19 pandemic.

LIQUIDITY RISK

Liquidity risk is the risk that CI may not be able to generate or obtain sufficient funds in a timely or cost-effective manner to meet contractual or anticipated commitments as they come due. We expend significant resources investing in our business. As a result, reduced levels of liquidity could have a significant negative effect on us. Some potential conditions that could negatively affect our liquidity include diminished access to the debt or capital markets, unforeseen or increased cash or capital requirements, adverse legal settlements or judgments or illiquid or volatile markets.

LIQUIDITY RISK FOR THE ASSET MANAGEMENT SEGMENT

CI is also exposed to the risk of its investment funds not being able to meet their redemption obligations due to an inability to liquidate the underlying assets in a timely manner. This could be caused by insufficient liquid assets in the fund, an unexpected spike in redemptions triggered by negative market information, sentiment or contagion, adverse liquidity conditions in the financial markets, procedural issues that may delay the liquidation of securities or other factors. Inability to meet its redemption obligations may lead to legal liability, regulatory action and reputational damage. CI has robust mechanisms in place to monitor and maintain adequate liquidity in its investment fund portfolios at all times. However, CI has no control over extreme market events that may result in the sudden loss of liquidity or trigger a run on the funds.

REGULATORY AND LEGAL RISK

CI's business is dependent upon compliance with and continued registration under securities laws in all jurisdictions in which CI and its subsidiaries carry on business. The laws and regulations are complex, evolving, potentially unclear or duplicative and in some cases inconsistent across various jurisdictions, and we are required to expend significant resources in order to maintain our monitoring of, and compliance with, such laws and regulations. Laws and regulations applied at the national and provincial or state 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. Failure to comply with applicable legal and regulatory requirements could result in legal proceedings, financial losses, regulatory sanctions, enforcement actions, an inability to execute business strategies, a decline in investor and customer confidence, and damage to CI's reputation. 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.

Regulatory developments may result in increasingly stringent interpretation and enforcement of existing laws and regulations, amendments to existing laws and regulations, or the introduction of new laws and regulations, any of which may adversely impact CI's business or operations. Regulatory developments may include changes in tax treatment, changes in disclosure requirements, changes in investment restrictions or changes impacting dealer and advisor compensation. In addition, increasing complexity in the securities regulatory environment governing CI's business may require us to incur costs related to the addition of specialized legal and compliance resources. To the extent that any such developments adversely affect the sale of CI's products or services, impair the investment performance of CI's products, or result in lower operating margins, CI's aggregate assets under management, revenues and earnings may be adversely affected. While CI actively monitors relevant regulatory developments, our ability to mitigate the impact of any such developments is limited.

Given the nature of CI's business, CI may from time to time be subject to claims or complaints from investors or others in the normal course of business. The legal risks facing CI, its directors, officers, employees or agents in this respect include potential liability for violations of corporate laws, securities laws, stock exchange rules, inappropriate investment advisory recommendations, and misuse of investors' funds. Some violations of corporate laws, securities laws or stock exchange rules could result in civil or criminal liability, fines, sanctions, or expulsion from a self- regulatory organization or the suspension or revocation of CI's right to carry on an existing business. CI may incur significant costs or face action in connection with such potential liabilities or litigation that could materially affect its business, operations, or financial condition.

REPUTATION RISK

Reputation risk is the risk of the potential negative impact arising from the deterioration of CI's image, adverse stakeholder perception or lower public confidence in the CI brand, its senior management or its products and services due to (i) operational errors, poor performance, misconduct and other actions or inactions of CI, its employees or third-party service providers; (ii) regulatory investigation or sanctions, or litigation; and (iii) negative public sentiment. In addition, perceptions of conflicts of interest and rumors, among other developments, could substantially damage our reputation, even if they are baseless or satisfactorily addressed. Through its Codes of Conduct, governance practices, risk management programs, policies, procedures and training, CI attempts to prevent and detect any activities by CI officers, directors, and employees that would harm CI's reputation. However, the sources of reputation risk can be extensive and their impact on CI's reputation could last long after the issues are satisfactorily addressed. Damage to CI's reputation can result in reduced share price and market capitalization, increased cost of capital, loss of strategic flexibility, inability to enter or expand into markets, loss of client loyalty and business, regulatory fines or penalties or restrictive agreements with regulators or prosecutors. While all employees, directors and officers are expected to protect the reputation of CI, there can be no assurances that unauthorized activities of such persons may occur which could result in damage to CI's reputation, which in turn could adversely affect CI's business and profitability.

INTERNAL CONTROLS OVER FINANCIAL REPORTING RISK

CI's business, operations, financial results, share price and reputation may be adversely affected by its inability to maintain an effective system of internal controls over financial reporting.

During the evaluation of disclosure controls and procedures and internal controls over financial reporting conducted for the December 31, 2021 fiscal period, management determined it did not design and maintain effective controls with respect to: i) the validation of the completeness and accuracy of interfaces, data inputs and information produced by the entity ("IPE") used in the performance of various controls; ii) non-routine complex accounting matters.

Management has been actively engaged in the implementation of controls which are designed to remediate the material weaknesses identified during the December 31, 2021 reporting period. Management has and continues to test these controls to ensure they are operating effectively over a sufficient period of time in order to conclude they are fully remediated.

Disclosure controls and procedures and internal control over financial reporting will not prevent all misstatements. The design of a system of internal controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that the design will succeed in achieving the stated goals under all potential future conditions. Nevertheless, management has designed and implemented controls to mitigate this risk to the extent practicable.

CREDIT RISK

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

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

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, general commercial liability insurance, and cyber liability insurance. Management evaluates the adequacy of CI's insurance coverage on an ongoing basis. However, there can be no assurance that a claim or claims will not exceed the limits of available insurance coverage, that any insurer will remain solvent or willing to continue providing insurance coverage with sufficient limits or at a reasonable cost or that any insurer will not dispute coverage of certain claims due to ambiguities in the relevant policies. A judgment against CI in excess of available coverage could have a material adverse effect on CI both in terms of damages awarded and the impact on the reputation of CI.

TAXATION RISK

CI is subject to various uncertainties concerning the interpretation and application of Canadian tax laws. CI Investments is considered a large case file by the Canada Revenue Agency and, as such, is subject to audit each year. There is a significant lag between the end of a fiscal year and when such audits are completed. Therefore, at any given time, several years may be open for audit and/or adjustments. While CI regularly assesses the likely outcome of these audits in order to determine the appropriateness of its tax provision, there can be no assurance that CI will accurately predict the outcomes of these audits. If tax authorities disagree with CI's application of such tax laws, CI's profitability and cash flows could be adversely affected.

SHARE CAPITAL

As at December 31, 2022, CI had 184,517,832 shares outstanding.

Employee Incentive Share Option Plan: At December 31, 2022, 0.5 million options to purchase shares were outstanding, of which 0.1 million options were exercisable at prices ranging from $18.99 to $28.67.

Restricted Share Unit ("RSU") Plan: 1,804,838 RSUs were outstanding as at December 31, 2022.

Deferred Share Unit ("DSU") Plan: 72,264 DSUs were outstanding as at December 31, 2022.

Additional details about the above Plans can be found in Note 9 to the Interim Condensed Consolidated Financial Statements.

CONTRACTUAL OBLIGATIONS

The table that follows summarizes CI's contractual obligations at December 31, 2022.

TABLE 24: PAYMENTS DUE BY YEAR

[millions of dollars]	**Total**	**1 year or less**	**2**	**3**	**4**	**5**	**More than 5 years**
Long-term debt	4,239.8	320.0	301.4	850.0	0.0	250.0	2,518.4
Leases	366.6	35.5	31.4	35.6	32.1	31.0	201.0
Deferred consideration	310.2	217.1	91.6	1.5	—	—	—
Contingent consideration	366.0	254.3	90.2	21.5	—	—	—
Put option	50.2	26.2	5.6	16.0	—	2.4	—
Total	**5,332.8**	**853.1**	**520.2**	**924.6**	**32.1**	**283.4**	**2,719.4**

CI's liabilities include CIPW unit liabilities of $766.0 million which have no fixed maturity date. On termination of employment or services provided by a Partner of CIPW, CIPW will purchase all vested units held by the Partner. At any time after the third anniversary of a Partner first becoming a Partner, such Partner may request liquidity for vested units (subject to certain caps, volume limitation, true-ups, and claw backs).

SIGNIFICANT ACCOUNTING ESTIMATES

The December 31, 2022 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 2022 Consolidated Financial Statements. Note 2 provides a discussion regarding the methodology used for business acquisitions. Note 4 provides a discussion regarding the recoverable amount of CI's goodwill and intangible assets compared to its carrying value.

OFF-BALANCE SHEET ARRANGEMENTS

CI's off-balance sheet arrangements include loan guarantees with various third-party banks. There are no other significant off-balance sheet arrangements. See Note 16 to the Consolidated Financial Statements for more information.

CONTROLS AND PROCEDURES

The Company's Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), together with management, are responsible for establishing and maintaining the Company's disclosure controls and procedures as well as its internal control over financial reporting (as those terms are defined in National Instrument 52-109 — Certification of Disclosure in Issuers' Annual and Interim Filings of the Canadian securities regulatory authorities) in order to provide reasonable assurance that:

- material information relating to the Company has been made known to them;
- information required to be disclosed in the Company's filings is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- the reliability of financial reporting and the preparation of financial statements for external purposes is in accordance with IFRS.

An evaluation of the design and effectiveness of the Company's disclosure controls and procedures as well as internal controls over financial reporting was carried out under the supervision of the CEO and CFO. In making this evaluation, the CEO and the CFO used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control — Integrated Framework (2013).

During the evaluation of disclosure controls and procedures and internal controls over financial reporting conducted for the December 31, 2021 fiscal period, management determined it did not design and maintain effective controls with respect to: i) the validation of the completeness and accuracy of interfaces, data inputs and information produced by the entity ("IPE") used in the performance of various controls; ii) non-routine complex accounting matters.

Status of Management's Remediation Initiatives

Management has been actively engaged in the implementation of remediation efforts to address the material weakness identified during the December 31, 2021 reporting period and continues to test these controls to ensure they are operating effectively over a sufficient period of time in order to conclude they are fully remediated.

The CEO and CFO do not expect that disclosure controls and procedures or internal control over financial reporting will prevent all misstatements. The design of a system of internal controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that the design will succeed in achieving the stated goals under all potential future conditions. Nevertheless, management has designed and implemented controls to mitigate this risk to the extent practicable.

Management has concluded that the Company's audited consolidated financial statements as at and for the year ended December 31, 2022 present fairly, in all material respects, the Company's financial position, results of operations, changes in equity and cash flows in accordance with IFRS.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the year ended December 31, 2022, that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

Consolidated Financial Statements

For the year ended December 31, 2022

CI FINANCIAL CORP.

Independent Auditor's Report

To the Shareholders of CI Financial Corp.

Opinion

We have audited the consolidated financial statements of CI Financial Corp. ("the Company"), which comprise the consolidated statements of financial position as at December 31, 2022 and 2021, and the consolidated statements of income and comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Business Combinations

Description of the Matter

During 2022, the Company completed multiple acquisitions accounted for as business combinations which, in aggregate, amounted to $1,013 million in total consideration, as disclosed in Note 2 to the consolidated financial statements. The cost of an acquisition is measured as the aggregate fair values of the assets given, equity instruments issued, and liabilities incurred or assumed as at the date of acquisition. The purchase consideration for most acquisitions includes an estimation of the fair value of liabilities associated with potential earn-out provisions ("contingent consideration"). The fair value of the contingent consideration is based upon the present value of the expected future payments to be made to the sellers of the acquired businesses in accordance with the performance targets contained in the respective purchase agreements. The total purchase consideration is allocated to the identifiable assets and liabilities acquired on the basis of their fair values at the date of acquisition. Where the purchase consideration allocated to the identifiable assets and liabilities acquired is less than the overall consideration given, the difference is accounted for as goodwill.

Auditing the Company's business combinations was complex due to the degree of judgment and subjectivity in estimating the fair values of the identified assets and liabilities of the acquiree as at the date of acquisition, including identifiable intangible assets, as well as estimating the fair value of contingent consideration. Management estimated the fair value of the customer relationship contracts using the multi-period excess earnings method, which is a specific form of the discounted cash flow method. Management estimated the fair value of contingent consideration, primarily using Monte-Carlo simulations, dependent on the facts of the respective acquisitions. The fair value determination of the customer relationship contracts, and contingent consideration required management to make significant estimates and assumptions related to future income statement and cash flow projections of the acquired businesses, volatility rates and the selection of the discount rates. These assumptions are unobservable and reflect the Company's own judgements about the assumptions market participants would use in pricing the assets and liabilities.

How We Addressed the Matter in Our Audit

To test the estimated fair value of the identified assets, and contingent consideration resulting from the business acquisitions, with the assistance of our valuation specialists, we performed audit procedures for certain acquisitions that included, among others, assessing the selection and application of the discount and volatility rates by evaluating the inputs and mathematical accuracy of the calculations, and developing a range of independent estimates and comparing those to the discount and volatility rates selected by management, as well as assessing the appropriateness of the valuation methodologies and models used. We evaluated the reasonableness of management's income statement forecasts, including but not limited to EBITDA, revenue growth and the effects of AUM growth on the aforementioned inputs, as well as cash flow forecasts, including but not limited to, management fee rate, attrition rate and AUM growth used in the valuation of contingent consideration, and intangibles respectively, by comparing to the Company's budgets and forecasts, the historical results of the acquired businesses, other guidelines used by companies within the same industry and other relevant factors. We also performed sensitivity analyses to consider the impact of changes in the valuation of the intangibles that would result from changes in management's assumptions. We read the purchase, or other acquisition related, agreements to obtain an understanding of the key terms and conditions and to identify the necessary accounting considerations. We also assessed the adequacy of the Company's disclosures in relation to this matter.

Contingent Consideration Subsequent to Acquisition

Description of the Matter

The Company recognized contingent consideration for acquisitions at fair value on the acquisition dates, as well as at December 31, 2022 in the amount of $366 million, as disclosed in Note 7 to the consolidated financial statements. The Company remeasures the contingent consideration at fair value at each reporting date until the contingency is resolved, with any resulting gain or loss recognized in net income.

