CI FINANCIAL CORP.

THIRD QUARTER 2014 RESULTS

CONFERENCE CALL

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Corporate Participants

Stephen MacPhail
President and Chief Executive Officer, CI Financial

Doug Jamieson
Chief Financial Officer, CI Financial

Derek Green
President, CI Investments Inc.

Steven Donald
President, Assante Wealth Management

OPERATOR: I would now like to turn the call over to Mr. Stephen MacPhail, President and CEO of CI Financial. Mr. MacPhail, you may begin.

MACPHAIL: Thank you very much and welcome to CI's conference call for fiscal Q3 2014 results. With me today are three members of CI's executive management team, Doug Jamieson, well known to you all, our EVP and Chief Financial Officer. Also with me today, Derek Green, President of CI Investments, and also Steve Donald, President of Assante Wealth Management. So we have all key areas of our business represented here today. I start off with just looking at the performance of CI. Given the number of changes we have gone through this year, I'm still proud to say that we're, by a long shot, the top financial services stock returning over 4,274% since June 1994, which puts us as the fourth best performing stock on the TSX since 1994. And in fact, we've been in the top 10 over the last 16 years, showing the consistency of our outperformance.

Just looking at some of the highlights of the year. We reported earnings per share of 48 cents a share, up 26% from 38 cents in Q3, 2013. In addition, our earnings were up 7% from 45 cents in the prior quarter. Our Q3 average assets under management were up 20% year over year, and up 3% from the second quarter of 2014. Our retail net sales in Q3 2014 were 17% higher than the same quarter in 2013. Net debt was down 45% from

Q3 2013 and down 13% from the prior quarter. And lastly, we increased the dividend today to 10½ cents per month, which is our third increase in 12 months, reflecting the continued strong free cash flows, asset growth and sales at CI.

I'm particularly proud of the report that came out in the *Wealth Professional* magazine in its 2014 advisor report. In that report, CI was ranked number one overall in Canada versus all the banks, fund companies and insurance companies. They measured 10 categories such as service, product range, processing accuracy, technology, advisor support, performance, etc., and CI ranked either one or two in 80% of the categories and ranked top three in 100% of the categories. I would say this top ranking reflects CI's long-term culture of over 20 years of service and advisor focus. And with that, I'd like to turn it over to Derek Green to talk about sales. Derek.

GREEN: Thanks, Steve. We're enjoying another excellent year at CI. During the first nine months we had 11 billion dollars in gross sales, which is 6% higher than 2013. Year to date net sales are 3.4 billion to the end of the third quarter, which is 15% higher than 2013. Q3 retail sales are the highest in over a decade and our sales are well diversified by channel. Since 1994, CI has achieved positive net sales in 88% of all quarters, which is ranked the highest of all mutual fund companies in Canada.

In terms of sales outlook, we've just returned from Las Vegas where we had over 1,200 advisors pay their own way to our Leadership Forum. We're currently enjoying another solid year of performance. Over half of CI's long-term AUM is first or second quartile, year-to-date, over one year, over three years and over five years, and I'm happy to report that 79% of CI's long-term AUM is first or second quartile over ten years.

With regulatory reform, we're seeing a change in advisor behaviour. We've seen a sharp increase into our award-winning managed solutions and into our mass affluent product, PIM [Private Investment Management]. We're also seeing strong flows into our traditional funds and after five and a half years of a bull market, we're seeing a decrease in interest in segregated funds.

In terms of where we're seeing sales flow, our managed solutions, our income products, our global balanced and global equity in emerging markets are seeing an increased share of sales. American equities are maintaining share and Canadian equity and Canadian balanced have seen a decreased share. And with that, I'd like to pass it over to Steve Donald.

DONALD: Thanks, Derek. I thought I would take a few moments to talk about our advisory platforms, Assante Wealth Management and Stonegate Private Counsel. Across these platforms, we provide advice on over 31 billion dollars in assets. That's four billion dollars of discretionary portfolios and 27 billion dollars of advised portfolios. Over half of our assets are held in high net worth accounts, and we're seeing continued flows come to us over the summer months. We're capturing larger and larger opportunities as demographics are demanding increasingly complex planning services. I think it's those planning services and our focused approach to providing planning that has helped us be very well positioned for regulatory change.

