CI FINANCIAL CORP.

FOURTH QUARTER 2012 RESULTS

CONFERENCE CALL

FEBRUARY 14, 2013

Corporate Participants

Stephen MacPhail
President and Chief Executive Officer, CI Financial

Doug Jamieson
Chief Financial Officer, CI Financial

This presentation contains forward-looking statements concerning anticipated future events, results, circumstances, performance, or expectations with respect to CI and its products and services, and including its business operations, strategy, and financial performance and condition. Although management believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, such statements involve risks and uncertainties. For further information regarding factors that could cause actual results to differ from expectations, please refer to management's discussions and analyses available at www.cifinancial.com. This presentation includes several non-IFRS financial measures that do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. However, management believes that most shareholders, creditors, other stakeholders, and investment analysts prefer to include the use these financial measures in analyzing CI's results. These non-IFRS measures and reconciliations to IFRS, where necessary, are included in management's discussion and analysis, available at www.cifinancial.com.

MACPHAIL: Thank you and welcome to CI's conference call for our fourth quarter 2012 results. I'll start off with some of the highlights. It was another excellent quarter for CI as is evident from our results. Earnings per share of 34 cents were up 6.3% from the prior quarter and up 10% from the 31 cents per share we earned in the fourth quarter of 2011. For the year, CI had gross sales of 10.6 billion, up 16% from 2011. Our net sales for the year were $973 million, triple the net sales for CI in 2011. We were positive retail net sales in each month in the quarter again. Our average assets under management were up 2.6% from the third quarter and up 7.2% on a year-over-year basis. And as a result of our profitability and high cash flows, CI's net debt declined 5% from Q3 to Q4, taking it materially below our annual EBITDA levels.

Focusing purely on the consecutive quarters, average assets under management were up 3%. Net income: $95 million for the quarter, up 4%. Earnings per share: 34 cents, up 6%. EBITDA:

$178.8 million, up 2% and on a per share basis: 63 cents per share, again, up 2%. We paid $68 million in dividends during the quarter and our net debt declined to $526 million.

Turning to sales, gross sales in the quarter totalled $3.5 billion, up 44% from the prior quarter. Net sales for the quarter hit $724 million, double that of the prior quarter. Every month, again, had positive retail sales, and similar to Q3, we experienced net sales improvement in all channels on a consecutive quarter and a year-over-year basis. Equally important, both institutional and retail businesses were significant contributors in Q4, with over one-third of our net sales being classic retail business.

From a sales outlook perspective, CI has experienced its best January since 2001 for both gross and net sales. But just as important, it was essentially all retail business for CI. Performance of our funds continues to be outstanding, with over 80% of our assets under management being first or second quartile over 10 years. Signature, Cambridge, Harbour and Black Creek, all key CI investment management groups, have had continuing good performance, positioning CI very well for 2013.

If we look at the chart of fund performance, you can see that clearly a variety of CI funds had outstanding performance, and not only that, it's well diversified amongst fund types and fund managers, putting CI in an excellent position with our clients. With that, I'll turn it over to Doug Jamieson, CI's Chief Financial Officer. Go ahead, Doug.

JAMIESON: Thank you, Steve. Our next slide has the quarterly highlights comparing the fourth quarter this year with the fourth quarter of last year. Average assets under management were up over 7% from $69.3 billion a year ago to $74.3 billion. Net income at $95 million was up 8% from $87.8 million last year, and earnings per share were up to 34 cents from 31 cents last year, an increase of 10%. EBITDA per share was up two cents to 63 cents, a 3% increase. And dividends paid were up 6% and CI paid out $64.1 million last year at a rate of seven and one-half cents per month and $67.9 million this year at a rate of eight cents per month. And as Steve mentioned, net debt was down to $526.5 million. This is total debt less cash and marketable securities not required for regulatory working capital and it dropped more than $200 million over the past year. The $526 million represents public debt outstanding of $500 million plus $94 million drawn on our $250 million facility less almost $68 million of excess cash and marketable securities. This gives CI a debt-to-EBITDA ratio of under 0.75 to 1, and this provides significant financial flexibility going forward.

CI's EBITDA margin continues to hold steady above 48%, reflecting the fact that even as top-line management fees as a percentage of AUM declined due to the mix of business, we are holding the line on overall profitability of revenues, including the increase in institutional and fixed-income assets that we have seen over the past couple of years.

CI's SG&A (selling, general and administrative expenses), shown here as a percentage of assets under management in basis points, has declined from last year. As we saw from the quarterly highlight slide, CI's average AUM grew by more than 7% from last year. SG&A spend grew by less than 5%, which gives us a 2.5% net overall drop or one basis point from last year. Now, the spend is up from the third quarter as CI has initiated a television advertising campaign, an increased spend on conferences and roadshows during the fourth quarter, which we believe is excellent timing given the stellar relative performance of our funds and the improvement in financial markets.