Auditing the valuation of the Company's contingent consideration is considered complex due to the degree of judgment and subjectivity involved when assessing management's estimates. Management estimated the fair value of contingent consideration at December 31, 2022 primarily using Monte-Carlo simulations. The fair value determination of the contingent consideration required management to make significant estimates and assumptions related to income statement projections of the acquired businesses, volatility rates and the selection of the discount rates. These assumptions are unobservable and reflect the Company's own judgements about the assumptions market participants would use in pricing the liability.

How We Addressed the Matter in Our Audit

To test the estimated fair value of the contingent consideration, we performed audit procedures that included, among others, with the assistance of our valuation specialists, assessing the selection and application of the discount and volatility rates by evaluating the inputs and mathematical accuracy of the calculations, and developing a range of independent estimates and comparing those to the discount and volatility rates selected by management, as well as assessing the appropriateness of the valuation methodologies and models used. We evaluated the reasonableness of management's income statement projections, including but not limited to, EBITDA, revenue growth and the effects of AUM growth on the aforementioned inputs, used in the valuation of contingent consideration by comparing these forecasts to the historical results of each relevant acquired business, the Company's budgets and forecasts, other guidelines used by companies within the same industry and other relevant factors. We also assessed the reasonability of management's forecast estimates by performing a comparison of management's past projections to actual results. We also assessed the adequacy of the Company's disclosures in relation to this matter.

Impairment of Indefinite Life Intangible Assets, Including Goodwill

Description of the Matter

As at December 31, 2022 the Company had $5,868 million of goodwill and fund management contracts with an indefinite life acquired in previous business acquisitions, as disclosed in Note 4 to the consolidated financial statements. The Company assesses goodwill and intangibles with an indefinite life for impairment annually, or more frequently if impairment indicators are present.

Auditing the Company's impairment tests was complex and required the involvement of specialists due to the judgmental nature of key assumptions and significant estimation required to determine the recoverable amount of the Cash Generating Units ("CGUs") or groups of CGUs. Significant assumptions in the estimate of the recoverable amount included discount rates, and certain forward-looking assumptions, such as revenue growth and operating margins, which are affected by expectations about future market or economic conditions.

How We Addressed the Matter in Our Audit

To test the estimated recoverable amount of the CGUs, or groups of CGUs, with indefinite lived intangible assets, including goodwill, our audit procedures included, among others, with the assistance of our valuation specialists, assessing the methodologies and testing the significant assumptions discussed above and the underlying data used by the Company in its assessment. We assessed the selection and application of the discount rate by evaluating the inputs and mathematical accuracy of the calculation and developing a range of independent estimates and comparing those to the discount rates selected by management. We assessed the reasonability of management's forecast estimates by performing a comparison of management's past projections to actual results. We also compared the revenue growth and operating margin assumptions to externally available industry and economic trends, and the Company's budgets, forecasts and historical results. We performed sensitivity analyses on significant assumptions to consider the impact of changes in the recoverable amount of the CGU, or groups of CGUs, that would result from changes in the assumptions. We also assessed the adequacy of the Company's disclosures related to the impairment of indefinite lived intangible assets, including goodwill.

CIPW Unit Liabilities

Description of the Matter

As described in Note 8 of the consolidated financial statements, the Company established CIPW Holdings, LLC ("CIPW") to serve as the holding entity for its U.S. wealth management operations. With the launch of CIPW, redeemable units of CIPW were (i) issued in exchange for the remaining stakes in wealth management businesses CIPW did not fully own; (ii) issued in exchange for cash consideration; (iii) granted to certain employees; and (iv) issued to settle certain contingent consideration obligations (collectively, the "CIPW unit transactions").

Auditing the Company's determination of the accounting treatment for the CIPW unit transactions was complex and required significant judgement in evaluating the key terms of the agreements associated with the CIPW unit transactions and in applying the relevant accounting guidance thereto. Auditing the application of IFRS to the CIPW unit transactions required a high degree of auditor judgement which resulted in an increased extent of audit effort and the involvement of subject matter resources.

How We Addressed the Matter in Our Audit

To assess the accounting treatment for the CIPW unit transactions, our audit procedures included, among others, obtaining and inspecting the relevant agreements to understand the key terms therein, and assessing whether all key facts and circumstances were incorporated into management's analysis. With the assistance of subject matter resources, we evaluated management's assessment and accounting conclusions reached by analyzing the specific facts and circumstances to relevant accounting guidance. We also assessed the adequacy of the Company's disclosures in relation to this matter.

Other information

Management is responsible for the other information. The other information comprises:

- Management's Discussion & Analysis
- The information, other than the consolidated financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion & Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, 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.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Gary Chin.

Toronto, Canada

/s/ Ernst & Young LLP
Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 13, 2023

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

[in thousands of Canadian dollars]	As at December 31, 2022 $	As at December 31, 2021 $
ASSETS		
Current		
Cash and cash equivalents *[note 2]*	**153,620**	230,779
Client and trust funds on deposit	**1,306,595**	1,199,904
Investments *[note 13]*	**40,448**	131,772
Accounts receivable and prepaid expenses *[note 2]*	**298,778**	272,962
Income taxes receivable	**33,989**	3,607
Total current assets	**1,833,430**	1,839,024
Capital assets, net *[notes 2 and 3]*	**55,587**	52,596
Right-of-use assets *[notes 2 and 9]*	**139,422**	142,606
Intangibles *[notes 2 and 4]*	**7,227,700**	6,185,237
Deferred income taxes *[note 12]*	**54,415**	56,901
Other assets *[notes 2 and 5]*	**397,804**	383,187
Total assets	**9,708,358**	8,659,551
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities *[note 2]*	**293,246**	369,081
Current portion of provisions and other financial liabilities *[notes 2 and 7]*	**502,746**	197,994
CIPW unit liabilities *[notes 2 and 8]*	**765,959**	374,438
Dividends payable *[note 11]*	**66,426**	71,072
Client and trust funds payable	**1,312,640**	1,202,079
Income taxes payable	**3,044**	19,035
Current portion of long-term debt *[note 6]*	**320,000**	444,486
Current portion of lease liabilities *[notes 2 and 9]*	**23,994**	20,216
Total current liabilities	**3,288,055**	2,698,401
Long-term debt *[note 6]*	**3,896,214**	3,331,552
Provisions and other financial liabilities *[notes 2 and 7]*	**270,567**	379,641
Deferred income taxes *[note 12]*	**480,500**	480,777
Lease liabilities *[notes 2 and 9]*	**149,360**	153,540
Total liabilities	**8,084,696**	7,043,911
Equity		
Share capital *[note 10(a)]*	**1,706,880**	1,810,153
Contributed surplus	**30,239**	28,368
Deficit	**(160,572)**	(226,715)
Accumulated other comprehensive income (loss)	**33,224**	(23,289)
Total equity attributable to the shareholders of the Company	**1,609,771**	1,588,517
Non-controlling interests	**13,891**	27,123
Total equity	**1,623,662**	1,615,640
Total liabilities and equity	**9,708,358**	8,659,551

(see accompanying notes)

On behalf of the Board of Directors:

William T. Holland
Director

William Butt
Director

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

For the years ended December 31

[in thousands of Canadian dollars, except per share amounts]	**2022** **$**	**2021** **$**
REVENUE		
Canada asset management fees	**1,606,800**	1,792,103
Trailer fees and deferred sales commissions	**(494,480)**	(557,434)
Net asset management fees	**1,112,320**	1,234,669
Canada wealth management fees	**530,682**	506,793
U.S. wealth management fees	**687,607**	345,042
Other revenues *[note 5]*	**95,734**	83,125
Foreign exchange (losses)	**(80,132)**	(18,776)
Other gains (losses)	**(11,904)**	18,730
Total net revenues	**2,334,307**	2,169,583
EXPENSES		
Selling, general and administrative *[notes 7 and 8]*	**1,020,049**	742,322
Advisor and dealer fees	**406,038**	396,712
Interest and lease finance *[notes 6 and 9]*	**152,087**	109,670
Amortization and depreciation *[note 19]*	**49,368**	40,973
Amortization of intangible assets from acquisitions	**105,744**	55,848
Transaction, integration, restructuring and legal	**62,743**	35,942
Change in fair value of contingent consideration *[note 7]*	**27,427**	149,905
Other *[note 5]*	**34,647**	52,045
Total expenses	**1,858,103**	1,583,417
Income before income taxes	**476,204**	586,166
Provision for (recovery of) income taxes *[note 12]*		
Current	**179,152**	216,211
Deferred	**(4,777)**	(42,419)
	174,375	173,792
Net income for the year	**301,829**	412,374
Net income attributable to non-controlling interests	**2,072**	3,046
Net income attributable to shareholders	**299,757**	409,328
Basic earnings per share attributable to shareholders *[note 10(e)]*	**$1.59**	$2.03
Diluted earnings per share attributable to shareholders *[note 10(e)]*	**$1.58**	$2.02
Other comprehensive income (loss), net of tax		
Exchange differences on translation of foreign operations	**59,219**	(2,675)
Total other comprehensive income (loss), net of tax	**59,219**	(2,675)
Comprehensive income for the year	**361,048**	409,699
Comprehensive income attributable to non-controlling interests	**4,854**	2,914
Comprehensive income attributable to shareholders	**356,194**	406,785

(see accompanying notes)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31

[in thousands of Canadian dollars]	Share capital [note 10(a)] $	Contributed surplus $	Deficit $	Accumulated other comprehensive income (loss) $	Total shareholders' equity $	Non-controlling interests $	Total equity $
Balance, January 1, 2022	**1,810,153**	**28,368**	**(226,715)**	**(23,289)**	**1,588,517**	**27,123**	**1,615,640**
Comprehensive income	**—**	**—**	**299,757**	**56,437**	**356,194**	**4,854**	**361,048**
Dividends declared *[note 11]*	**—**	**—**	**(132,729)**	**—**	**(132,729)**	**—**	**(132,729)**
Shares repurchased, net of tax	**(121,342)**	**—**	**(100,752)**	**—**	**(222,094)**	**—**	**(222,094)**
Business combination and acquisition of minority interests *[note 2]*	**—**	**—**	**(133)**	**76**	**(57)**	**(12,422)**	**(12,479)**
Issuance of share capital for business combinations, net of transaction costs and tax *[notes 2 and 10]*	**1,952**	**—**	**—**	**—**	**1,952**	**—**	**1,952**
Issuance of share capital for equity-based plans, net of tax	**16,117**	**(16,117)**	**—**	**—**	**—**	**—**	**—**
Compensation expense for equity-based plans, net of tax	**—**	**18,000**	**—**	**—**	**18,000**	**—**	**18,000**
Net distributions to non-controlling interests	**—**	**(12)**	**—**	**—**	**(12)**	**(5,664)**	**(5,676)**
Change during the year	**(103,273)**	**1,871**	**66,143**	**56,513**	**21,254**	**(13,232)**	**8,022**
Balance, December 31, 2022	**1,706,880**	**30,239**	**(160,572)**	**33,224**	**1,609,771**	**13,891**	**1,623,662**
Balance, January 1, 2021	1,867,997	22,817	(287,621)	(20,746)	1,582,447	35,283	1,617,730
Comprehensive income	—	—	409,328	(2,543)	406,785	2,914	409,699
Dividends declared *[note 11]*	—	—	(142,481)	—	(142,481)	—	(142,481)
Shares repurchased, net of tax	(147,585)	—	(208,234)	—	(355,819)	—	(355,819)
Business combination and acquisition of minority interests *[note 2]*	—	—	2,293		2,293	(8,732)	(6,439)
Issuance of share capital for business combinations, net of transaction costs and tax *[notes 2 and 10]*	78,916	—	—	—	78,916	—	78,916
Issuance of share capital for equity-based plans, net of tax	10,825	(10,825)	—	—	—	—	—
Compensation expense for equity-based plans, net of tax	—	16,376	—	—	16,376	—	16,376
Net distributions to non-controlling interests	—	—	—	—	—	(2,342)	(2,342)
Change during the year	(57,844)	5,551	60,906	(2,543)	6,070	(8,160)	(2,090)
Balance, December 31, 2021	1,810,153	28,368	(226,715)	(23,289)	1,588,517	27,123	1,615,640

(see accompanying notes)

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31

[in thousands of Canadian dollars]	2022 $	2021 $
OPERATING ACTIVITIES (*)		
Net income for the year	**301,829**	412,374
Add (deduct) items not involving cash		
Other losses (gains)	**11,904**	(20,584)
Change in fair value of contingent consideration *[note 7]*	**27,427**	149,904
Contingent consideration recorded as compensation *[notes 7 and 8]*	**24,156**	7,198
Change in fair value of loan guarantees	**10,819**	—
Recognition of vesting of CIPW unit liabilities *[note 8]*	**13,499**	—
Equity-based compensation	**24,577**	22,005
Amortization and depreciation *[note 19]*	**49,368**	40,973
Amortization of intangible assets from acquisitions	**105,744**	55,848
Deferred income taxes	**(4,777)**	(42,419)
Loss on repurchases of long-term debt *[note 6]*	**—**	24,920
Cash provided by operating activities before net change in operating assets and liabilities	**564,546**	650,219
Net change in operating assets and liabilities	**(85,630)**	15,741
Cash provided by operating activities	**478,916**	665,960
INVESTING ACTIVITIES		
Purchase of investments	**(3,283)**	(5,101)
Proceeds on sale of investments	**96,508**	15,412
Additions to capital assets	**(17,480)**	(7,798)
Decrease (increase) in other assets	**97,751**	(167,378)
Additions to intangibles	**(11,361)**	(12,420)
Cash paid to settle acquisition liabilities *[note 7]*	**(198,207)**	(290,002)
Acquisitions, net of cash acquired *[note 2]*	**(472,461)**	(934,589)
Cash used in investing activities	**(508,533)**	(1,401,876)
FINANCING ACTIVITIES		
Repayment of long-term debt	**(455,509)**	(640,419)
Issuance of long-term debt	**718,000**	1,704,795
Repurchase of long-term debt	**—**	(50,732)
Repurchase of share capital	**(229,708)**	(364,319)
Payment of lease liabilities	**(22,965)**	(16,667)
Net issuance of CIPW unit liabilities *[note 8]*	**85,679**	—
Net distributions to non-controlling interest	**(5,664)**	(3,114)
Dividends paid to shareholders *[note 11]*	**(137,375)**	(146,447)
Cash provided by (used in) financing activities	**(47,542)**	483,097
Net decrease in cash and cash equivalents during the year	**(77,159)**	(252,819)
Cash and cash equivalents, beginning of year	**230,779**	483,598
Cash and cash equivalents, end of year	**153,620**	230,779
(*) Included in operating activities are the following:		
Interest paid	**139,384**	115,563
Income taxes paid	**224,369**	193,900

(see accompanying notes)

CI Financial Corp. ["CI"] is a publicly listed company (TSX: CIX) incorporated under the laws of the Province of Ontario and has its registered office and principal place of business located at 15 York Street, Toronto, Ontario.