The regulatory change is really focused on transparency and accountability in the relationship between advisors and their clients, and over half of our assets are already in fee-disclosed accounts. We've had the discussion with our clients about their fees and about the value that's received for the fees that our clients are paying. And I think that value is augmented by our wealth planning support.

Last year's *Investment Executive* survey ranked us as the top-ranked firm among our peers in wealth planning support. Across our organization, we have upwards of 70 people, 70 professionals assisting advisors and their clients. I think it's that scale that has allowed us to continue to invest in our business, and that will set us apart as we move forward. We are helping our advisors help their clients through expertise, investing in people, wealth planning resources, practice management resources, investing in technology, helping advisors have more efficient practices, and of course investing in brand. It's a lot easier to attract clients when they know who you are and what they stand for. So as I think about Assante Wealth Management and Stonegate Private Counsel, it really is about standing for that complete financial well-being of our clients. So with that, I will turn the call over to Doug Jamieson, who will touch on our financial highlights.

JAMIESON: Thank you, Steve. This next slide of financial highlights has a few of the numbers that Steve MacPhail went through already, but they're summarized here, comparing the third quarter of this year with the third quarter of last year. As Steve said, average assets under management were up 20% from 84.1 billion a year ago to 101 billion. Next, net income was 135.1 million and that was up 25% from 107.8 million last year. And on a per share basis, was up to 48 cents from 38 last year, and that's an increase of 26%. EBITDA per share was up 13 cents to 81 cents, a 19% increase. And dividends paid were up 11%, as CI paid out 76.6 million last year, and that was at a rate of 27 cents for that quarter, and 85.3 million in the third quarter this year at a rate of 30 cents per share, or 10 cents per month.

And net debt has declined 184 million dollars from 404 million at the end of the third quarter of 2013, and at the end of September 2014, it was approximately 220 million, calculated as gross public debt outstanding of 500 million less 280 million dollars of excess cash and marketable securities. This gives CI a net debt to EBITDA ratio of under 0.25 to one, and as we've said before, it continues to provide CI with significant financial flexibility.

Now we can take a look at quarter-over-quarter highlights. Average AUM up 3% from 97.9 billion to 101 billion. Net income up 6% from 127.8 million to 135.1, and the 48 cents of earnings per share, up 11%. EBITDA up 4% from 221.5 million to 230.8, and 81 cents per share is also up 4%. Dividends paid of 85.3 million was an increase of 3% from 82.6 million. And net debt declined 32 million dollars during the third quarter alone.

CI's EBITDA margin increased to 48% this quarter, which reflects the fact that even as CI's average management fee rate has declined due the mix of business, we generate 48 cents of EBITDA profitability on each revenue dollar.

CI introduced a couple of new performance measures in the first quarter, the first of which was the asset management margin that you see here. This margin measures how much we retain out of management fees after paying trailers, SG&A and DSC [deferred sales commissions] on a trailing 12-month basis, and we see that we are left with over $41 of every $100 dollars in management fees earned, up from about $39 one year ago, and this measure eliminates the financing impact of front-end versus back-end funds since we've already deducted trailers and DSC, and it also eliminates the distortion of equity and fixed-income mix changes and retail and institutional mix changes because it is measured as a percentage of management fees and not AUM.

CI's SG&A, which we're calculating as a percentage of assets under management and showing it in basis points, has declined significantly from the third quarter of last year. We saw on the quarterly highlight slide that CI's average AUM grew by 20% from last year, while at the same time SG&A spend grew by less than 10%. So we see the drop from 37 to 33.8 basis points year over year and a drop of one basis point in this quarter.

And here is the other new performance measure that we introduced this year, the SG&A efficiency margin. Here we look at an available pool of management fees less trailer fees and DSC and how much of that pool remains after deducting SG&A spend. So in the past 12 months, CI has retained 71% of that available pool, up from 68.5 a year earlier. Put another way, CI spends less than 30% of the amount available after paying trailer fees and DSC out of management fees.