Next, we have the last five quarters of free cash flow. Free cash flow was steady at $110 million from last quarter as both operating cash flow and deferred sales commission spend each moved up by $3 million. Free cash flow is up $6 million from last year as operating cash flow is $7 million higher and the spend on sales commissions was only up $1 million. Typically, the first quarter has the highest DSC spend during RSP season, and we can see that quarter has the dip in free cash in the second column of this chart.

Here in the first part of the chart on return to shareholders is the detail on the free cash flow for the last two quarters. Last quarter's operating cash flow of $136 million less the commissions of $26 million, giving us $110 million in free cash. In this quarter, we had $139 million of operating cash and $29 million of commissions paid.

The next section details the amounts returned to shareholders as share buybacks and dividends, and again, the past two quarters are identical in that CI bought back six million dollars' worth of stock and paid $68 million in dividends for a total of $74 million returned to shareholders. And this left a net surplus of $36 million this quarter, which we used to reduce net debt by $26 million.

The growth in our income and cash flow, as supported by the growth in the assets under management, made this an easy decision to increase CI's monthly dividend to 8.5 cents per share per month, up from eight cents per share. Our forecast payout ratios are well within historical levels, and net debt is declining, leaving us with flexibility for future quarters.

And here on Slide 12, we have the annual dividends paid over five years, from $167 million in CI's first year after converting back to a corporate structure, to an estimated $286 million in 2013 based on the new monthly dividend rate. And this is an annual dividend growth rate of 14%. I will now turn it back to Steve.

MACPHAIL: Thank you, Doug. With the growth in assets and sales CI's experienced recently, I'll admit I really like this chart. If you just focus on 2013, which is the right-hand side, you can see that our AUM is now just shy of $80 billion, quite an increase from $66 billion that was our assets under management just five quarters ago. As of yesterday, our AUM was up 6% from the Q4 2012 average, positioning CI for a very good first quarter and more than justifying the dividend increase of 0.5 cents per month that Doug just talked about.

Briefly looking ahead, as I just mentioned, our current assets under management are almost $80 billion and that's an all-time high for CI. We have seen investor interest in equity-oriented investments increasing, and that is very positive news.

From an activity perspective, CI's intensifying our focus on all sales channels, and that was reflected in some of those expense numbers that Doug talked about in the fourth quarter. We are adding to our investment management teams to continue to build those teams for future growth.

Training, technology, service, value-add to advisors, all are top and key initiatives for CI in 2013, and we think the key ingredients to continuing the growth that we've been experiencing.

With that, that completes the formal part of our presentation, and I'd like to open it up for any questions people might have on this Valentine's Day. Thank you.

OPERATOR: Thank you. We'll now be taking questions from the telephone lines. Please state your name and company and ask your question.

JOHN REUCASSEL, BMO CAPITAL MARKETS: It's John Reucassel from BMO Capital Markets. On the spending side, Steve, on this last slide you talk about training, technology, service. So when we think about your SG&A expense going forward, assuming that the markets are there, should we see on a basis point basis the SG&A go up or is it going to try and stay stable through the course of the year?

MACPHAIL: I spent a little bit of time on budgets for 2013, and we've got some interesting cost savings initiatives. I know we continue to pull the rabbit out of the hat on this one, and I don't know where these guys that work for CI find it, but they seem to find money all the time. But I would say that, I'm just looking at our positioning right now, John, and I kind of liken it to that we're ahead in the race right now and you've got two choices, to go slower or run faster, and I'd rather be running faster right now and if that means spending a little extra to provide better service, then that can be warranted because we'll be rewarded with extra assets and extra sales. I think that will pay for it in the end.

So, it's possible on a one quarter basis it could be a little higher, but we're not going to go crazy here by any stretch. But I do think we're looking at every opportunity. A great example would be, we had an opportunity to hire someone that had key relationships with one of the channels that we deal with, and to me it was a lay-up. We said this woman's a great hire, let's bring her in because we're going to get great payback. Well, you know, that might take three or four or five or six months to start to get payback on it, but I think it's a worthwhile investment.

We’re looking at that across the board right now. When we look at the Assante channel, a big priority for me there is continue to invest in technology. We really do have the premier independent firm there right now, and we’ve got to figure out every way we can to invest in that business to make it better, ideas that can take a little bit more money up front.

So it’s all those types of things. So the answer is sure, it can go up a little bit, but I don’t think you have to worry all of a sudden it’s going to jump up three or four basis points on you.

