CI Financial

Q3

Quarterly Report September 30, 2010

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Financial Highlights

(in millions of dollars, except per share and share amounts)	As at Sep. 30, 2010	As at June 30, 2010	As at Sep. 30, 2009	% change quarter-over-quarter	% change year-over-year
Retail assets under management	65,631	61,263	60,612	7	8
Fee-earning assets	91,471	85,688	86,360	7	6
Shares outstanding	287,559,301	288,079,852	292,425,404	-	(2)

	For the quarters ended			% change	% change
(From continuing operations)	Sep. 30, 2010	June 30, 2010	Sep. 30, 2009	quarter-over-quarter	year-over-year
Average retail assets under management	63,527	63,515	57,963	-	10
Gross sales of managed funds	2,182	2,524	1,821	(14)	20
Net sales of managed funds	210	310	246	(32)	(15)
Management fees	293.3	293.1	273.5	-	7
Total revenues	336.3	338.8	318.7	(1)	6
SG&A	67.8	56.2	72.9	21	(7)
Trailer fees	85.1	85.9	79.0	(1)	8
Net income	75.5	89.0	66.4	(15)	14
Earnings per share	0.26	0.31	0.23	(16)	13
EBITDA*	160.3	172.6	141.6	(7)	13
EBITDA* per share	0.56	0.60	0.48	(7)	17
Dividends per share	0.195	0.190	0.150	3	30
Average shares outstanding	287,727,229	289,662,141	292,395,810	(1)	(2)

	For the nine months ended		
(From continuing operations)	Sep. 30, 2010	Sep. 30, 2009	% change
Average retail assets under management	63,299	53,491	18
Gross sales of managed funds	7,570	6,277	21
Net sales of managed funds	1,210	1,088	11
Management fees	874.9	753.6	16
Total revenues	1,011.2	885.0	14
SG&A	191.9	203.3	(6)
Trailer fees	255.0	216.2	18
Net income	239.4	180.4	33
Earnings per share	0.83	0.62	34
EBITDA*	489.0	393.9	24
EBITDA* per share	1.69	1.35	25
Dividends per share	0.565	0.460	23
Average shares outstanding	289,621,968	292,675,471	(1)

**EBITDA (Earnings before interest, taxes, depreciation and amortization) is not a standardized earnings measure prescribed by GAAP; however, management believes that most of its shareholders, creditors, other stakeholders and investment analysts prefer to include the use of this performance measure in analyzing CI's results. CI's method of calculating this measure may not be comparable to similar measures presented by other companies. EBITDA is a measure of operating performance, a facilitator for valuation and a proxy for cash flow.*

Letter to Shareholders

Dear Shareholders,

Equity markets roared back to life during the third quarter of 2010, bringing CI's average retail assets under management back up to the levels of the second quarter and setting the table for a great start to the fourth quarter. CI began the third quarter with $61.3 billion in retail assets under management, which grew 7% to $65.6 billion at the end of the quarter. The S&P/TSX Composite Index advanced 10% during the quarter ended September 30, 2010 and, in Canadian dollar terms, the S&P 500 Index and MSCI World Index rose 8% and 10%, respectively. The strength of the Canadian dollar during the quarter chipped away at foreign returns as it moved up 3% against the U.S. dollar.

Gross sales of $2.2 billion were up 20% from $1.8 billion in the third quarter of last year. Net sales of funds were $210 million during the quarter, down from $246 million in the quarter ended September 30, 2009. Last year's redemptions were significantly below typical levels due to the market disruption of 2008, which is why net sales declined from the comparable period. Average retail assets under management were up 10% from the same period last year.

At Assante, dealer revenues were $57 million and $180 million in the three and nine months ended September 30, 2010, respectively, up from $54 million and $162 million in the same periods last year. These were driven by higher sales commissions and increased service fee revenues as a result of higher assets under administration.

The improvement in both segments of CI's business from the prior year resulted in CI reporting $160 million in EBITDA for the quarter, an increase of 13% from the comparable quarter of last year.

In terms of expense control, SG&A expenses (adjusted for equity-based compensation) grew by 5% from the third quarter of 2009, much less than the 10% increase in average retail assets under management. CI's average management fee rate declined from the prior year as the mix of business continued to shift slightly toward institutional assets. However, the decrease in SG&A expenses, as a percentage of average retail assets under management, helped minimize the decline in CI's operating margin.