CI's primary business is the management and distribution of a broad range of financial products and services, including mutual funds, segregated funds, exchange-traded funds, financial planning, insurance, investment advice, wealth management and estate and succession planning.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These 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 March 13, 2023.

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, which is CI's functional currency.

BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of CI and all its subsidiaries on a consolidated basis after elimination of intercompany transactions and balances. Subsidiaries are entities over which CI has control, 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.

CI's principal subsidiaries are as follows:

- CI's wholly owned Canadian subsidiaries include CI Investments Inc. ["CI Investments"], Assante Wealth Management (Canada) Ltd. ["AWM"], CI Investment Services Inc. ["CI Investment Services"], Northwood Family Office Ltd. ["Northwood"], Wealthbar Financial Services Inc. ["Wealthbar"], CI Private Counsel LP, and their respective subsidiaries. CI has a controlling interest in Marret Asset Management Inc. ["Marret"] and Aligned Capital Distributions Inc. ["Aligned"], and their respective subsidiaries.

- CI's wholly owned U.S. subsidiaries include CI US Holdings Inc. ["CI US"] and Segall Bryant and Hamil, LLC. CI US owns a controlling interest in CIPW Holdings LLC, CI Private Wealth, LLC and subsidiaries including Balasa Dinverno Foltz LLC, Barrett Asset Management, LLC, Bowling Portfolio Management LLC, Brightworth, LLC, Budros, Ruhlin & Roe, Inc., Dowling & Yahnke, LLC, Doyle Wealth Management, Columbia Pacific Wealth Management, Corient Capital Partners, LLC ["Corient"], Galapagos Partners L.P. ["Galapagos"], Gofen and Glossberg, LLC, Inverness Counsel, LLC ["Inverness"], KORE Private Wealth, LLC ["KORE"], Matrix Capital Advisors, LLC, McCutchen Group LLC, OCM Capital Partners LLC ["OCM"], Portola Partners Group, Radnor Financial Advisors ["Radnor"], Regent Atlantic Capital, LLC ["Regent"], RGT Wealth

Advisors, LLC, Surevest LLC, Stavis & Cohen Financial, LLC, R.H. Bluestein & Co, and The Roosevelt Investment Group, Inc. and their respective subsidiaries [together, the "U.S. RIAs"].

- CI has a controlling interest in its Australian subsidiary, GSFM Pty Limited ["GSFM"] and its subsidiaries.
- For subsidiaries Marret and OCM, where CI holds a controlling interest, a non-controlling interest is recorded in the consolidated financial statements of income and comprehensive income to reflect the non-controlling interest's share of the income and comprehensive income, and a non-controlling interest is recorded within equity in the consolidated statements of financial position to reflect the non-controlling interest's share of the net assets. For all other subsidiaries where CI holds a controlling interest, put and call options, or other exchange agreements, with respect to the remaining minority interests in the acquired businesses may exist. CI considers the non-controlling interest to have been acquired and consolidates 100% of the income and comprehensive income in the consolidated statements of income and comprehensive income, and records a corresponding liability with respect to the present value of the amount that could be required to be paid to the minority interest holders under the put arrangements.
- CI has a non-controlling interest in The Cabana Group, LLC ["Cabana"], GLASFunds, LLC ["GLASFunds"], Columbia Pacific Advisors, LLC ["CPA"] and Congress Wealth Management LLC ["Congress"], which are accounted for using the equity method.
- CI has a joint venture with Axia Real Assets LP ["Axia"], which is accounted for using the equity method.

Hereinafter, CI and its subsidiaries are referred to as CI.

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 totaled $117.8 billion as at December 31, 2022 [2021 – $144.2 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 when control of the goods or services are transferred by CI at an amount that reflects the consideration to which CI expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable.

Revenue is analyzed to determine whether CI is the principal (i.e., reports revenue on a gross basis) or agent (i.e., reports revenue on a net basis) in the contract. Principal or agent designations depend primarily on the control an entity has over the service before control is transferred to a customer. CI generally records revenues gross in its financial statements as it is acting as a principal.

In addition to these general principles, CI applies the following specific revenue recognition policies:

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

U.S. and Canada Wealth management fees are primarily comprised of fees earned for providing investment advice and related services to clients. Fees are primarily based on a contractual percentage of the market value of the client's assets on the predetermined billing date. Fees are either in advance or arrears on a monthly, or quarterly basis. Revenue is recognized over the respective service period as the transaction price resolves at each reporting period, which is deemed to be the most faithful depiction of the transfer of services as clients benefit from services over the respective period. Client agreements typically do not have a specified term and may be terminated at any time by either party subject to the respective termination and notification provisions in each agreement. Client arrangements may contain multiple services, resulting in either single or multiple performance obligations within the same client arrangement, each of which are separately identifiable and priced, and accounted for as the related services are provided and consumed over the respective period. CI does not disaggregate its revenues by service provided as they contribute to the overall holistic wealth management service provided to the client.

Canada Wealth management fees also include commission revenue, which is recorded on a trade date basis.

FINANCIAL INSTRUMENTS

Classification and measurement of financial assets

CI classifies its financial assets as fair value through profit or loss ["FVPL"] and amortized cost. CI had no financial assets classified as fair value through other comprehensive income ["FVOCI"] during the year ended December 31, 2022.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and CI's business model for managing them. With the exception of trade receivables, which do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, *Revenue from Contracts with Customers* ["IFRS 15"], all financial assets are initially measured at fair value adjusted for transaction costs.

Financial assets classified as FVPL are carried at fair value in the consolidated statements of financial position and any gains or losses are recorded in net income in the period in which they arise. Financial assets classified as FVPL include cash and cash equivalents, investments and other assets.

Financial assets are classified at amortized cost using the effective interest method if they meet the following conditions and are not designated as FVPL:

- they are held within a business model whose objective is to hold the financial assets and collect their contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets classified at amortized cost include client and trust funds on deposit, accounts receivable and other assets.

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.

Accounts receivable

Accounts receivable primarily include contractual amounts due to CI for asset management and wealth management services, and are recorded at amortized cost. Allowances for uncollectible accounts are maintained for estimated losses resulting from the inability of clients to make required payments. In determining these estimates, historical write-offs, the aging of the receivables and other factors, such as overall economic conditions, and expected development in economic conditions, are considered.

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.

Investments

Investments include CI Investment Services securities owned, at market, principally for the purpose of selling or repurchasing in the near term. Securities owned, at market, are classified as FVPL and are initially recognized on the consolidated statements of financial position at fair value with transaction costs expensed as incurred. Subsequent realized and unrealized gains and losses are included in administration fees in the consolidated statements of income and comprehensive income in the period in which they arise. Securities transactions are recorded on a trade date basis. Market value is based on quoted prices where an active market exists. For securities in non-active markets, market value is based on valuation techniques and management's best estimate of fair value.

Also included in investments are marketable securities that consist of CI's seed capital investments in CI mutual funds and strategic investments. Investments in marketable securities are measured at fair value and recognized on the 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 and recorded in net income. Distributions from mutual fund securities are recorded as other revenue. Distributions that are reinvested increase the cost base of the mutual fund investments.

Impairment of financial assets

CI recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the credit risk on the financial asset at an amount equal to 12 months of expected credit losses. For trade receivables, CI applies the simplified approach to providing for expected credit losses, which allows for the use of a lifetime expected credit loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and is related to an event occurring after the impairment was recognized.

Classification and measurement of financial liabilities

CI classifies its financial liabilities as FVPL and amortized cost. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the financial liability is classified at FVPL. Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognized in net income. Financial liabilities classified at FVPL include contingent consideration and put option payables included in provisions and other financial liabilities. All other financial liabilities are measured at amortized cost.

Put options payable

Included in provisions and other financial liabilities are put option payables, representing redeemable minority interests in acquired companies. At acquisition, CI assesses the terms of the transaction to determine if the put option gives CI a present ownership interest in the shares subject to the put. If CI concludes it has a present ownership in shares subject to the put option, a liability is recorded for the fair value of the put option and non-controlling interest is not recognized. If CI determines that the put option does not provide a present ownership interest, CI's accounting policy is to apply IAS 32-*Financial Instruments: Presentation* and recognize a financial liability for the present value of the redemption amount of the put option at acquisition and not record any non-controlling interest. The put option payable is subsequently remeasured at each reporting period to fair value, with changes recorded in change in fair value of contingent consideration in the statements of consolidated income and comprehensive income. Refer to Note 7 for further information regarding put options payable.

Derivative financial instruments and hedge accounting

CI may use derivative financial instruments such as interest rate swaps and forward foreign exchange contracts to manage its interest rate and foreign currency risk related to long-term debt. Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value. The accounting for subsequent changes depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

- there is an economic relationship between the hedged item and the hedging instrument
- the effect of credit risk does not dominate the value changes that result from that economic relationship
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item

CI may enter into an interest rate swap designated as a fair value hedge to manage the effect of changes in interest rates on financial assets or liabilities. The swap involves exchanging interest payments without exchanging the notional amount on which the payments are based. The exchange of payments are recorded as an adjustment to interest expense on the hedged item. Changes in the fair value of the swap are recorded in the consolidated statements of income and comprehensive income in other expenses, together with any changes in the fair value of the hedged asset or liability attributable to the hedged risk as an offset.

FAIR VALUE MEASUREMENT

Accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants at the measurement date. These standards establish a fair value hierarchy that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

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 maximizes the use of observable data when developing estimates and assumptions, but this is not always available. In that case management uses the best information available.

In determining fair values that reflect management's own assumptions concerning unobservable inputs, CI typically uses valuation techniques, including probability-weighted discounted cash flow analyses and Monte Carlo simulations, where CI makes assumptions about growth rates of assets under management, client attrition, asset- and performance-based fee rates, and expenses. In these analyses, CI also considers historical and current market multiples, tax benefits, credit risk, interest rates, tax rates, discount rates, volatility, and discounts for lack of marketability. CI considers the reasonableness of assumptions by comparing management's valuation conclusions to observed market transactions. Changes in the assumptions used could significantly impact fair values.

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

- **Level 1** – valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities

- **Level 2** – valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived from or corroborated by observable market data by correlation or other means

- **Level 3** – valuation techniques with significant unobservable market inputs

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, CI determines whether transfers have occurred between levels in the hierarchy by reassessing the categorization at the end of each reporting period. CI considers its cash and cash equivalents, accounts receivable, client and trust funds on deposit, investments, other assets, accounts payable and accrued liabilities, client and trust funds payable, dividends payable, long-term debt and provisions and other liabilities to be financial instruments. The carrying amounts of cash and cash equivalents, client and trust funds on deposit, accounts receivable, accounts payable and accrued liabilities and client and trust funds payable, approximate their fair value due to their nature and/or the relatively short period over which they are held. Note 13 provides additional information regarding the fair value of financial instruments.

COLLATERALIZED SECURITIES TRANSACTIONS

CI engages in securities lending and borrowing to facilitate the securities settlement process and to maximize revenue by acting as an agent for such transactions. These transactions are typically short-term in nature, with interest being received on the cash delivered. These transactions are collateralized by either cash, letters of credit or other collateral and are subject to daily margin calls for any deficiency between the market value of the security given and the amount of collateral received. CI manages its credit exposure by establishing and monitoring aggregate limits by counterparty for these transactions. CI's securities lending and borrowing transactions are recorded in accounts receivable and prepaid expenses and accounts payable and accrued liabilities.

CAPITAL ASSETS

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

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

INVESTMENTS IN EQUITY METHOD AFFILIATES

The equity method of accounting is applied to investments where CI has the ability to exercise significant influence, but not control, over operating and financial matters. CI's investments in Cabana, Congress, CPA and GLASFunds are accounted for using the equity method of accounting.

As of December 31, 2022, CI had a 49% interest in Cabana, 45% interest in Congress, 31% interest in CPA and 30% interest in GLASFunds. CI concluded that it does not have control over these entities as CI does not have the power to control the significant financial or operating decisions of these entities.

CI initially recognizes its interest at cost, and subsequently records its share of income or loss of the investee. CI evaluates whether there is any objective evidence that its equity method investments are impaired and if so, determines the recoverable thereof. If the recoverable amount is less than the carrying value, impairment is recognized.

For equity method investments, impairment evaluation considers qualitative factors, including the financial conditions and specific events related to an investee, that may indicate the fair value of the investment is less than its carrying value.

LEASES

CI assesses at inception whether a contract contains a lease that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. All leases are accounted for by recognizing a right-of-use asset and a lease liability, except for leases of low-value assets and leases with a duration of 12 months or less.

Right-of-use assets

CI recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term.

Lease liabilities

At the commencement date of the lease, CI recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include in-substance fixed payments less any lease incentives receivable, variable payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by CI and payments of penalties for terminating a lease, if the lease term reflects CI exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, CI uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is estimated to approximate the interest rate on a collateralized basis with similar terms and payments, and in economic environments where the leased asset is located. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

CI has elected to combine the lease and non-lease components for its leases of real estate.