Next, looking at cash flow. We have five quarters here of free cash flow and we have a nice jump to a record quarterly free cash of 148 million dollars, and that's 29 million dollars higher than the third quarter last year. Note that the first quarter is typically a low point in the middle there because of the increased spend on DSC during RSP season. And the year-over-year increase is a result of operating cash flow growing by more than 25 million dollars, and we spent about four million dollars less on deferred sales commissions this year, as the trend away from deferred load sales is continuing.

And here in the first part of the return to shareholders table, you can see the detail on the change from free cash flow from last quarter to this quarter. Last quarter's operating cash flow of 168 million, less commissions of 30 million dollars gave us 138 million in free cash. This quarter we had 173 million of operating cash flow and paid out just under 25 million dollars of commissions, giving us a ten million dollar increase in free cash flow.

The next section details the amounts returned to shareholders. We repurchased 56 million dollars in stock in the third quarter and increased the dividends paid to 85 million, up from five million in repurchases last quarter and 83 million in dividends. And as we pointed out in our news release, we repurchased an additional 22 million dollars in stock in October. As well, CI's run rate dividend payout is now 89 million dollars with the increase announced today. The net surplus of seven million dollars plus a decrease in working capital is what reduced net debt by 32 million dollars in the quarter.

We continue to highlight CI's return on equity, which hit 27% this quarter and is another indicator of the strong performance of CI, and this return has grown over the past year from 24% as CI leverages the growth in its AUM to earnings growth and CI's limited need for additional capital to support that growth.

And looking at the dividends over the last five years, the dividend paid since 2010 and through to our forecast total payout for 2014 shows a compounded annual growth rate of 11%. I'll now turn it back to Steve MacPhail.

MACPHAIL: Thank you, Doug. Those are terrific numbers. Every time I'm surprised because I never think they can get better, and somehow you manage to make them better.

This chart depicts our current assets under management, really where they've been over the last year and a bit, and you can see why the third quarter was a record quarter for CI, and though we saw in October the markets decline and then come back up, we're pretty well back up to our all-time high again. We're closing in on that very closely, which put us in a strong position to increase the dividend.

Turning to the outlook for CI, as Derek mentioned, our year-to-date gross and net retail sales levels are ahead of 2013. We continue to see an increase in the demand for equity-oriented and balanced investments. CI has established a clear leadership role in helping advisors adapt to regulatory change, and as you heard from Steve Donald, we're very comfortable that we've actually put this into a positive position for the advisors where they'll be able to take advantage of it, and, in fact, that's already reflected in the strong business we're seeing at Assante year-to-date.

As a company, we continue to focus on comprehensive service. We're making big investments in additional inside sales staff, wholesalers, customer service people, technology and admin people to keep us ahead of the curve on that side of the business. Under Neal Kerr, who heads up our institutional and money management side, he makes money management talent enhancement a key priority for our company, whether it's the Signature group, Cambridge, Harbour, we're always looking to see where we can add to that money management talent, especially on the international and global side to enhance our product lineups.

And lastly, in the last few months I've talked about a goal for CI that when we look forward for our business, we're targeting this company to be a $150 billion company. We're trying to take all the actions necessary to position us to be that type of company, whether it be on service, money management, products, etc. On the Assante side of the business, Steve Donald has established a target of $50 billion in assets for that firm, up from the 32, essentially based on the same thing CI's talking about with the added benefit of the comprehensive wealth management that the Assante advisors add. With that, I'd like to say thank you and I was happy to report another record quarter for CI.

With that, I'm open to taking any questions you might have.

OPERATOR: Thank you.We will now take questions from the telephone line. The first question is from Gary Ho (Desjardins Securities). Please go ahead.

HO: Thanks. First question is on the use of cash. The company has a pretty conservative balance sheet, and I think you're planning on redeeming 200 million in debt at year-end. Is the intent to redeem with mostly cash on hand, or you consider refinancing some of this given where rates are?

MACPHAIL: At this point in time, we'll probably just repay that debt with cash on hand, and then evaluate our options as to whether or not we want to lock in longer-term debt as we go along, but one activity is not contingent upon the other.

HO: Okay, along the same lines, what I'm trying to get at is why wouldn't you guys consider taking on more debt and be more aggressive with your buybacks?