Outlook

On October 21, 2010, CI announced the acquisition of Hartford Investments Canada Corp., the Canadian mutual fund business of The Hartford Financial Services Group. With the deal CI will add approximately $1.75 billion to its retail assets under management and gain a strong lineup of portfolio managers and distribution relationships. The deal is expected to close in December 2010 and should be immediately accretive to 2011 earnings.

Net sales for October were $46 million, and assets under management at the end of the month were up 2.2% from the third quarter's ending assets. This reflected a strong recovery in markets from the latter part of the second quarter as concern over European debt levels eased and economic conditions in Canada continued to improve.

The Board of Directors declared monthly cash dividends of $0.07 per share payable on December 15, 2010, January 14, February 15, and March 15, 2011 to shareholders of record on November 30, December 31, 2010, January 31, and February 28, 2011, respectively.

William T. Holland
Chairman

Stephen A. MacPhail
President and Chief Executive Officer

November 9, 2010

Q3

Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") dated November 2, 2010 presents an analysis of the financial position of CI Financial Corp. and its subsidiaries ("CI") as at September 30, 2010, compared with December 31, 2009, and the results of operations for the quarter ended September 30, 2010, compared with the quarter ended September 30, 2009 and the quarter ended June 30, 2010.

CI was structured as an income trust from June 30, 2006 to December 31, 2008. In October 2008, CI announced that it would convert back to a corporate structure and on January 1, 2009, effected that conversion.

Unless the context otherwise requires, all references to CI are to CI Financial Corp. and, as applicable, its predecessors, CI Financial Income Fund and CI Financial Inc. together with the entities and subsidiaries controlled by it and its predecessors. All references to "shares" refer collectively to common shares subsequent to December 31, 2008 and to units prior to the conversion. All references to "dividends" refer collectively to payments to shareholders subsequent to December 31, 2008 and to payments to unitholders prior to the conversion.

Financial information, except where noted otherwise, is presented in accordance with Canadian generally accepted accounting principles ("GAAP") and amounts are expressed in Canadian dollars. The principal subsidiaries referenced herein include CI Investments Inc. ("CI Investments"), United Financial Corporation ("United"), Assante Wealth Management (Canada) Ltd. ("AWM") and Blackmont Capital Inc. ("Blackmont"). The Asset Management segment of the business includes the operating results and financial position of CI Investments and United. These two entities amalgamated on January 1, 2010 to continue as CI Investments. The Asset Administration segment includes the operating results and financial position of AWM and its subsidiaries, including Assante Capital Management Ltd. ("ACM") and Assante Financial Management Ltd. ("AFM"). The operations of Blackmont are considered discontinued as at December 31, 2009 and are no longer included in the Asset Administration segment.

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

more complete discussion of the risk factors that may impact actual results, please refer to the "Risk Factors" section of this MD&A and to the "Risk Factors" section of CI's Annual Information Form dated February 26, 2010, which is available at www.sedar.com.

This MD&A includes several non-GAAP financial measures that do not have any standardized meaning prescribed by GAAP 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 of these financial measures in analyzing CI's results. These non-GAAP measures and reconciliations to GAAP, where necessary, are shown as highlighted footnotes to the discussion throughout the document.

SUMMARY OF QUARTERLY RESULTS

(millions of dollars, except per share amounts)	2010			2009				2008
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
INCOME STATEMENT DATA								
Management fees	293.3	293.1	288.5	287.9	273.5	251.0	229.1	243.3
Administration fees	31.3	32.4	35.3	35.1	31.0	29.8	29.2	27.8
Other revenues	11.7	13.3	12.2	10.5	14.2	11.1	16.0	17.9
Total revenues	336.3	338.8	336.0	333.5	318.7	291.9	274.3	289.0
Selling, general & administrative	67.8	56.2	67.9	75.6	72.9	71.4	59.0	61.7
Trailer fees	85.1	85.9	83.9	83.5	79.0	71.5	65.7	70.7
Investment dealer fees	22.9	23.8	25.8	24.6	22.1	20.9	20.5	22.3
Amortization of deferred sales commissions	43.0	42.7	42.0	41.3	40.3	39.5	38.6	37.7
Interest expense	3.8	4.2	4.3	5.9	7.8	6.4	6.5	11.1
Other expenses	2.6	3.3	5.3	7.3	5.9	4.2	6.6	11.9
Total expenses	225.2	216.1	229.2	238.2	228.0	213.9	196.9	215.4
Income before income taxes	111.1	122.7	106.8	95.3	90.7	78.0	77.4	73.6
Income taxes	35.6	33.7	31.9	(20.5)	24.3	25.1	16.3	21.6
Net income (loss) from continuing operations	75.5	89.0	74.9	115.8	66.4	52.9	61.1	52.0
Net income (loss) from discontinued operations	–	–	–	2.2	(49.0)	(2.3)	(2.3)	1.2
Net income	75.5	89.0	74.9	118.0	17.4	50.6	58.8	53.2
Earnings per share from continuing operations	0.26	0.31	0.26	0.40	0.23	0.18	0.21	0.19
Earnings per share	0.26	0.31	0.26	0.40	0.06	0.17	0.20	0.19
Dividends per share	0.195	0.19	0.18	0.17	0.15	0.15	0.16	0.17