Short-term leases and lease of low-value assets

CI applies the short-term lease recognition exemption to its short-term leases of equipment and property leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). CI also applies the lease of low-value assets recognition exemption to leases of equipment that are considered of low value (i.e., below $5,000). Lease payments on short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

Sub-leases

CI enters into lease agreements as an intermediate lessor with respect to some of its leased properties. When CI is an intermediate lessor, the head lease and the sub-lease are accounted for as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Amounts due from lessees under finance leases are recognized as other assets at the amount of CI's net investment in the leases. Finance lease income is recognized over the lease term using the effective interest rate. Payments received reduce the net investment in the lease.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for the acquisition of businesses 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 12 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 liabilities for put arrangements, CIPW units or contingent consideration. Subsequent to the acquisition, the put arrangements, and contingent consideration that is based on an earnings measurement and classified as a liability are measured at fair value with any resulting gain or loss recognized in net income. For CIPW units, see Equity Based Compensation below for the accounting subsequent to the acquisition. Acquisition-related costs are expensed as incurred.

CI assesses amounts paid in the business combination to sellers who remain employed with CI following the acquisition to determine whether such amounts should be considered part of the business combination or a separate transaction. In this assessment, CI considers factors such as whether the employee is required to remain employed to receive the payment and the duration of that employment, the linkage of the payment to the valuation of the acquired company, the overall compensation provided to the employee, and whether the employee received an incremental payment over other sellers upon becoming an employee. Amounts paid to employees who were not sellers are considered separate from the business combination.

INTANGIBLES

Fund contracts

Fund administration contracts and fund management contracts [collectively, "fund contracts"] are initially measured at fair value and are recorded net of any write-down for impairment. CI evaluates the carrying amounts of indefinite-life fund contracts at least annually for potential impairment by comparing the recoverable amount with their carrying amounts. CI evaluates the carrying amount of fund contracts, including finite-lived intangible assets and other long-lived assets whenever events or changes in circumstances indicate that the asset might be impaired or that the estimated useful life should be changed prospectively. Any impairment would be written off to income.

Fund administration contracts are amortized on a straight-line basis over a period of up to 25 years. Fund management contracts with a finite life are amortized on a straight-line basis over a period of up to 20 years. The amortization period depends 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 asset management, Canadian wealth management and U.S. wealth management groups of cash-generating units ["CGUs"] 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.

EQUITY-BASED COMPENSATION

CI uses the fair value method to account for equity-settled employee incentive share options and restricted share units ["RSUs"]. 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. Upon vesting of the RSUs, the amount accumulated in contributed surplus for the RSUs is reclassified to share capital.

CI issues share-based compensation instruments composed of Class A Units in CIPW Holdings, LLC (“CIPW”) as well as Class B units (the “Class B Units” and together with the Class A Units, the “Units”) in CIPW. CIPW is a controlled subsidiary that was established as the holding entity for the RIAs. The Units are considered cash-settled liabilities under IFRS because they are mandatorily redeemable upon death, disability or retirement of the holder. Compensation cost for unvested Units is recognized over the vesting period and is measured based on the fair value of awards on the date that the awards are granted and on an on-going basis. The Units are remeasured to their fair value at each reporting date. In addition, holders of the Units have liquidity/redemption rights at the end of the vesting period which are settleable in cash, based on the fair value of the Units at that date. The Class A Units granted can be sold to CIPW based on their fair value after the vesting period, or for the lower of the value paid or the fair value of the Class A Units during the vesting period, except in certain situations, such as death or disability of the holder, in which case the Class A Units can be sold back to CIPW at their fair value. The Class B Units participate in distributions through the vesting period, and in certain cases have a minimum and a maximum distribution amount. In certain cases, there are performance conditions attached to the vesting of the Class B Units. The Class B Units granted can be sold to CIPW based on the fair value after the redemption period, or 50% of the fair value of the Class B Units during the vesting period, except in certain situations, such as death or disability of the holder, in which case the Class B Units can be sold back to CIPW at fair value.

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. See Note 8 for additional information regarding equity-based compensation for CIPW Units.

CI has a deferred share unit plan for directors. The value of the compensation at the date of grant is recognized immediately as compensation with a corresponding increase in accounts payable and accrued liabilities. At each consolidated statement of financial position date, the liability is revalued with an offset to compensation expense.

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 tax laws enacted or substantively enacted as at the consolidated statement of financial position dates.

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.

PROVISIONS

A provision 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

(i) Foreign currency transactions

Transactions that are denominated in a currency other than the functional currency of the entity are translated as follows: Monetary assets and liabilities are translated into Canadian dollars using the exchange rates in effect as at the consolidated statement of financial position dates. 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 period. 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 recorded in the period in which they occur.

(ii) Foreign currency operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated at the exchange rate in effect as at the consolidated statement of financial position dates. Revenue and expenses are translated at average rates prevailing during the period. Translation exchange gains and losses are recognized as other comprehensive income and reclassified to net income when the gain or loss on disposal of the foreign subsidiary is recognized. The consolidated statements of cash flows are translated at average exchange rates during the period, whereas cash and cash equivalents are translated at the spot exchange rate in effect as at the consolidated statement of financial position dates.

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) Business combinations

The purchase price related to business acquisitions is allocated to the underlying assets and liabilities based on their estimated fair value at the acquisition date. Management makes estimates to determine the fair value of assets and liabilities, including the valuation of separately identifiable intangibles acquired. Contingent consideration and certain put option payables, as part of the acquisitions, are based on the future performance of the acquired businesses. The estimates are based on management's best assessment of the related inputs used in the valuation models, such as future cash flows, discount rates and volatility. Future performance results that differ from management's estimates could result in changes to the liabilities, which are recorded as they arise in net income.

(ii) Impairment of intangible assets

Finite-life intangible assets 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 that 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.

(iii) 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.

(iv) Provisions and other financial liabilities

Due to the nature of provisions and other financial liabilities, 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.

2. BUSINESS ACQUISITIONS

[A] Acquisitions – year ended December 31, 2022

Canada Wealth Management

On April 1, 2022, CI completed the 100% acquisition of Northwood Family Office Ltd., a Canadian multi-family office. The estimated fair values of the assets acquired and liabilities assumed, and the results of operations have been consolidated from the date of the transaction and are included in the Canada wealth management segment.

U.S. Wealth Management

During the year ended December 31, 2022, CI completed the following acquisitions:

- Corient Capital Partners, LLC
- Galapagos Partners L.P.
- OCM asset acquisition of FundX Investments Group LLC
- Inverness Counsel, LLC
- Kore Private Wealth, LLC
- Eaton Vance WaterOak Advisors, LLC

The acquisitions are accounted for using the acquisition method of accounting. The estimated fair values of the assets acquired and liabilities assumed and the results of operations have been consolidated from the date of the transaction, and are included in the U.S. wealth management segment.

CI evaluates each acquisition to determine if they are considered material to be disclosed on an individual basis. For the year ended December 31, 2022, after considering both quantitative and qualitative factors, CI determined that separate disclosure of individual acquisitions was not warranted.

December 31, 2022 and 2021 • *[in thousands of Canadian dollars, except per share amounts]

Details of the net assets acquired during the year ended December 31, 2022, at fair value, are as follows:

	U.S. Wealth Management	**Canada Wealth Management**	**Total**
	$	**$**	**$**
Cash and cash equivalents	2,707	248	**2,955**
Accounts receivable and prepaid expenses	33,530	5,238	**38,768**
Capital assets	979	226	**1,205**
Right-of-use assets	15,016	393	**15,409**
Deferred tax	(2,203)	(6,512)	**(8,715)**
Intangibles	256,808	24,572	**281,380**
Other assets	210	834	**1,044**
Accounts payable and accrued liabilities	(2,938)	(4,257)	**(7,195)**
Provision for other liabilities	—	(604)	**(604)**
Lease liabilities	(15,016)	(436)	**(15,452)**
Fair value of identifiable net assets	289,093	19,702	**308,795**
Goodwill on acquisition	644,711	50,086	**694,797**
Non-controlling interest	9,051	—	**9,051**
Total acquired cost	942,855	69,788	**1,012,643**
Cash consideration	423,433	51,983	**475,416**
Share consideration	452	1,500	**1,952**
CIPW unit liabilities	135,132	6,817	**141,949**
Contribution by non-controlling interest	3,049	—	**3,049**
Provision for other liabilities	380,789	9,488	**390,277**
	942,855	69,788	**1,012,643**

The businesses acquired in 2022 contributed net revenue of $66,310 and net income of $16,464 to CI for the year ended December 31, 2022. If the acquisitions had occurred on January 1, 2022, the consolidated pro-forma net revenue and net income for the year ended December 31, 2022 would have been $2,430,275 and $340,955, respectively.

Included in intangibles are fund administration contracts with a fair value of $285,996 with a finite life of 12 years. In addition, CI finalized the purchase price allocations for acquisitions acquired in 2021 which resulted in a fair value adjustment to indefinite life contracts acquired of ($4,616). Goodwill represents the excess of the consideration transferred over the fair value of the identifiable net assets acquired. Goodwill of $644,711 for the U.S. RIAs is deductible for income taxes.

The acquisition agreements provided for deferred and contingent consideration payable. Deferred consideration payable of $327,232 is due within 180 days to two years from the date of acquisition. Contingent consideration of $63,045 is payable in cash within one to three years from the date of acquisition, if certain financial targets are met based on EBITDA or revenue. Certain acquisition agreements also provided for contingent consideration, payable in one to three years from the date of acquisition, which is recorded as compensation and included in selling, general and administrative expenses. Details of the amount recorded are described in Note 7.

The purchase price allocations are considered to be preliminary and are subject to adjustments during the measurement period, which will not exceed twelve months from the acquisition date, as CI completes its estimation of the fair values of assets acquired and liabilities assumed, including the valuation of intangible assets.

[B] Acquisitions – year ended December 31, 2021

During the year ended December 31, 2021, CI completed the acquisition of controlling interests in the following Canadian and U.S. investment advisory firms, included in the Canadian and U.S. wealth management segments:

Canada Wealth Management

- Stonegate Services Halifax
- CIPW Advisory Inc.

U.S. Wealth Management

- Segall Bryant & Hamill, LLC
- Barrett Asset Management, LLC
- Brightworth, LLC
- Dowling & Yahnke, LLC
- Radnor Financial Advisors
- Portola Partners Group
- Budros, Ruhlin & Roe, Inc.
- Matrix Capital Advisors, LLC
- McCutchen Group LLC
- Odyssey Wealth Management, LLC
- Regent Atlantic Capital, LLC
- Gofen and Glossberg, LLC
- R.H. Bluestein & Co.
- Columbia Pacific Wealth Management

The acquisitions are accounted for using the acquisition method of accounting. The estimated fair values of the assets acquired and liabilities assumed and the results of operations have been consolidated from the date of the transaction, and are included in the U.S. wealth management segment.

Asset Management

On May 1, 2021, CI completed the acquisition of the remaining interest in Lawrence Park Asset Management ["LPAM"], an alternative fixed-income investment firm. LPAM is included in the asset management segment. Effective July 1, 2021, LPAM amalgamated with CI Investments.

December 31, 2022 and 2021 • [in thousands of Canadian dollars, except per share amounts]

Net Assets Acquired – year ended December 31, 2021

CI evaluates each acquisition to determine if they are considered material to be disclosed on an individual bases. For the year ended December 31, 2021, after considering both quantitative and qualitative factors, CI determined that separate disclosure of individual acquisitions was not warranted.

Details of the net assets acquired during the year ended December 31, 2021, at fair value, are as follows:

	U.S. Wealth Management	Canada Wealth Management	Asset Management	Total
	$	$	$	$
Cash and cash equivalents	36,640	883	145	**37,668**
Accounts receivable and prepaid expenses	51,487	381	292	**52,160**
Capital assets	10,921	123	68	**11,112**
Right-of-use assets	57,340	154	—	**57,494**
Deferred tax	—	(6,585)	(1,344)	**(7,929)**
Intangibles	714,013	27,655	5,041	**746,709**
Other assets	854	20	24	**898**
Accounts payable and accrued liabilities	(102,859)	(1,655)	(233)	**(104,747)**
Long-term debt	(236,964)	—	—	**(236,964)**
Lease liabilities	(57,340)	(154)	—	**(57,494)**
Fair value of identifiable net assets	474,092	20,822	3,993	**498,907**
Non-controlling interest	5,700	5,022	—	**10,722**
Acquisition date fair value of initial interest	—	—	(2,016)	**(2,016)**
Goodwill on acquisition	1,144,182	54,340	2,463	**1,200,985**
Total acquired cost	1,623,974	80,184	4,440	**1,708,598**
Cash consideration	962,212	6,605	3,440	**972,257**
Share consideration	26,088	36,649	1,000	**63,737**
Provision for other liabilities	635,674	36,930	—	**672,604**
	1,623,974	80,184	4,440	**1,708,598**

The businesses acquired in 2021 contributed net revenue of $165,837 and net income of $36,913 to CI for the year ended December 31, 2021. If the acquisitions had occurred on January 1, 2021, the consolidated pro-forma net revenue and net income for the year ended December 31, 2021 would have been $2,441,655 and $472,694, respectively.

Included in intangibles are fund contracts with a fair value of $718,531 with a finite life of 12 years, indefinite-life fund management contracts of $27,807 and other intangibles of $371. Goodwill represents the excess of the consideration transferred over the fair value of the identifiable net assets acquired. Goodwill of $1,144,182 for the U.S. RIAs is deductible for income taxes.

The acquisition agreements provided for deferred and contingent consideration payable. Deferred consideration payable of $542,505, including put options payable of $279,896, is due within one to four years from the date of acquisition. The put options represent the fair value of embedded options to exchange minority interests for cash or redeemable instruments in a subsidiary of CI, subject to specific terms as described in Note 8. Contingent consideration of $130,099 is payable in cash within one to four years from the date of acquisition, if certain financial targets are met based on EBITDA or revenue. Certain acquisition agreements also provided for contingent consideration, payable in two to three years from the date of acquisition, that is recorded as compensation and included in selling, general and administrative expenses. Details of the amount recorded are described in Note 7.

Non-controlling interests are measured at the proportionate interest in the identifiable net assets of the acquired subsidiary, at the acquisition date.