MACPHAIL: You know, you might recall I have made the statement at the annual meeting and since that when we look out over a five-year period of time between surplus cash, free cash flow and if we look at taking ourselves up to approximately something just less than one times debt to EBITDA, we see that over five years that that would free up about two billion dollars to do many things, including buy back more shares. And you certainly would have seen that our activity in the last three months in the buyback area has been much more extensive even in the month of October. We had a great opportunity to buy back shares at what we considered a very, very reasonable price. We bought back 500,000 at $31.30. So it was a terrific opportunity. We're going to continue to pursue those. So if you annualize out what we've done in the last three months, you saw we almost took our net free cash down to zero in the last quarter, so you should expect to see more of that as we go forward. We also just increased the dividend, but that's always been in our planning process, that when our free cash flow and earnings increase, that we look to increase the dividend consistent with that.

So I think you could expect kind of more of the same as we go forward, opportunistic buying back of our shares, increasing dividends and if we see good acquisition opportunities, then certainly with that two billion dollar number to work with over five years, we've got lots of flexibility.

HO: Perfect. Thanks for that colour. And then my next question is on fees, and this is quite topical over the last while given some of your actions by your competitors. Can you update us on where or how fees in your products match up with peers? Any particular product you think might be an outlier in terms of fees?

GREEN: It's Derek Green speaking. So I would say we're very competitive from a fee perspective, specifically in the mass affluent space, we're very competitive. But I think we're also realistic that there's ongoing pressure for fees to come down. So it's certainly not affecting our sales. We're having the best year in the history of the company from a gross sales and we're having a really good year from a net sales perspective. So I think we're very competitive.

HO: Okay. Thanks.

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

KWAN: Hi. I just have a question with the advisor conference that you just had. I know it's relatively recent, but can you sort of colour around in terms of some of the leads on potential for more business from those advisors?

GREEN: We always do the analysis of the attendees and when people have paid their money to come listen to our money managers' views and our featured speakers, we seem to get more sales out of them. So we've seen some significant business already out of the attendees. So the exact number was we had 1,275 advisors in Las Vegas, which represented about 13 billion dollars of retail AUM. I think we'll see some pretty decent sales.

MACPHAIL: Geoff, it's Steve MacPhail. Let me just add into that. You have to remember the point of this conference. This is not a sales conference. What this conference is all about is providing content to advisors, whether it be to Assante advisors, Sun Life advisors, all the people that we're involved with. It's not about talking about our individual funds. We have topics ranging from cyber crime to regulatory changes to practice management to succession planning. So advisors go there because it's educational, is what they want to do, and we bring the money managers down so they have the opportunity talk to the money managers one on one to understand what's going on in the world, and so they understand what they're paying for with the professional money management.

So I think you have to have a pretty good idea that the objective isn't to bring someone down and say, "Hey, did you give us a dollar the next day?" If you take that attitude, it'll never be successful. The idea is that you go down, say, "Let's do what's right from a service perspective because these are all very big supporters of CI." You have to remember, we have over 100 billion in assets under management and the service that we provide to people on the existing business is paramount to us. So let me just make that perfectly clear.

KWAN: Thank you. Just the other question I had is with some of the regulatory stuff going on – if they ever did decide to go down the road of banning trailer commissions, can you kind of talk about hypothetically how you would try to compete, or what you might do differently from what you do now in that scenario. Particularly, I was thinking about the types of business that you do outside of the Assante channel.

GREEN: Sure. It's Derek again. We've been talking quite vocally for the last, I would say, three years on regulatory reform and where we ultimately think it's going, and I think it's a big leap to say that commissions are going to be banned. What we've been promoting, though, is for advisors to be more transparent with using fee-disclosed products. So our PIM product last year at this time was 2½% of our AUM. Last year, it was about 25% of our net flow. This year, it's 4.2% of our AUM, but it's over 30% of our net flow. So it's a product that is transparent. It's fee based. It really enables us to compete quite effectively if that does happen. So we've been out in front of this. We tried to be thought leaders on it. We know that regulatory reform is not just CRM2, but CRM2 is the start to helping advisors transition should there be a ban.