REUCASSEL: Okay. And then you talked about a third of your sales came from the classic retail channel. Can you give us a sense how much is institutional versus I class?

MACPHAIL: Well, in the fourth quarter of last year, a lot of what we’ll call the institutional business was concentrated in two big relationships, and one was what I’ll call an I class business where we were participating a big fund-of-funds program, where they want to use the CI name. And the other was where we were taking over a large part of their business. And it was like institutional business but you had to have a specific skill set that most other institutional providers couldn’t do because it involves segregated fund management and things like that.

REUCASSEL: Okay.

MACPHAIL: So I would say that would be the uniqueness of those. We did do a bit of classic institutional business in the fourth quarter but those would have been the two big things. But I thought the most important part was the magnitude of what we’ll call the classic retail business.

REUCASSEL: Okay. And I know it’s early, but February’s usually a better month than January. You said you had the best January since ’01. Would you say February is tracking much better than January?

MACPHAIL: Absolutely.

REUCASSEL: Okay. And you want to give us any numbers?

STEVE: No, it's just better.

REUCASSEL: Okay. Thank you.

OPERATOR: Thank you. The next question is from Geoff Kwan of RBC Capital Markets. Please go ahead.

KWAN: Good afternoon. I just had one question. Looking at your institutional business in terms of where you're able to grow that. Is it a matter of wanting to expand by offering more products than you offer right now, and also are there opportunities to be targeting different parts of the institutional market that you may not be dealing with right now?

MACPHAIL: I think it's more the former than the latter, Geoff. Right now, one key product is a balanced product offered by Signature Funds and it's an excellent product. We've done a reasonable amount of business with it, but ultimately the market for a balanced product is a limited market. Where we see the big opportunity is in global equities because the pools of cash you can win in those cases are much bigger. We spent a lot of time building out on the global side with Eric Bushell's group and going through that process of getting on all the consultants' lists, the approved list for the other funds. So that is really the key to us, and I spoke about that last conference call and I think even one before, saying the key for us is to continue to expand the offering. But you can't just flick a switch and say, "Okay, tomorrow I'm going to have that offering." A lot of these things take years and years to put in play, and we've been working on them for years and years and they're starting to come to fruition.

KWAN: Okay, thank you.

OPERATOR: The following question is from Stephen Boland of GMP Securities. Please go ahead.

BOLAND: Okay Steve, are you surprised at the strength at which, it appears, that net sales or interest in funds has come back? It seems like the last month or two that we're just starting to get all this momentum built in the sales channel. I mean, is it, or is it you kind of anticipated this? Or it just seems to be ahead of where maybe the market is or economic conditions?

MACPHAIL: I look back over 2012 and you might recall I talked about, in the last meeting, how year over year, consecutive quarters we saw improvements in all our channels. So we saw the process starting to happen last year, and the momentum seems to have really built. Are we surprised it's happening? No, we're not surprised it's happening. Are we surprised at the magnitude of the sales increase that we've seen? I'd say we're really pleasantly surprised on that side but we're not shocked at it. This is just a continuation of what we saw before, and I think we've just been quite cautious. And the numbers that we saw, in November, October, November and December, we said, "Wow, if this trend continues, we could see a really good 2013." And I think in CI's case, everything has just lined up well. Our relationship with the advisors is great. The performance of our funds is great. So a lot of things are working. And all of a sudden, people are willing and wanting to put money back into their investments. So it was a question of having done all the right things, I believe, for a long time, and now it's just come to fruition. We're pretty happy about it, and so I would say pleasantly surprised.

BOLAND: Can you just comment whether is this the advisor going in and buying a stand-alone fund, and when I mean that, is it full risk-on type of a purchase or is it still the advisor buying a fund-of-fund product where CI has a part of the shelf?

MACPHAIL: I wouldn't say when advisors are buying individual funds I would call that full risk on. When I look at the funds that they're buying within CI, we tend not to have particularly volatile funds and you can see that in our performance numbers. But what we do see is a lot of purchasing is from what I'll say are like successful advisors within the Assante channel, where we've been particularly successful in the managed money solutions that CI offers and we see a lot of flows into those. But they just happen to be involved in equity and fixed-income underlying funds, so there's certainly been an increase in that. But the investor is still being conservative but reaching out into equity funds now.

BOLAND: Okay. Thanks.

OPERATOR: Thank you. There are no further questions at this time. I'd like to turn the meeting back over to Mr. MacPhail.

MACPHAIL: Well, I'd just like to say thank you very much everyone, for attending and I look forward to speaking to you at the next quarterly call. I believe we just filed for our annual meeting, and that will be mid-June, just so you know, June 13th. We'll be doing it then so we can provide a good mid-year recap for all the investors at that point in time. Thank you very much and have a happy Valentine's Day.