Certain purchase price allocations are considered to be preliminary and are subject to adjustments during the measurement period, which will not exceed twelve months from the acquisition date, as CI completes its estimation of the fair values of assets acquired and liabilities assumed, including the valuation of intangible assets.

Other - Investments in equity method affiliates

During the year ended December 31, 2021, CI acquired a 30% interest in GLASFunds and a 31% interest in CPA. CI has an option to obtain majority ownership of GLASFunds which becomes exercisable four years after its acquisition by paying a floating price determined at the exercise date. The acquisition of CPA and GLASFunds has been accounted for using the equity method of accounting.

December 31, 2022 and 2021 • [in thousands of Canadian 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, 2020	**24,514**	**22,216**	**91,737**	**138,467**
Acquired	1,038	1,982	8,092	11,112
Additions	4,648	986	2,164	7,798
Retired	(8,871)	(220)	(353)	(9,444)
Translation	(10)	(5)	67	52
Balance, December 31, 2021	**21,319**	**24,959**	**101,707**	**147,985**
Acquired	372	205	628	1,205
Additions	3,709	2,083	11,688	17,480
Retired	(2,224)	(5,151)	(13,530)	(20,905)
Translation	705	756	1,251	2,712
Balance, December 31, 2022	**23,881**	**22,852**	**101,744**	**148,477**
Accumulated depreciation				
Balance, December 31, 2020	**16,386**	**17,346**	**57,757**	**91,489**
Depreciation	4,209	1,956	7,047	13,212
Retired	(8,762)	(143)	(334)	(9,239)
Translation	(40)	2	(35)	(73)
Balance, December 31, 2021	**11,793**	**19,161**	**64,435**	**95,389**
Depreciation	4,299	2,408	5,794	12,501
Retired	(2,214)	(4,990)	(9,430)	(16,634)
Translation	480	522	632	1,634
Balance, December 31, 2022	**14,358**	**17,101**	**61,431**	**92,890**
Carrying amounts				
At December 31, 2020	**8,128**	**4,870**	**33,980**	**46,978**
At December 31, 2021	**9,526**	**5,798**	**37,272**	**52,596**
At December 31, 2022	**9,523**	**5,751**	**40,313**	**55,587**

December 31, 2022 and 2021 • [in thousands of Canadian dollars, except per share amounts]

4. INTANGIBLES

	Goodwill	Fund administration contracts	Fund management contracts finite-life	Fund management contracts indefinite-life	Other intangibles	Total
	$	$	$	$	$	$
Cost						
Balance, December 31, 2020	**2,053,672**	**431,965**	**50,045**	**1,778,901**	**82,286**	**4,396,869**
Acquired	1,200,985	713,490	5,041	27,807	1,890	1,949,213
Additions	—	—	—	—	12,420	12,420
Retired	—	—	—	—	(555)	(555)
Translation	1,284	3,526	(189)	(4,041)	(14)	566
Balance, December 31, 2021	**3,255,941**	**1,148,981**	**54,897**	**1,802,667**	**96,027**	**6,358,513**
Acquired	694,797	285,996	—	(4,616)	80	976,257
Additions	—	—	—	—	11,361	11,361
Retired	—	—	—	—	(67)	(67)
Translation	117,151	57,857	5	1,669	51	176,733
Balance, December 31, 2022	**4,067,889**	**1,492,834**	**54,902**	**1,799,720**	**107,452**	**7,522,797**
Accumulated amortization						
Balance, December 31, 2020	**—**	**34,836**	**33,453**	**—**	**37,582**	**105,871**
Acquired	—	—	—	—	1,519	1,519
Amortization	—	53,541	2,307	—	10,289	66,137
Retired	—	—	—	—	(538)	(538)
Translation	—	384	(83)	—	(14)	287
Balance, December 31, 2021	**—**	**88,761**	**35,677**	**—**	**48,838**	**173,276**
Acquired	—	—			80	80
Amortization	—	103,306	2,437	—	12,981	118,724
Retired	—	—	—	—	(49)	(49)
Translation	—	2,937	8	—	121	3,066
Balance, December 31, 2022	**—**	**195,004**	**38,122**	**—**	**61,971**	**295,097**
Carrying amounts						
At December 31, 2020	**2,053,672**	**397,129**	**16,592**	**1,778,901**	**44,704**	**4,290,998**
At December 31, 2021	**3,255,941**	**1,060,220**	**19,220**	**1,802,667**	**47,189**	**6,185,237**
At December 31, 2022	**4,067,889**	**1,297,830**	**16,780**	**1,799,720**	**45,481**	**7,227,700**
Remaining term	**N/A**	**5.9 – 11.9 yrs**	**4.3 – 10.9 yrs**	**N/A**	**0.1 – 6.8 yrs**	

CI has three groups of CGUs for the purpose of assessing the carrying amount of the allocated goodwill, being asset management, Canada wealth management and U.S. wealth management. Goodwill of $1,312,559 is allocated to the asset management group, $358,670 is allocated to the Canada wealth management group, and $2,396,660 is allocated to the U.S. wealth management group as at December 31, 2022 [2021 – $1,312,543, $308,553 and $1,634,845, respectively]. CI has indefinite-life fund management contracts of $1,774,174 within the asset management group and $25,546 within the U.S. wealth management group as at December 31, 2022 [2021 – $1,774,050 and $28,617, respectively].

December 31, 2022 and 2021 • *[in thousands of Canadian dollars, except per share amounts]

The fair value for the asset management group, Canada wealth management group and U.S. wealth management group was determined using the discounted cash flow method, based on estimated future cash flows over a 5-year period with a terminal value for the period thereafter. CI uses a 5-year period to reflect the expected growth strategies for the various contracts acquired in addition to the fact that it may take several years to fully integrate operations and benefit from market-participant synergies. The key assumptions used in the forecast calculation include assumptions on projected assets under management ("AUM") growth and operating margins. Projected AUM growth is a management assumption which takes into consideration long-term historical inflation adjusted index returns, historical AUM growth, internal management forecast on future growth and comparable public company metrics. Inputs to the operating margin include estimates for management and trailer fees using current average fee rates and normalized inflation rates are applied to current selling, general and administrative expenses to forecast future cash flows over the 5-year period. The terminal value has been calculated assuming a long-term growth rate of 2% - 3% per annum in perpetuity based on a long-term real GDP growth rate as at December 31, 2022 and 2021. A discount rate of 11.25% – 13.75% per annum has been applied to the recoverable amount calculation as at December 31, 2022 [2021 – 12.00% – 13.00%]. Level 3 inputs were used to determine the fair value.

CI performed an annual impairment assessment of its goodwill and indefinite-life intangibles as at October 1, 2022 and 2021 and determined that the calculation of the recoverable amount exceeded the carrying amount. CI assessed the finite-life intangible assets as at December 31, 2022 and 2021 and determined that there were no indicators of impairment present.

5. OTHER ASSETS, INCOME AND EXPENSE

Other assets as at December 31, 2022 consist of the following:

	2022	**2021**
	$	**$**
Long-term investments	**32,951**	48,560
Investments accounted for using the equity method	**277,084**	258,408
Advisor and employee loans	**41,730**	36,422
Other related party loans	**17,788**	20,361
Other	**28,251**	19,436
	397,804	383,187

CI's equity-accounted investments as at December 31, 2022, include Cabana, Congress, AWM Dorval, Axia, CPA and GLASFunds. The aggregate carrying amount of these individually immaterial associates that are accounted for using the equity method is $277,084 [2021 – $258,408] and the aggregate amount of CI's share of net income is $4,193 [2021 – $2,756].

The difference in value between the consideration paid to acquire the equity investees and the underlying carrying value of the net assets of the investees as of the acquisition date represents a basis difference, which was $227,845 as of December 31, 2022 [2021 - $242,482]. CI has estimated the fair value of the investees and their underlying net assets for the purposes of amortizing the basis difference, as required by the equity method of accounting. The fair value of investee's underlying net assets, including intangible contractual assets, goodwill and other assets and liabilities, have been estimated on the acquisition date.

The basis difference related to intangible contractual assets and depreciable assets is amortized over the remaining useful life. The remainder of the basis difference, relating to equity method goodwill is not amortized and is carried at cost subject to an assessment for impairment of the overall investment.

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. The forgiven amount is included in other expenses. As at December 31, 2022, loans to investment advisors of $27,773 [2021 – $28,958] are included in other assets. These loans become due on demand upon early termination or breach in the terms of the agreements.

As at December 31, 2022, CI has shareholder, partner loans and employee loans of $13,957 outstanding [2021 – $7,464]. These loans bear interest at prescribed rates and are due immediately upon termination of employment or sale of the subsidiary shares that are held as collateral.

Included in other revenues is income from CI's long-term and equity accounted for investments of $4,193 [2021 – $2,756]. Other revenues also includes performance fees, redemption fees, investment income, interest income and revenue earned by Marret.

Other expenses include interest expense, advisor recruitment costs, U.S. state taxes and allowances for bad debt with respect to loans.

December 31, 2022 and 2021 • [in thousands of Canadian dollars, except per share amounts]

6. LONG-TERM DEBT

Long-term debt consists of the following:

	Interest rate	Issued date	Maturity date	2022	2021
				$	$
Credit facility and loans payable					
Prime rate loan				**320,000**	—
Bankers' acceptances				—	297,500
Fiduciary Network, LLC			December 15, 2022	—	146,986
				320,000	444,486
Debenture principal amount					
$301 million	3.215%	July 22, 2019	July 22, 2024	**300,636**	300,257
$450 million	3.759%	May 26, 2020	May 26, 2025	**448,684**	448,278
$400 million	7.000%	December 2, 2022	December 2, 2025	**398,050**	—
$250 million	3.904%	September 27, 2017	September 27, 2027	**249,178**	249,032
$960 million USD	3.200%	December 17, 2020	December 17, 2030	**1,293,467**	1,207,689
$900 million USD	4.100%	June 2, 2021	June 15, 2051	**1,206,199**	1,126,296
				3,896,214	3,331,552
Long-term debt				**4,216,214**	3,776,038
Current portion of long-term debt				**320,000**	444,486

CREDIT FACILITY

At December 31, 2022, CI had a $700,000 revolving credit facility with three Canadian chartered banks. Loans are made by the banks under a three-year revolving credit facility, with the outstanding principal balance due upon maturity on May 27, 2024. CI was within its financial covenants with respect to its credit facility, which require that the funded debt to annualized EBITDA ratio remain below 4.0:1 (4.5:1 effective November 7, 2022 and that CI's assets under management not fall below $85 billion at any time).

In February 2023, CI paid off its previous $700,000 credit facility described above and entered into a new $600,000 credit facility with four Canadian banks. Terms under the new facility are similar to its previous facility except for the upper limit of the financial covenant to remain below 4.75:1 until December 30, 2023, and 4.50:1 thereafter. There can be no assurance that future borrowings or equity financing will be available to CI or available on acceptable terms.

DEBENTURES AND NOTES

Redemptions:

On January 18, 2021, CI redeemed the $200,000 principal amount of debentures due November 25, 2021 [the "2021 Debentures"] at an average price of $101.903, and recorded a loss of $3,805, included in other expenses. On February 19, 2021, CI redeemed the $325,000 principal amount of debentures due July 20, 2023 at an average price of $107.002 and recorded a loss of $22,755, included in other expenses.

In connection with the redemption of the 2021 Debentures, on January 18, 2021, CI terminated the interest swap agreement previously entered into on February 2, 2017 and realized a gain of $1,865, included in other expenses.

During the year ended December 31, 2021, CI repurchased $48,567 principal amount of debentures due July 22, 2024 at an average price of $104.458 and recorded a loss of $2,165, included in other expenses.

Issuances:

On December 2, 2022, CI completed an offering pursuant to which it issued $400,000 principal amount of debentures due December 2, 2025 [the "December 2025 Debentures"]. Interest on the December 2025 Debentures is paid semi-annually in arrears at a rate of 7.000%. The proceeds, net of transaction costs, were used to repay outstanding indebtedness under the credit facility and general corporate purposes.

On June 7, 2021, CI completed an offering pursuant to which it issued $900,000 USD ($1,087,245 CAD) principal amount of notes due June 15, 2051 [the "2051 Notes"]. Interest on the 2051 Notes is paid semi-annually in arrears at a rate of 4.100%. The proceeds, net of transaction costs, were used to repay outstanding indebtedness under the credit facility and other strategic capital needs.

On December 17, 2020, CI completed an offering pursuant to which it issued $700,000 USD ($891,175 CAD) principal amount of notes due December 17, 2030 [the "2030 Notes"]. On January 19, 2021, CI issued $260,000 USD ($331,147 CAD) additional notes of the same series. Interest on the 2030 Notes is paid semi-annually in arrears at a rate of 3.200%. The proceeds, net of transaction costs, were used to repay outstanding indebtedness under the credit facility and other strategic capital needs.

CI may, at its option, redeem the 2024 Debentures, the May 2025 Debentures, the December 2025 Debentures and the 2027 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 that is equal to the greater of par and the Government of Canada yield, plus 44.5, 84.0, 83.5 and 44.5 basis points, respectively. CI may also, at its option, redeem the 2030 Notes and the 2051 Notes in whole or in part, from time to time, at a redemption price that is equal to the greater of 100% of the principal amount of the notes to be redeemed and the Treasury Rate plus 35.0 and 30.0 basis points, respectively. CI considers these embedded prepayment options to be closely related to the debentures and, as such, does not account for them separately as a derivative.

December 31, 2022 and 2021 • [in thousands of Canadian dollars, except per share amounts]

Interest on debentures and notes:

Interest paid on the debentures and notes is paid semi-annually. During the years ended December 31, 2022 and 2021, interest paid is as follows:

	Interest rate	Issued date	Maturity date	2022 $	2021 $
Interest paid on debentures and notes					
$325 million	3.520%	July 20, 2018	July 20, 2023	—	1,486
$301 million	3.215%	July 22, 2019	July 22, 2024	**9,691**	10,106
$450 million	3.759%	May 26, 2020	May 26, 2025	**16,916**	16,916
$400 million	7.000%	December 2, 2022	December 2, 2025	**2,333**	—
$250 million	3.904%	September 27, 2017	September 27, 2027	**9,760**	9,760
$960 million USD	3.200%	December 17, 2020	December 17, 2030	**39,983**	38,096
$900 million USD	4.100%	June 2, 2021	June 15, 2051	**48,026**	26,129
				126,709	102,493

Issuance costs and the issuance discount are amortized over the term of the debentures using the effective interest method. The amortization expense related to the discount and transaction costs for CI's issued debentures for the year ended December 31, 2022 was $1,865 [2021 – $2,716], which is included in amortization and depreciation.