KWAN: Okay. Thank you.

OPERATOR: Thank you. The next question is from Stephen Boland (GMP Securities). Please go ahead.

BOLAND: Yeah Derek, just following up on that. You said that it may be a big leap to assume that trailer fees get banned. Can you explain a little bit more why you believe that?

GREEN: Well, I think mixed things have come out of Australia and Britain whether that's the right thing to do. What we said to regulators and the feedback that we've provided is let's see what effect CRM2 actually has on the behaviour. To make change for the sake of making change, I don't think makes sense, but then again, I'm not the regulator. I just don't think it's as clear cut as just assuming that commissions are going to banned or embedded compensation is going to be banned, but I think we should wait and see. But it's the old saying, hope for the best and prepare for the worst. So I think we've got a good game plan in place. We've got a very competitive product and we continue to see increased flows into our mass affluent product quarter over quarter.

DONALD: And Stephen, it's Steve Donald, if I can just add a little bit more colour to that. I think the objective of the regulators with their client relationship model and a lot of the discussion is to enhance transparency and accountability as I said earlier, and the client relationship model will significantly increase that transparency. With every passing day, we're getting more and more information out of jurisdictions like the U.K., like Australia about the impact that their rules, which have gone further than the rules that are now going to be in place for Canada. We get more and more information about the implications that it's having particularly on smaller investors, and I believe, based on some of the discussions that I've been involved with, that is of concern. So to Derek's point, taking a little time to understand what happens in these other jurisdictions, particularly the U.K., to a lesser extent Australia, and also what happens in Canada with the full implementation of CRM2 is very important. We want to make sure that if there are policy gaps that are identified, we can address those gaps, but let's not make drastic change that may have, excuse the cliché, but have unintended consequences.

BOLAND: Do you find that the regulator is being receptive to your views or the industry views in general?

DONALD: I think there's a lot more discussion right now. Now, of course there are a number of research initiatives underway to try to get a better understanding of the impact of compensation models on behaviour on long-term outcomes, but there certainly seems to be a desire to have a better factual understanding of the outcomes that may come about as a result of this.

GREEN: And just one other thing, there is a scenario where it could be something in between what's happened in the U.K. and Australia. You could have a situation where it's like the United States where the 12 B-1 fee is capped at 25 basis points. We really don't know exactly where this is going, but to Steve's point, I think when CRM 2 is fully implemented in 2016, we'll have a much better idea of where things are going.

BOLAND: Okay, that's great. Thanks, guys.

OPERATOR: Thank you. The next question is from Paul Holden (CIBC World Markets). Please go ahead.

HOLDEN: Thank you. Good afternoon. That was a good overview you provided at the beginning of the call with respect to all the action you're taking on regulatory change. I get the impression that these can't simply be defensive actions or else we would just be looking at a lot of margin pressure. They must be offensive in some nature as well. So maybe you can talk a little bit about that angle and potentially where additional assets would be coming from.

GREEN: Well, I'll take a shot at that. As I said before, we've been out in front of this and we've been talking about it for quite a long time. Three years ago we were talking about regulatory reform and we tried to become, as I said, thought leaders on this. We've invested significant dollars, we have a professional development team that is doing workshops across the country.

A decade ago, the most important thing about a mutual fund company is that they had good product with good performance. That is really table stakes today. It's all of the other things that we do for our partners. It's our value proposition that we are trying enhance every day that we come to work. So, if we make it easier for an advisor to do business with them, if we give them the tools and resources to do a better job for their client, it will translate into, and it is translating into additional business, and I think not every fund company has the tools or resources. At 100 billion dollars, we do have scale and we do have the resources to invest back into the business, and that's something that Steve's been very good at doing, is investing into the business and giving us the tools that we need to help advisors. Do you have anything you wanted to add, Steve?

DONALD: Well I think, Paul, from a distribution perspective, certainly these changes, not only on the regulatory side, but also the legislative side, if you think about the investment that's required in technology to deal with the client relationship model, with point of sale distribution and what will likely become pre-sale distribution of the fund facts document, with requirements around anti-spam infrastructure to ensure that you've accumulated permission. This requires a significant investment, and we see that this will exacerbate the continuing consolidation on the distribution side. But having said that, I think that we are well positioned to provide a platform for strong professional advisers and I think we'll benefit from a certain level of consolidation.