Overview

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

CI's average retail assets under management for the third quarter of 2010 increased 10% from the third quarter of 2009, reflecting the ongoing market recovery from the lows of March 2009. CI's revenues have similarly grown from the levels of a year ago. While some expenses, such as trailer fees and investment advisor fees, vary directly with the level of assets under management, most of CI's expenses are fixed in nature. This point is illustrated by the 5% increase in SG&A (excluding equity-based compensation), which is markedly lower than the increase in average assets.

During this period of market recovery, sales of investment funds have increased. CI's gross sales during the first nine months of 2010 were up 21% from the same period last year. Redemptions were up 23% for the same period, resulting in an 11% increase in net sales.

CI continued to be the third-largest investment fund company in Canada with total assets under management of $69.2 billion at September 30, 2010. CI's market share is approximately 10%.

Fee-Earning Assets and Sales

Total fee-earning assets, which include mutual and segregated funds, structured products, institutional managed assets, AWM assets under administration, and other fee-earning assets were $91.5 billion at September 30, 2010, an increase of 6% from $86.4 billion at September 30, 2009. As shown in the table on the following page, these assets are represented by $65.2 billion in retail managed funds, $0.4 billion in structured products, $3.6 billion in institutional managed assets, $21.7 billion in AWM assets under administration, and $0.6 billion in other fee-earning assets.

FEE-EARNING ASSETS *as at September 30*

(in billions)	2010	2009	% change
Retail managed funds	$65.2	$60.2	8
Structured products	0.4	0.4	–
Total retail assets under management	$65.6	$60.6	8
Institutional managed assets	3.6	4.2	(14)
Total assets under management	$69.2	$64.8	7
AWM assets under administration*	21.7	20.8	4
Other fee-earning assets	0.6	0.8	(25)
Total fee-earning assets	$91.5	$86.4	6

*Includes $9.7 billion and $9.3 billion in assets managed by CI Investments and United in 2010 and 2009, respectively.

Retail assets under management form the majority of CI's fee-earning assets and provide most of its revenue and net income. The change in retail assets under management during the first three quarters of each of the past two years is detailed in the table below.

CHANGE IN RETAIL ASSETS UNDER MANAGEMENT

(in billions)	2010	2009
Retail assets under management at January 1	$62.8	$50.8
Gross sales	7.6	6.3
Redemptions	6.4	5.2
Net sales	1.2	1.1
Market performance	1.6	8.7
Retail assets under management at September 30	$65.6	$60.6

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

(in billions)	Quarter ended Sept. 30, 2010	Quarter ended June 30, 2010	Quarter ended Sept. 30, 2009
Average retail AUM	$63.527	$63.515	$57.963
Change to September 30, 2010		0.0%	9.6%
Gross sales	$2.2	$2.5	$1.8
Net sales	$0.2	$0.3	$0.2

The Investment Funds Institute of Canada (IFIC) reported zero industry net sales of mutual funds for the three months ended September 30, 2010, up $2.7 billion from net redemptions of $2.7 billion in the same period for 2009. Total industry assets as reported by IFIC at September 30, 2010 of $630.9 billion were up 8% from $582.7 billion at September 30, 2009. Sales and assets reported by IFIC are helpful as indicators of trends affecting a significant portion of CI's business. It should be noted that IFIC figures do not include CI, as CI does not report this information to IFIC.

Results of Operations

For the quarter ended September 30, 2010, CI reported net income from continuing operations of $75.5 million ($0.26 per share) versus $66.4 million ($0.23 per share) for the quarter ended September 30, 2009 and $89.0 million ($0.31 per share) for the quarter ended June 30, 2010. Including discontinued operations, CI reported net income of $17.4 million ($0.06 per share) in the third quarter of last year.