In the event that both a change of control occurs and the rating of the debentures is lowered to below investment grade by two out of three rating agencies as defined as below BBB- by Standard & Poor's, BBB (low) by DBRS Limited and Baa3 by Moody's Investor Service, Inc., 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 and notes, together with accrued and unpaid interest, to the date of purchase. Also, in the case of the 2030 Notes, in the event that certain changes affecting Canadian withholding taxes occur, CI will have the option to redeem the notes in whole or in part, at a redemption price equal to 100% of the aggregate principal amount, together with accrued and unpaid interest, to the date of redemption.

LOANS PAYABLE TO FIDUCIARY NETWORK, LLC

In connection with an acquisition, on December 30, 2021, CI assumed a loan agreement of $116,200 USD ($146,986 CAD), maturing on December 15, 2024. Fiduciary elected to terminate the loan and on December 15, 2022, CI repaid the remaining loan amount of $116,200 USD ($126,095 CAD) and accrued interest of $4,864 USD ($6,398 CAD).

As a result of CI's acquisition of Brightworth, on April 30, 2021, CI assumed a loan agreement to Fiduciary in the amount of $66,937 USD ($82,279 CAD) and repaid $13,435 USD ($16,514 CAD). Fiduciary elected to terminate the loan and on December 11, 2021, CI repaid the remaining loan amount of $53,502 USD ($67,766 CAD) and accrued interest of $737 USD ($947 CAD).

December 31, 2022 and 2021 • [in thousands of Canadian dollars, except per share amounts]

As a result of the acquisition of Radnor, on August 31, 2021, CI assumed a loan agreement to Fiduciary in the amount of $5,108 USD ($6,445 CAD). Fiduciary Network, LLC elected to terminate the loan payable and on December 31, 2021, CI repaid the loan amount of $5,108 USD ($6,462 CAD) and interest of $34 USD ($43 CAD).

7. PROVISIONS AND OTHER FINANCIAL LIABILITIES

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

CI has made provisions based on current information and the probable resolution of such claims, proceedings and investigations, as well as severance and amounts payable in connection with business acquisitions. The movement in provisions and other financial liabilities during the years ended December 31, are as follows:

	Provisions	**Acquisition liabilities**	**Provisions**	**Acquisition liabilities**
	2022	**2022**	**2021**	**2021**
	$	**$**	**$**	**$**
Provisions and other financial liabilities, beginning of year	**41,259**	**536,376**	46,181	337,371
Additions	**6,524**	**369,869**	23,478	743,426
Amounts used	**(11,596)**	**(248,345)**	(28,390)	(324,272)
Amounts reversed	**(52)**	**(3,049)**	(10)	(1,842)
Fair value change - acquisition liabilities & loan guarantee	**10,819**	**51,583**	—	157,102
Exchange for CIPW unit liabilities *[note 8]*	—	**(19,766)**	—	(374,438)
Translation - acquisition liabilities	—	**39,691**	—	(971)
Provisions and other financial liabilities, end of year	**46,954**	**726,359**	41,259	536,376
Current portion of provisions and other financial liabilities	**5,197**	**497,549**	6,942	191,052

ACQUISITION-RELATED LIABILITIES

Included in provisions and other financial liabilities in connection with business acquisitions are:

	As at December 31, 2022	**As at December 31, 2021**
	$	**$**
Deferred consideration	**310,199**	136,053
Fair value of contingent consideration	**365,935**	346,894
Fair value of put arrangements	**50,225**	53,429
Total acquisition liabilities	**726,359**	536,376

Deferred consideration represents guaranteed deferred payments on acquisitions and typically settle in 90 to 270 days.

Contingent consideration represents the estimated fair value of earn-out payments tied to the acquired companies exceeding certain predefined financial metrics, and is revalued on a quarterly basis. During the year ended December 31, 2022, compensation expense of $8,428 [2021 – $7,198] is included in contingent consideration payable and fair value change. CI settled a contingent obligation for the exchange of CIPW CL A units and recognized compensation expense of $15,726, included in fair value change.

For three of the contingent earn-out arrangements with a liability fair value recorded as of December 31, 2022 of $23,659 [2021 – $69,503], there was no maximum payout stipulated in the respective purchase agreements. For the remaining contingent earn-out arrangements with a liability fair value recorded as of December 31, 2022 of $342,277 [2021 – $277,391], the total maximum potential payout stipulated in the respective purchase agreements was $945,678 [2021 – $715,105].

Put options represent the fair value of embedded options in the acquisition purchase agreements to exchange minority interests for cash, subject to specific terms, and are revalued on a quarterly basis. During the year ended December 31, 2022, GSFM shareholders exercised their put to CI at an equivalent Canadian cash value of $7,449 [2021 - $17,748].

Included in total acquisition liabilities are foreign translation adjustments since the date of the acquisitions. Fair value adjustments to the acquisition liabilities are included in change in fair value of contingent consideration in the consolidated statements of income and comprehensive income.

During the year ended December 31, 2022, CI paid cash of $248,345 and CI shares of $nil related to the acquisitions [2021 - cash of $309,093 and CI shares $15,179].

PROVISIONS

CI is a defendant to certain lawsuits of which two are class action lawsuits related to events and transactions that gave rise to a settlement agreement with the Ontario Securities Commission [“OSC”] in 2004. Although CI continues to believe that this settlement fully compensated investors affected by frequent trading activity, a provision has been recorded with respect to this matter.

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 years ended December 31, 2022 and 2021, no insurance proceeds were received related to the settlement of legal claims.

CI has guaranteed certain CIPW employee loans with third party institutions. The estimated fair value of the loan guarantee is $10,819 and is included in provisions and in transaction, integration, restructuring and legal expense. Additional details of the loan guarantee are included in Notes 8, 14 and note 16.

During the year ended December 31, 2022, CI recorded provisions of $6,524 for legal and severance [2021 – $23,478]. As at December 31, 2022, a provision of $36,135 remains [2021 – $41,259].

December 31, 2022 and 2021 • [in thousands of Canadian dollars, except per share amounts]

8. CIPW UNIT LIABILITIES

CI established CIPW in 2021 to serve as the holding entity for its U.S. wealth management acquisitions. CIPW acquired the remaining stakes in the wealth management businesses it did not fully own in exchange for an interest in CIPW Class A redeemable units ["CIPW Class A units"]. In addition, certain former owners of its U.S. wealth management acquisitions and other employees invested cash in CIPW in exchange for CIPW Class A units. During 2022, additional CIPW Class A units were issued as consideration for various RIA acquisitions as outlined in Note 2. CI provided bridge financing to purchase Class A units, which are full recourse loans with customary interest rates. During 2022, employees repaid $78,576 ($58,989 USD) of loans using proceeds received from 3rd party bankers which are guaranteed by CI. As at December 31, 2022, loans of $12,051 ($8,900 USD) are outstanding and included in other assets. CI also settled a contingent consideration obligation in CIPW Class A units *[Note 7]*. Lastly, CI granted restricted redeemable units of CIPW Class A units to certain employees, subject to vesting provisions while still employed. As at December 31, 2022, 49,492,811 CIPW Class A units were issued or granted to employees.

During 2022, CI established CI Private Wealth Canada LTD ("CIPW Canada") to serve as a holding entity for a portion of its Canada wealth management acquisitions. CIPW Canada issued 6,817,500 Class A units of CIPW Canada to former owners in Northwood as part of the acquisition consideration.

Under the terms of the unit agreement underlying CIPW and CIPW Canada [together "the Company"], only employees can hold the Class A units while employed which can only be sold to the Company based on a predefined valuation formula, which serves as a proxy for fair value of the unit. In addition, if a unitholder leaves or retires before December 2024 for CIPW and March 2025 for CIPW Canada (the "Vesting Periods"), they receive the lower of their purchase price or fair market value. Due to these conditions, the units are considered cash settled awards granted to employees, and compensation expense for the excess of the formula price over the price paid by employees is recognized over the Vesting Period and is included in selling, general and administrative expenses.

During the three months ended December 31, 2022, CIPW granted 6,259,285 redeemable Class B units of CIPW ["CIPW Class B units"] that vest over 6 years. They are profit interests under U.S. Tax law and exchangeable at CIPW's option into CIPW Class A units. The grant date fair value was determined using an option pricing model and is recognized on a graded vesting basis over the vesting period and is included in selling, general and administrative expenses.

The Company recorded an expense related to the accrual of distributions of earnings payable to the unitholders as at December 31, 2022 which is included in selling, general and administrative expenses.

A summary of the compensation expense and distributions recorded during the year ended December 31, 2022 is as follows:

	December 31, 2022
Recognition of compensation expense (recovery) of vested units	13,499
Distributions	43,545
Total	**57,044**

December 31, 2022 and 2021 • [in thousands of Canadian dollars, except per share amounts]

CI's liability related to CIPW and CIPW Canada units is as follows:

	As at December 31, 2022	As at December 31, 2021
Balance, beginning of year	374,438	—
Acquisition related additions (non-cash)	141,949	—
Exchange for CIPW unit liabilities *[note 7]*	19,766	374,438
Recognition of compensation expense of vested units	13,499	—
Subscription - Loans (non-cash)	80,653	—
Subscription - Cash	92,906	—
Redemption	(7,228)	—
Distribution payable	16,457	—
Translation	33,519	—
Balance, December 31, 2022 including CIPW – $556,204 USD (2021 - $296,012 USD)	**765,959**	**374,438**
Unrecognized compensation expense	**116,713**	**—**

In the current year, CIPW unit liabilities have been shown as a separate line item on the statement of financial position. The comparative amount of $374,438 was reclassified from acquisition related liabilities that were included in provisions and other financial liabilities.

9. LEASES

The following shows the carrying amounts of CI's right-of-use assets and lease liabilities, and the movements during the year ended December 31, 2022:

	Right-of-use assets			
	Property leases	Equipment leases	Total	Lease liabilities
	$	$	$	$
As at January 1, 2022	141,506	1,100	**142,606**	**173,755**
Additions, acquired & modifications	18,697	1,097	**19,794**	**25,710**
Depreciation expense	(21,369)	(653)	**(22,022)**	**—**
Lease termination	(5,219)	—	**(5,219)**	**(7,941)**
Interest expense	—	—	**—**	**6,583**
Payments	—	—	**—**	**(29,548)**
Translation	4,204	59	**4,263**	**4,795**
As at December 31, 2022	**137,819**	**1,603**	**139,422**	**173,354**

During the year ended December 31, 2022, CI recognized rent expenses from short-term leases of $2,965, leases of low-value assets of $554 and variable lease payments of $12,048 [2021 – expenses of $462, $324 and $12,153, respectively].

Included in other revenues for the year ended December 31, 2022, is finance income of $895 received from sub-leasing right-of-use assets [2021 – $289].

During the year, CI terminated a lease and recognized a net loss on the termination of $1,178 which included an early termination fee of $3,900 and a gain on the write-off of the right-of-use asset and liability of $2,722.

At the inception of the lease, CI calculates the present value of the right-of-use asset and lease liability using an incremental borrowing rate that reflects the interest rate in a loan should CI have to borrow with similar terms and conditions of the lease.

10. SHARE CAPITAL

A summary of the changes to CI's share capital for the years ended December 31 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, 2020	**210,358**	**1,867,997**
Issuance for acquisition of subsidiaries, net of issuance costs	3,712	78,916
Issuance of share capital for equity-based plans, net of tax	799	10,825
Share repurchases, net of tax	(17,447)	(147,585)
Common shares, balance, December 31, 2021	**197,422**	**1,810,153**
Issuance for acquisition of subsidiary, net of issuance costs	74	1,952
Issuance of share capital for equity-based plans, net of tax	1,138	16,117
Share repurchases, net of tax	(14,116)	(121,342)
Common shares, balance, December 31, 2022	**184,518**	**1,706,880**

During the year ended December 31, 2022, 12,666 thousand shares [2021 – 15,692 thousand shares] were repurchased under a normal course issuer bid at an average cost of $15.87 per share for total consideration of $200,974 [2021 – $21.17 per share for total consideration of $332,248]. Deficit was increased by $85,256 during the year ended December 31, 2022 [2021 – $191,760] for the cost of the shares repurchased in excess of their stated value.

During the year ended December 31, 2022, 1,450 thousand shares [2021 – 1,755 thousand shares] were repurchased for CI's restricted share unit plan at an average cost of $19.82 per share for total consideration of $28,734 [$21,119 after tax] [2021 – $18.27 per share for total consideration of $32,071 [$23,573 net of tax]. Deficit was increased by $15,495 during the year ended December 31, 2022 [2021 – $16,474] for the cost of the shares repurchased in excess of their stated value.

[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.

The maximum number of shares that may be issued under the Share Option Plan is 14,000 thousand shares. As at

December 31, 2022, there are 506 thousand shares [2021 – 811 thousand 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 $18.99 to $28.67 per share and expire at dates up to 2029.

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

	Number of options	Weighted average exercise price
	[in thousands]	$
Options outstanding, December 31, 2020	**2,606**	**26.38**
Options exercisable, December 31, 2020	**2,020**	**28.44**
Options exercised	(3)	27.44
Options cancelled	(1,792)	28.41
Options outstanding, December 31, 2021	**811**	**21.88**
Options exercisable, December 31, 2021	**274**	**27.53**
Options exercised (*)	(3)	18.99
Options cancelled	(302)	26.11
Options outstanding, December 31, 2022	**506**	**19.37**
Options exercisable, December 31, 2022	**144**	**20.34**

(*) Weighted-average share price of options exercised was $26.96 during the year ended December 31, 2022 [2021 – $30.13]

The equity-based compensation expense under the Share Option Plan for the year ended December 31, 2022 of $(76) [2021 – $290] has been included in selling, general and administrative expenses.