HOLDEN: And Steve, can you just remind me on your end there how you can capitalize on that consolidation. Is that primarily going to be through hiring an IA or two at a time, or are there opportunities, say, to bring over entire firms, like if there are small firms out there that maybe have 20 or 30 IAs, you buy them all in one shot?

DONALD: Yeah, I think that it's a multifaceted approach. Steve mentioned that we have fairly aggressive growth targets. Certainly where we are spending most of our time and effort is helping our existing advisors growth their practices, and I mentioned the demand that's coming from demographic shifts. We are seeing higher and higher inflows. But certainly we are looking at recruiting opportunities, bringing in like-minded professional advisors and acquisition opportunities particularly amongst the smaller firms where the capital investment is going to be substantial. We can be a platform for professional advisors to continue to provide advice to their clients. So multifaceted, organic growth, recruiting and acquisition where we see opportunity.

HOLDEN: Okay. As we think about all these changes taking place, are there any kind of thoughts on new product, innovation and/or additions that you can make to capitalize on regulatory change?

GREEN: I can't think of anything too specific right now. I think we're going to continue to see demand for income products. As Canadians get older, they're looking for secure sources of income. We came out with our G5|20 product a couple of years ago, but when you have a five and half year bull market, last year with returns being in the 25%, people generally aren't looking for insurance on their investments. So we'll continue to look at products selectively, but I think you'll continue to see diversified income products, multi-asset class income products. We have a huge commitment to managed solutions, it's just a better, more efficient way for advisors to run their practices. We can help them a tremendous amount with the heavy lifting in terms of the asset allocation decisions, the investment decisions, the rebalancing and leave them more time to actually do what they get paid for, which is to meet with their clients, to meet with centres of influence and really to grow, be more professional.

DONALD: And I would add to that, Paul, I think CI has a tremendous lead right now in terms of developing managed solutions where there is already a direct negotiation of fees between an advisor and their clients. So those fees are disclosed. It positions the advisors that use CI solutions well for the pending regulatory change. So I would imagine continued focus on developing and enhancing those managed solutions will continue to differentiate CI in the marketplace.

HOLDEN: Okay. So my interpretation is you think your position is the value proposition of the products and services you're providing are enough to stave off the competitive threat of lower-cost options in the new regulatory world? Is that fair? Do you spend a lot of time thinking about sort of the lower-cost alternatives such as ETFs?

GREENN: Every day.

DONALD: I would suggest to you, Paul, that that whole discussion applies to both the manufacturing and the distribution parts of our business. To be able to clearly articulate the value proposition that people get for their fees, whether it be on the manufacturing side, managed solutions, corporate class, automatic rebalancing or whether it be on the advice side in terms of a focus on wealth management, tax and estate planning, all of those value elements rather than simply a discussion of cost. You get what you pay for.

HOLDEN: Got it. Okay, thank you very much for your answers.

OPERATOR: Thank you. The next question is from Graham Ryding (TD Securities). Please go ahead.

RYDING: Hi, gentlemen. Maybe I could keep it the theme of regulatory, just the CRM2. Is there any concern that as CRM2 sort of gets brought in over the next couple of years that the potential fallout for some will be there'll be push back on clients through advisors on what they're paying for advice, and then in turn there could be pushback to the manufacturers from the advisors saying, "Look, we're being pressured on our fees. You've got to take some of the hit here and we'd like to see you lower your fund fees." Is that a reasonable concern?

DONALD: Graham, it's Steve Donald. I'll take it from a distribution perspective. As I said to the last question that Paul had, [we have] a continuing focus on the value proposition. You can get into this environment of just continuing to cut fees, but I think as an organization we are absolutely focused on the value that's delivered for those. So we're not looking to compete against a low-cost index. There is value added to active portfolio management, to integrated financial advice and being able to clearly articulate, demonstrate and document that value will help us, I think not only stave off low-priced discount type competition, but actually attract assets by clearly articulating that value.