For the third quarter of this year, CI recorded $35.6 million in income tax expenses for an effective tax rate of 32.1%, compared to an effective tax rate of 26.8% in the third quarter last year. CI's combined federal and provincial statutory corporate tax rate for 2010 is 30.9%. Earlier this year, CI had utilized all of its tax losses that were generated while CI was an income trust structure. The current portion of income tax expense now closely reflects CI's total taxes after adjusting for timing differences between accounting income and taxable income.

For the quarter ended September 30, 2010, redemption fee revenue was $7.4 million compared with $6.8 million for the quarter ended September 30, 2009 and $7.6 million for the quarter ended June 30, 2010. The increase from last year related to an increase in redemptions.

Pre-Tax Operating Earnings

CI uses pre-tax operating earnings to assess its underlying profitability. CI defines pre-tax operating earnings as income before income taxes less redemption fee revenue, performance fees and investment gains, plus amortization of deferred sales commissions (DSC) and fund contracts, and equity-based compensation expense.

(in millions, except per share amounts)	Quarter ended Sept. 30, 2010	Quarter ended June 30, 2010	Quarter ended Sept. 30, 2009	Nine months ended Sept. 30, 2010	Nine months ended Sept. 30, 2009
Income before income taxes	$111.1	$122.7	$90.7	$340.7	$246.2
Less:					
Redemption fees	7.4	7.6	6.8	22.5	23.0
Performance fees	–	–	–	–	0.1
Gain (loss) on marketable securities	–	–	3.2	(0.1)	2.9
Add:					
Amortization of DSC and fund contracts	43.6	43.8	41.4	130.5	121.9
Equity-based compensation expense	3.3	(7.9)	11.6	(1.1)	23.6
Pre-tax operating earnings	$150.6	$151.0	$133.7	$447.7	$365.7
per share	$0.52	$0.52	$0.46	$1.55	$1.25

Amortization of deferred sales commissions and fund contracts was $43.6 million in the third quarter of 2010, an increase from $41.4 million in the third quarter of 2009 and a decrease from $43.8 million in the second quarter of 2010. The increase from the prior year period was a result of higher spending on deferred sales commissions paid to brokers and dealers on the sale of back-end charge mutual funds in the first nine months of the year.

Interest expense of $3.8 million was recorded for the quarter ended September 30, 2010 compared with $7.8 million for the quarter ended September 30, 2009 and $4.2 million for the quarter ended June 30, 2010. The decrease in interest expense from the prior year period reflected lower average debt levels and lower borrowing costs, as discussed under "Liquidity and Capital Resources." Debt is generally used to fund growth in the company and to repurchase share capital.

CI's pre-tax operating earnings, as set out in the table on the prior page, adjust for the impact of equity-based compensation and gains and losses on marketable securities. Redemption fee revenue and the amortization of deferred sales commissions and fund contracts are netted out to remove the impact of financing back-end assets under management.

Pre-tax operating earnings were $150.6 million in the third quarter of 2010, an increase of 13% from the third quarter of 2009 and unchanged from the prior quarter. This primarily reflects the change in average retail assets under management, which were up 10% from the third quarter of 2009 and unchanged from the prior quarter.

As illustrated in the table below, EBITDA for the quarter ended September 30, 2010 was $160.3 million ($0.56 per share) compared with $141.6 million ($0.48 per share) for the quarter ended September 30, 2009 and $172.6 million

EBITDA

CI uses EBITDA (earnings before interest, taxes, depreciation and amortization) to assess its underlying profitability prior to the impact of its financing structure, income taxes and the amortization of deferred sales commissions, fund contracts and capital assets. This also permits comparisons of companies within the industry, before any distortion caused by different financing methods, levels of taxation and mix of business between front-end and back-end sales commission assets under management. EBITDA is a measure of operating performance, a facilitator for valuation and a proxy for cash flow.

(in millions, except per share amounts)	Quarter ended Sept. 30, 2010	Quarter ended June 30, 2010	Quarter ended Sept. 30, 2009	Nine months ended Sept. 30, 2010	Nine months ended Sept. 30, 2009
Net income from continuing operations	$75.5	$89.0	$66.4	$239.4	$180.4
Add (deduct):					
Interest expense	3.8	4.2	7.8	12.4	20.7
Income tax expense (recovery)	35.6	33.7	24.4	101.2	65.7
Amortization of DSC and fund contracts	43.6	43.8	41.4	130.5	121.9
Amortization of other items	1.8	1.9	1.6	5.5	5.2
EBITDA	$160.3	$172.6	$141.6	$489.0	$393.9
per share	$0.56	$0.60	$0.48	$1.69	$1.35
EBITDA margin (as a % of revenue)	48%	51%	44%	48%	45%

($0.60 per share) for the quarter ended June 30, 2010. The 17% year-over-year increase in quarterly EBITDA per share was primarily due to the 10% increase in average retail assets under management as well as the $8.3 million decrease in equity-based compensation expense.