Options outstanding and exercisable as at December 31, 2022 are as follows:

Exercise price	Number of options outstanding	Weighted average remaining contractual life	Number of options exercisable
$	*[in thousands]*	*[years]*	*[in thousands]*
18.99	486	6.2	124
28.67	20	0.2	20
18.99 to 28.67	**506**	**6.8**	**144**

[C] RESTRICTED SHARE UNITS

CI has an employee restricted share unit plan [the "RSU Plan"] for senior executives and other key employees. Compensation expense is recognized and recorded as contributed surplus based upon the market value of the restricted share units ["RSUs"] at the grant date. Forfeitures of RSUs reduce compensation expense to the extent contributed surplus was previously recorded for such awards. On vesting of RSUs, share capital is credited for the amounts initially recorded as contributed surplus to reflect the issuance of share capital.

A summary of the changes in the RSU Plan is as follows:

Number of RSUs [in thousands]	2022	2021
RSUs outstanding, beginning of year	**1,437**	504
Granted, excluding dividends	**1,736**	1,783
Granted, dividends	**117**	58
Exercised	**(1,085)**	(849)
Forfeited	**(399)**	(59)
RSUs outstanding, end of year	**1,806**	1,437

An expense of $24,653 was recorded during the year ended December 31, 2022 [2021 – $21,715].

CI uses a trust to hold CI's common shares, to fulfill obligations to employees arising from the RSU Plan. The common shares held by the trust are not considered to be outstanding for the purposes of basic and diluted earnings per share calculations.

[D] DEFERRED SHARE UNITS

The deferred share unit plan [the "DSU Plan"] was established in March 2017, whereby directors may elect to receive all or a portion of their quarterly compensation in either cash or deferred share units ["DSUs"]. The DSUs fully vest on the grant date and an expense is recorded based upon the market value of the DSUs at the grant date with an offset included in accounts payable and accrued liabilities. At the end of each period, the change in the fair value of the DSUs is recorded as an expense with an offset recorded to the liability. DSUs can only be redeemed for cash once the holder ceases to be a director of CI.

During the year ended December 31, 2022, 25 thousand DSUs were granted, and nil DSUs were exercised [2021 – 14 thousand DSUs, and nil exercised]. An expense recovery of $269 was recorded during the year ended December 31, 2022 [2021 – expense of $730]. As at December 31, 2022, included in accounts payable and accrued liabilities is an accrual of $976 for amounts to be paid under the DSU Plan [2021 – $1,245].

[E] 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]	**2022**	**2021**
Numerator:		
Net income attributable to shareholders of the Company - basic and diluted	**$299,757**	$409,328
Denominator:		
Weighted average number of common shares - basic	**189,089**	201,628
Weighted average effect of dilutive stock options and RSU awards *(*)*	**669**	838
Weighted average number of common shares - diluted	**189,758**	202,466
Net earnings per common share attributable to shareholders		
Basic	**$1.59**	$2.03
Diluted	**$1.58**	$2.02

(*) The determination of the weighted average number of common shares - diluted excludes 506 thousand shares related to stock options that were anti-dilutive for the year ended December 31, 2022 [2021 – 274 thousand shares].

[F] MAXIMUM SHARE DILUTION

The following table presents the maximum number of shares that would be outstanding if all the outstanding options were exercised and if all RSU awards vested as at January 31, 2023:

[in thousands]	
Shares outstanding at January 31, 2023	186,285
RSU awards	1,822
Options to purchase shares	506
	188,613

December 31, 2022 and 2021 • *[in thousands of Canadian dollars, except per share amounts]

11. DIVIDENDS

The following dividends were paid by CI during the year ended December 31, 2022:

Record date	Payment date	Cash dividend per share	Total dividend amount
		$	$
December 31, 2021	January 14, 2022	0.18	**35,511**
March 31, 2022	April 15, 2022	0.18	**34,748**
June 30, 2022	July 15, 2022	0.18	**34,592**
September 30, 2022	October 14, 2022	0.18	**32,524**
Paid during the year ended December 31, 2022			**137,375**

The following dividends were declared but not paid as at December 31, 2022:

Record date	Payment date	Cash dividend per share	Total dividend amount
		$	$
December 30, 2022	January 13, 2023	0.18	**33,213**
March 31, 2023	April 14, 2023	0.18	**33,213**
Declared and accrued as at December 31, 2022			**66,426**

The following dividends were paid by CI during the year ended December 31, 2021:

Record date	Payment date	Cash dividend per share	Total dividend amount
		$	$
December 31, 2020	January 15, 2021	0.18	37,869
March 31, 2021	April 15, 2021	0.18	36,728
June 30, 2021	July 15, 2021	0.18	36,239
September 30, 2021	October 15, 2021	0.18	35,611
Paid during the year ended December 31, 2021			146,447

The following dividends were declared but not paid as at December 31, 2021:

Record date	Payment date	Cash dividend per share	Total dividend amount
		$	$
December 31, 2021	January 14, 2022	0.18	35,536
March 31, 2022	April 15, 2022	0.18	35,536
Declared and accrued as at December 31, 2021			71,072

December 31, 2022 and 2021 • [in thousands of Canadian dollars, except per share amounts]

12. INCOME TAXES

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

	2022 $	2021 $
Consolidated Statements of Income		
Current income tax expense		
Based on taxable income of the current year	**183,789**	217,896
Adjustments in respect of prior years	**(4,637)**	(1,685)
	179,152	216,211
Deferred income tax expense		
Origination and reversal of temporary differences (net)	**(4,777)**	(42,419)
	(4,777)	(42,419)
Income tax expense reported in the consolidated statements of income	**174,375**	173,792

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

	2022 %	2021 %
Combined Canadian federal and provincial income tax rate	**26.5**	26.5
Recovery of prior years' provisions for settled tax items	**0.3**	0.1
Deferred tax not recognized	**3.6**	—
Non-deductible (taxable) portion of capital losses (capital gains)	**2.5**	(0.5)
Other, net	**3.7**	3.5
Income tax expense reported in the consolidated statements of income and comprehensive income	**36.6**	29.6

December 31, 2022 and 2021 • *[in thousands of Canadian dollars, except per share amounts]

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 assets and liabilities are as follows at December 31, 2022:

	December 31, 2021	Recognized in net income	Business acquisition *[note 2]*	Recognized in equity and FX	December 31, 2022
	$	$	$	$	$
Net deferred income tax (assets) liabilities					
Fund contracts	467,025	13,551	8,715	(831)	**488,460**
Right-of-use assets	37,527	(1,668)	—	1,290	**37,149**
Equity-based compensation	(16,653)	(15,846)	—	(1,623)	**(34,122)**
Non-capital loss carryforwards	(9,176)	(2,254)	—	7	**(11,423)**
Provisions and other financial liabilities	(12,470)	1,108	—	(284)	**(11,646)**
Lease liabilities	(45,932)	2,758	—	(1,342)	**(44,516)**
Other	3,555	(2,426)	—	1,054	**2,183**
Net deferred income tax (assets) liabilities	**423,876**	**(4,777)**	**8,715**	**(1,729)**	**426,085**

Significant components of CI's deferred income tax assets and liabilities are as follows at December 31, 2021:

	December 31, 2020	Recognized in net income	Business acquisition	Recognized in equity and FX	December 31, 2021
	$	$	$	$	$
Net deferred income tax (assets) liabilities					
Fund contracts	487,348	(26,901)	8,095	(1,517)	467,025
Right-of-use assets	12,904	24,623	—	—	37,527
Equity-based compensation	(14,400)	531	—	(2,784)	(16,653)
Non-capital loss carryforwards	(7,341)	(1,835)	—	—	(9,176)
Provision for other liabilities	(7,611)	(4,859)	—	—	(12,470)
Lease liabilities	(19,409)	(26,523)	—	—	(45,932)
Other	11,398	(7,455)	(166)	(222)	3,555
Net deferred income tax (assets) liabilities	462,889	(42,419)	7,929	(4,523)	423,876

Unrecognized tax losses

Unrealized capital tax losses for which deferred tax assets have not been recognized was $105 million at December 31, 2022 [2021 – nil].

December 31, 2022 and 2021 • *[in thousands of Canadian dollars, except per share amounts]

13. FINANCIAL INSTRUMENTS

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

	December 31, 2022 $	December 31, 2021 $
Financial assets		
Fair value through profit or loss		
Cash and cash equivalents	**153,620**	230,779
Investments	**40,448**	131,772
Other assets	**32,951**	48,560
Amortized cost		
Client and trust funds on deposit	**1,306,595**	1,199,904
Accounts receivable	**260,102**	242,154
Other assets	**62,718**	59,172
Total financial assets	**1,856,434**	1,912,341
Financial liabilities		
Fair value through profit or loss		
Provisions and other financial liabilities	**416,160**	774,761
Amortized cost		
Accounts payable and accrued liabilities	**280,433**	351,495
Provisions and other financial liabilities	**357,153**	177,312
Dividends payable	**66,426**	71,072
Client and trust funds payable	**1,312,640**	1,202,079
Long-term debt	**4,216,214**	3,776,038
CIPW unit liability (*)	**16,387**	—
Total financial liabilities	**6,665,413**	6,352,757

(*) Distribution payable included in CIPW unit liability

CI's investments as at December 31, 2022 and 2021 include CI's marketable securities, which comprise of seed capital investments in CI's mutual funds and strategic investments. 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's mutual fund securities that are valued daily are classified as Level 1 in the fair value hierarchy. Mutual fund securities and strategic investments that are valued less frequently are classified as Level 2 in the fair value hierarchy. CI's investments as at December 31, 2022, also include securities owned, at market, consisting of money market and equity securities. Money market and equity securities are valued based on quoted prices and are classified as Level 1 in the fair value hierarchy. There have been no transfers between Level 1, Level 2 and Level 3 during the year ended December 31, 2022 [2021 – a Level 3 investment of $202 was transferred to Level 1].

December 31, 2022 and 2021 • *[in thousands of Canadian dollars, except per share amounts]

Investments consist of the following as at December 31, 2022:

	Total	Level 1	Level 2	Level 3
	$	**$**	**$**	**$**
Marketable securities	**20,628**	16,972	—	3,656
Securities owned, at market	**19,820**	19,820	—	—
Total investments	**40,448**	**36,792**	**—**	**3,656**

Investments consist of the following as at December 31, 2021:

	Total	Level 1	Level 2	Level 3
	$	**$**	**$**	**$**
Marketable securities	116,879	33,278	79,946	3,655
Securities owned, at market	14,893	14,893	—	—
Total investments	131,772	48,171	79,946	3,655

Included in other assets are long-term private equity strategic investments of $34 [2021 – $202] valued using Level 1 inputs and $32,917 [2021 – $48,358] valued using Level 3 inputs. Level 3 inputs includes an evaluation of current financial data and recent market transactions to assess the current value of the investment.

Long-term debt as at December 31, 2022 includes debentures with a fair value of $3,039,446 [2021 – $3,520,159], as determined by quoted market prices, which have been classified as Level 2 in the fair value hierarchy.

Included in provisions and other financial liabilities as at December 31, 2022 is put options payable on non-controlling interests of $50,225 [2021 – $53,429] and contingent consideration payable of $365,935 [2021 – $346,894]. The fair value of the put option payable and contingent consideration payable was determined using a combination of the discounted cash flow or earnings multiple methods, and Monte-Carlo simulations and weighted probability approaches, which are based on significant inputs that are considered Level 3 inputs. The valuation of the put option payable also included assumptions regarding the timing in which the minority shareholders will require CI to purchase these non-controlling interests.

In determining fair value of contingent consideration payable, the acquired business's future performance is estimated using financial projections for the acquired business. These financial projections, as well as alternative scenarios of financial performance, are measured against the performance targets specified in each respective acquisition agreement. In addition, discount rates are established based on the cost of debt and the cost of equity. The fair value of certain put option arrangements includes a projection of future performance, discounted based on the cost of equity and a risk premium. Otherwise, the fair value of put option arrangements is based on the exchange value of the subsidiary redeemable instruments, calculated using an earnings multiple approach.

Significant unobservable inputs include forecasted average annualized earnings growth rates, annual revenue growth rates, discount rates and volatility. The estimated fair value of put option payable and contingent consideration payable would increase (decrease) if the forecasted growth rate was higher (lower), if the annual revenue growth rate was higher (lower), if the discount rate was lower (higher) or if volatility was higher (lower). The weighted average input values were calculated in proportion to the weights of contingent consideration payable under each acquisition.

December 31, 2022 and 2021 • *[in thousands of Canadian dollars, except per share amounts]

Inputs used in the fair value measurement of contingent consideration payable as of December 31, 2022 and 2021 are summarized below.

Quantitative Information about Level 3 Fair Value Measurements - December 31, 2022

Fair value	Valuation Technique	Unobservable Inputs	Range	Weighted average
$			%	%
365,935	Monte-Carlo simulation model	Forecasted average annualized earnings growth rates	(11.2) to 40.9	9.6
		Annual revenue growth rates	3.1 to 19.2	10.5
		Discount rates	8.1 to 24.1	10.8
		Volatility	9.6 to 23.9	17.9

Quantitative Information about Level 3 Fair Value Measurements - December 31, 2021

Fair value	Valuation Technique	Unobservable Inputs	Range	Weighted average
$			%	%
333,638	Monte-Carlo simulation model	Forecasted average annualized earnings growth rates	(1.9) to 31.2	11.7
		Annual revenue growth rates	3.5 to 30.8	13.5
		Discount rates	4.0 to 20.8	12.9
		Volatility	9.5 to 25.4	21.7
13,256	Weighted probability approach	Annualized earnings growth rates	3.6 to 12.2	9.9
		Discount rates	8.7 to 11.0	9.9

14. 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. CI’s Corporate Finance Group reviews the exposure to interest rate risk, foreign exchange risk and price 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 loss due to the volatility of interest rates.

December 31, 2022 and 2021 • [in thousands of Canadian dollars, except per share amounts]

- Foreign exchange risk is the risk of loss due to volatility of foreign exchange rates.
- Price risk is the risk of loss due to changes in prices and volatility of financial instruments.