RYDING: Right. I guess where I was going at there, is you can certainly control Assante because you can control the advice and the whole integrated approach, but some of the other channels where you're more focused on providing the right product for the advisor and educating them and whatnot, but at the end of the day, you can't necessarily control their whole approach to the advice they're offering.

GREEN: Right, and in terms of that, we are competitive on our mass affluent product. So when we first came out with our PIM product, it had a million dollar threshold where we sharpened our pencil and reduced our fees. And then it was 500,000 and now it's down to 250,000 and we're making enhancements to that, but what people get with that is multi-asset class, multi-manager, they can have managed solutions or a la carte funds, and rebalancing tools. But again, there's going to be ongoing pressure for fees. It's a reality, and we'll remain competitive and we evaluate that really on a day-to-day basis. We're not in the passive investment business, we're in the active management business.

RYDING: Yeah. That's good colour. And then maybe I just could ask, on the target that you provided. So 50 billion at Assante and 150 billion at CI. Is there a timeline behind those targets at all, and do we assume that it's a combination of organic and acquisition to fuel that growth?

MACPHAIL: Graham, it's Steve MacPhail. I set those targets, and what you basically need is you have to set a target that's way bigger than where you are because you have to look at your business and say what are the gaps in our business to get there. Where are service gaps that if we were at 150 billion, are we able to accommodate it? Where do we need to enhance money management expertise? So you come up with a number. It's part of running a company. It's what you do.

I used five years because if I use seven years, someone could say, yeah, the market just goes up by 7% for seven years, MacPhail, you hit that target of 150 no problem. Well, it's not a 'no problem' because a lot of our competitors over the last five years have actually shrunk in size even though we've had a tremendous increase in the market. So I look at it as that if we continue to do the things that are necessary to grow our business, then we'll continue to get inflows into our business and we're able to take advantage of markets when they rise, and that's how you get to 150 billion. And the same theory goes at Assante, how do they go from 32 to 50? And they get to that number by saying what are all the things that they want to do, whether it's dealing with regulatory changes, fee changes, etc. What is it we can do to drive the business to that level? So it's kind of a guide over five years how we think we can get there.

I can't control the markets, so if the markets were flat for five years, it would be a little bit more difficult, obviously, but otherwise we certainly believe that over time markets go up, it's our business, that we can get to that number.

RYDING: Great, thanks. And then just a quick question. On one of the slides you talked about the areas of your business where you're gaining share and where you're losing share. Are you referring to the market there or are you referring to your asset....

MACPHAIL: Within our assets. What we're trying to do is give colour when people always ask the question, what's selling, what's not selling at CI. So instead of waiting for the question, we just said, "Here's the areas where people at CI are increasing their exposures and here's where they're decreasing their exposures in our asset mix." So we just look at the year-to-date and see what's been increasing importance and what's not. So I think most people recognize that global, international areas like that have been increasing in importance in people's portfolios and they've diversified away from [for example] Canadian balanced funds. So we were just trying to summarize that for you.

RYDING: Yeah. Appreciate it. Thank you.

OPERATOR: Thank you. The next question is from Scott Chan (Canaccord Genuity). Please go ahead.

CHAN: Steve, on the targets on the AUM side ... the 150 billion. Does that limit large acquisitions for you guys or is this just kind of the five-year target?

MACPHAIL: Scott, that'd be kind of cheating if we just went out and bought a 50 billion dollar company and called it a day. No, the 150 is with what we have, what we're doing in Canada the way we're doing it. What we want to do is grow our business from 100 to 150. That's what we believe we can do even with all the regulatory changes because of the position we believe we're in. And as our industry on the non-bank side continues to consolidate by the numbers, if not by companies, that is where we think we'll [end up]. It doesn't prohibit us from doing an acquisition but an acquisition would just be an add-on to that if we were to do something in Canada.

CHAN: Okay, thanks a lot.

OPERATOR: Thank you. There are no further questions registered at this time. I would now like to turn the meeting over to Mr. Stephen MacPhail.

MACPHAIL: I'll just say thank you very much for joining our call and we appreciate all the questions you have. If there's anything you haven't asked us, you know how to get a hold of us. Thank you very much and I look forward to reporting to you next with our year-end results in February. Bye now.