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.

(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 $320,000 [2021 – $297,500] is borrowed at a floating interest rate.

Based on the amount borrowed under the credit facility as at December 31, 2022, each 0.50% increase or decrease in interest rates would result in annual interest expense increasing or decreasing by $1,600 [2021 – $1,488], respectively.

(ii) Foreign exchange risk

CI is exposed to foreign exchange risk primarily from its investment in foreign subsidiaries operating in the United States, Australia and Hong Kong and from long-term debt denominated in U.S. dollars.

The following table provides the impact on net income and other comprehensive income ["OCI"] of a 10% change in the value of foreign currencies with respect to CI's net financial assets as at December 31, 2022:

	10% strengthening of foreign exchange rate on net income	**10% strengthening of foreign exchange rate on OCI**	**10% weakening of foreign exchange rate on net income**	**10% weakening of foreign exchange rate on OCI**
United States dollar	(246,652)	(29,819)	246,652	29,819
Australian dollar	233	1,208	(233)	(1,208)
Hong Kong dollar	(23)	—	23	—

The following table provides the impact on net income and OCI of a 10% change in the value of foreign currencies with respect to CI's net financial assets as at December 31, 2021:

	10% strengthening of foreign exchange rate on net income	**10% strengthening of foreign exchange rate on OCI**	**10% weakening of foreign exchange rate on net income**	**10% weakening of foreign exchange rate on OCI**
United States dollar	(301,683)	4,917	301,683	(4,917)
Australian dollar	(191)	1,469	191	(1,469)
Hong Kong dollar	138	—	(138)	—

[iii] Price risk

CI incurs price risk through its investments of $40,448 [2021 – $131,772]. Based on the carrying amount of these assets, an increase or decrease in prices by 10% would result in estimated gains or losses of $4,045 [2021 – $13,177], respectively.

December 31, 2022 and 2021 • [in thousands of Canadian dollars, except per share amounts]

[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	**2023**	**2024**	**2025**	**2026**	**2027**	**2030**	**2051**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Accounts payable and accrued liabilities	**280,433**	280,433	—	—	—	—	—	—
Dividends payable	**66,426**	66,426	—	—	—	—	—	—
CIPW unit liability (*)	**16,387**	16,387	—	—	—	—	—	—
Client and trust funds payable	**1,312,640**	1,312,640	—	—	—	—	—	—
Long-term debt	**4,239,881**	320,000	301,433	850,000	—	250,000	1,299,844	1,218,604
Deferred consideration	**310,199**	217,109	91,614	1,476	—	—	—	—
Contingent consideration	**365,935**	254,260	90,192	21,483	—	—	—	—
Put option	**50,225**	26,179	5,641	16,036	—	2,369	—	—
Total	**6,642,126**	**2,493,434**	**488,880**	**888,995**	**—**	**252,369**	**1,299,844**	**1,218,604**

(*) The CIPW unit liability in the table above is for distributions payable and excludes the remaining CIPW unit liability of $749,572 which is accounted for under IFRS 2, *Share-based payments*. The CIPW unit liability is classified as current as CIPW does not have an unconditional right to defer settlement of the liability for a period longer than twelve months.

[C] 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. Expected credit losses associated with CI's financial assets are insignificant.

As at December 31, 2022, financial assets of $1,662,366 [2021 – $1,549,790], represented by client and trust funds on deposit of $1,306,595 [2021 – $1,199,904], accounts receivable of $260,102 [2021 – $242,154] and other assets of $95,669 [2021 – $107,732], 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. 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.

December 31, 2022 and 2021 • [in thousands of Canadian dollars, except per share amounts]

CI's accounts receivable consist primarily of management fees receivable, amounts due to CI from the government agencies with respect to input tax credits and other short-term receivables due within 90 days.

Securities lending and borrowing agreements consist of the following as at December 31, 2022:

	Cash	**Securities**
	$	**$**
Loaned or delivered as collateral	2,913	2,693
Borrowed or received as collateral	943	769

Securities lending and borrowing agreements consist of the following as at December 31, 2021:

	Cash	**Securities**
	$	**$**
Loaned or delivered as collateral	6,942	6,631
Borrowed or received as collateral	16,882	16,530

CI uses securities lending and borrowing to facilitate the securities settlement process. These transactions are typically short-term in nature, fully collateralized by either cash or securities and subject to daily margin calls for any deficiency between the market value of the security given and the amount of collateral received. CI manages its credit exposure by establishing and monitoring aggregate limits by counterparty for these transactions. Cash loaned or delivered as collateral is included in accounts receivable and cash borrowed or received as collateral is included in accounts payable and accrued liabilities.

Other assets consist mainly of long-term investments, long-term accounts receivable, employee loans to acquire shares of CI and CIPW and loans extended to investment advisors under CI's hiring and incentive program. Employee loans are collateralized by CI and CIPW 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.

15. 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. CI's capital comprises shareholders' equity and long-term debt (including the 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, 2022, cash and cash equivalents of $13,879 [December 31, 2021 – $21,695] were 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, 2022 and December 31, 2021, CI met its capital requirements.

December 31, 2022 and 2021 • *[in thousands of Canadian dollars, except per share amounts]

CI's capital consists of the following:

	As at December 31, 2022	As at December 31, 2021
	$	**$**
Shareholders' equity	**1,609,771**	1,588,517
Long-term debt	**4,216,214**	3,776,038
Total capital	**5,825,985**	5,364,555

16. 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:

	$
2023	35,450
2024	31,377
2025	35,602
2026	32,076
2027	30,990
2028+	200,968
Total	**366,463**

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.

LOAN GUARANTEES

CIPW issued Class A units and in some cases, provided bridge loan financing to the holders to allow them to finance their purchases of Class A units. During 2022, the majority of employees refinanced their initial bridge loans through third-party banks. Under this arrangement, employees and partners pledged their holdings of Class A units as collateral and directed the funds received from third-party banks towards the settlement of their initial bridge loans from CI, which CI treated as an extinguishment. The performance on these loans were fully guaranteed by CI and require CI to make payments to the banks based on employees' failure to pay when due. As such, CI is exposed to borrowers' credit risk under the loans held by third-party banks. Refer to Note 8 for additional information.

Under the guarantee arrangement, in certain cases CI continues servicing the loans for no additional fee by directing a portion of employee distributions towards the settlement of principal and interest under the loans. In addition, CI has the option to purchase the loans from third-party banks at any time. This option is not considered a derivative.

CI recognized a separate liability under the financial guarantee arrangement and initially measured and recorded the value of the guarantee at its fair value of $10,819. The fair value of the guarantee liability at initial recognition was determined based on the reduction in rates provided to the borrowers by the third-party banks. The initial fair value of the guarantee is being amortized over 7-10 years using a straight-line amortization method.

CI's maximum exposure to loss from the guarantee is equal to the value of the outstanding loan (principal, unpaid interest and any enforcements costs) less any amounts collectible from the borrower under CI's recourse rights. As of December 31, 2022 CI determined the risk of default under the guarantees provided to be negligible and has not recorded a material provision for expected credit losses.

In addition, CI has agreed to guarantee up to $50,000 of Assante advisor loans granted by the Bank of Nova Scotia for the purpose of purchasing advisor practices.

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.

17. SEGMENTED INFORMATION

Effective January 1, 2022, CI has changed its reporting to three reportable segments: Asset Management, Canada Wealth Management and U.S. Wealth Management. Previously, Canada Wealth Management and U.S. Wealth Management were combined in a single segment. This change was a result of the establishment of CI US and CIPW and a change in how management evaluates CI's business and allocates resources. Prior period amounts have been restated to conform to the new segment disclosures for comparative purposes.

- The Asset Management segment includes the results of our asset management business in Canada, which operates under the brand CI Global Asset Management in addition to our asset management business in Australia.
- The Canada Wealth Management segment includes the results of our wealth management operations in Canada which operate under the brands Assante Wealth Management, CI Private Counsel, CI Investment Services, CI Direct Investing, Aligned Capital and Northwood.
- The U.S. Wealth Management segment comprises 27 wealth management businesses, which operate under the brand CI Private Wealth in addition to 3 strategic investments in alternative platforms.

December 31, 2022 and 2021 • *[in thousands of Canadian dollars, except per share amounts]

Segmented information as at and for the year ended December 31, 2022 is as follows:

	Asset Management	Canada Wealth Management	U.S. Wealth Management	Intersegment eliminations and non-segmented items	Total
	$	$	$	$	$
Asset management fees	1,624,666	—	—	(17,866)	1,606,800
Trailer fees and deferred sales commissions	(526,499)	—	—	32,019	(494,480)
Net asset management fees	1,098,167	—	—	14,153	1,112,320
Canada wealth management fees	—	709,790	—	(179,108)	530,682
U.S. wealth management fees	—	—	687,607	—	687,607
Other revenue	25,947	93,099	16,395	(39,707)	95,734
Foreign exchange gain (losses)	(80,246)	147	(33)	—	(80,132)
Other gain (losses)	(11,907)	—	3	—	(11,904)
Total net revenues	1,031,961	803,036	703,972	(204,662)	2,334,307
Selling, general and administrative	387,060	175,054	518,468	(60,533)	1,020,049
Advisor and dealer fees	—	550,166	—	(144,128)	406,038
Interest and lease finance	3,952	117	2,548	145,470	152,087
Amortization and depreciation	19,618	11,688	18,062	—	49,368
Amortization of intangible assets from acquisitions	2,437	7,820	95,487	—	105,744
Transaction, integration, restructuring and legal settlements	15,002	1,673	46,068	—	62,743
Change in fair value of contingent consideration	4,925	651	21,851	—	27,427
Other expenses	7,139	24,738	2,770	—	34,647
Total expenses	440,133	771,907	705,254	(59,191)	1,858,103
Income (loss) before income taxes	591,828	31,129	(1,282)	(145,471)	476,204
Provision for income taxes					174,375
Net income for the year					301,829
Indefinite-life intangibles					
Goodwill	1,312,559	358,670	2,396,660	—	4,067,889
Fund contracts	1,774,174	—	25,546	—	1,799,720
Total indefinite-life intangibles	3,086,733	358,670	2,422,206	—	5,867,609

December 31, 2022 and 2021 • *[in thousands of Canadian dollars, except per share amounts]

Segmented information as at and for the year ended December 31, 2021 is as follows:

	Asset Management	Canada Wealth Management	U.S. Wealth Management	Intersegment eliminations and non-segmented items	Total
	$	$	$	$	$
Asset management fees	1,809,967	—	—	(17,864)	1,792,103
Trailer fees and deferred sales commissions	(592,350)	—	—	34,916	(557,434)
Net asset management fees	1,217,617	—	—	17,052	1,234,669
Canada wealth management fees	—	696,986	—	(190,193)	506,793
U.S. wealth management fees	—	—	345,042	—	345,042
Other revenue	56,122	58,615	5,457	(37,069)	83,125
Foreign exchange gains (losses)	(11,010)	3,410	(11,176)	—	(18,776)
Other gains (losses)	18,905	(113)	(62)	—	18,730
Total net revenues	1,281,634	758,898	339,261	(210,210)	2,169,583
Selling, general and administrative	425,991	148,048	223,754	(55,471)	742,322
Advisor and dealer fees	—	551,450	—	(154,738)	396,712
Interest and lease finance	2,198	484	1,132	105,856	109,670
Amortization and depreciation	23,076	9,651	8,246	—	40,973
Amortization of intangible assets from acquisitions	2,307	5,503	48,038	—	55,848
Transaction, integration, restructuring and legal settlements	25,575	781	9,586	—	35,942
Change in fair value of contingent consideration	26,198	—	123,707	—	149,905
Other expenses	1,658	14,816	10,651	24,920	52,045
Total expenses	507,003	730,733	425,114	(79,433)	1,583,417
Income (loss) before income taxes	774,631	28,165	(85,853)	(130,777)	586,166
Provision for income taxes					173,792
Net income for the year					412,374
Indefinite-life intangibles					
Goodwill	1,312,543	308,553	1,634,845	—	3,255,941
Fund contracts	1,774,050	—	28,617	—	1,802,667
Total indefinite-life intangibles	3,086,593	308,553	1,663,462	—	5,058,608

December 31, 2022 and 2021 • *[in thousands of Canadian dollars, except per share amounts]

Geographic segment information:

Revenue from external customers	2022 $	2021 $
Canada	**2,073,029**	2,330,892
United States	**715,811**	338,722
Australia	**39,947**	57,403
Total	**2,828,787**	2,727,017

Non-current assets	As at December 31, 2022 $	As at December 31, 2021 $
Canada	**3,689,906**	3,669,613
United States	**4,078,262**	3,039,774
Australia	**106,757**	111,069
Hong Kong	**3**	71
Total	**7,874,928**	6,820,527

18. COMPENSATION OF KEY MANAGEMENT

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

	2022 $	2021 $
Cash compensation	**9,946**	11,707
Equity-based compensation	**10,210**	9,072
Total	**20,156**	20,779

19. AMORTIZATION AND DEPRECIATION

The following table provides details of amortization and depreciation:

	2022 $	2021 $
Depreciation of capital assets	**12,501**	13,212
Depreciation of right-of-use assets	**22,022**	14,756
Amortization of intangibles	**118,724**	66,137
Amortization of debenture transaction costs	**1,865**	2,716
Total amortization and depreciation	**155,112**	96,821

20. CHANGE IN FUNCTIONAL CURRENCY

Effective January 1, 2022, the functional currency of all companies within the U.S. Wealth management segment is now the U.S. dollar. Prior to this date, the functional currency of the parent company owning the U.S. RIA's was considered to be the Canadian dollar. Due to the recent reorganization and formation of CI US and CIPW, the operations are considered distinct and independent of the Canadian business. The foreign currency translation previously recorded in the interim condensed consolidated statement of income will now be recorded in the interim condensed consolidated statement of other comprehensive income.

21. COMPARATIVE FIGURES

Effective January 1, 2022, CI has changed the presentation of the statement of income and comprehensive income to provide users of the financial statements more information to analyze CI's revenue and expenses. These changes were applied retrospectively to the prior period.

21-05-322601_E (05/21)

04-28-887200