Asset Management Segment

The Asset Management segment is CI's principal business segment and includes the operating results and financial position of CI Investments and United.

Results of Operations

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

(in millions)	Quarter ended Sept. 30, 2010	Quarter ended June 30, 2010	Quarter ended Sept. 30, 2009	Nine months ended Sept. 30, 2010	Nine months ended Sept. 30, 2009
Management fees	$293.3	$293.1	$273.5	$874.9	$753.6
Other revenue	7.8	9.4	10.6	25.7	29.1
Total revenue	$301.1	$302.5	$284.1	$900.6	$782.7
Selling, general and administrative	54.6	43.1	61.1	152.5	165.8
Trailer fees	88.6	89.5	82.2	265.5	225.4
Amortization of deferred sales commissions and fund contracts	44.2	44.3	41.9	132.2	123.3
Other expenses	1.1	1.3	3.7	5.1	11.0
Total expenses	$188.5	$178.2	$188.9	$555.3	$525.5
Income before taxes and non-segmented items	$112.6	$124.3	$95.2	$345.3	$257.2

Revenues

Revenues from management fees were $293.3 million for the quarter ended September 30, 2010, an increase of 7% from the quarter ended September 30, 2009 and up slightly from $293.1 million for the quarter ended June 30, 2010. The changes were mainly attributable to changes in average retail assets under management, which were up 10% and 0% from the quarters ended September 30, 2009 and June 30, 2010, respectively. The change in average assets from the third quarter of last year reflects the improvement in global equity markets and net sales of $2.5 billion. As a percentage of average retail assets under management, management fees were 1.832% for the quarter ended September 30, 2010 compared to 1.872% in the third quarter of last year and 1.851% in the prior quarter.

Average management fee rates decreased from the prior year primarily as a result of a higher proportion of CI's assets being Class F, Class I and separately managed accounts ("SMA") funds, which have lower management fees. Class F funds pay no trailer fees to advisors, who typically charge their clients a flat or asset-based fee. Class I and SMA funds, which are for institutional and private clients with large holdings, have reduced management fees. At September 30, 2010, there were $971.2 million and $10.5 billion in Class F and Class I/SMA funds, respectively,

totalling 17.4% of retail assets under management. At September 30, 2009, Class F, Class I and SMA funds were 15.3% of retail assets under management, with $785.8 million in Class F funds and $8.5 billion in Class I/ SMA funds.

For the quarter ended September 30, 2010, other revenue was $7.8 million versus $10.6 million and $9.4 million for the quarters ended September 30, 2009 and June 30, 2010, respectively. The largest component of other revenue is redemption fees. Redemption fees were $7.4 million for the quarter ended September 30, 2010 compared with $6.8 million and $7.6 million for the quarters ended September 30, 2009 and June 30, 2010, respectively. Also included in other revenue is equity income, which was $1.6 million, $1.5 million and $1.8 million for the quarters ended September 30, 2010, September 30, 2009 and June 30, 2010, respectively.

Expenses

Selling, general and administrative ("SG&A") expenses for the Asset Management segment were $54.6 million for the quarter ended September 30, 2010, a decrease from $61.1 million for the third quarter in 2009 and an increase from $43.1 million for the quarter ended June 30, 2010. Included in SG&A are expenses relating to CI's equity-based compensation plan. The quarter ended September 30, 2010 included an equity-based compensation expense of $3.3 million compared with an expense of $11.6 million in the quarter ended September 30, 2009. The quarter ended June 30, 2010 had an equity-based compensation recovery of $7.9 million.

On July 1, 2010, CI modified its equity-based compensation plan. The effect on CI's reporting was to fix the fair value of outstanding options at that date and also the quarterly expense related to the amortization of that fair value over the options' remaining life. Equity-based compensation expense has been a volatile component of compensation that is tied to the performance of CI's share price, and so the financial results presented hereinafter exclude the expense to aid the reader in conducting a comparative analysis.

SG&A expenses, net of the amount related to equity-based compensation ("net SG&A"), were $51.3 million for the quarter ended September 30, 2010, up slightly from $49.5 million for the comparable quarter in 2009 and relatively unchanged from $51.0 million for the prior quarter.

Operating Profit Margin

CI monitors its operating profitability on retail assets under management within its Asset Management segment by measuring the operating profit margin, which is defined as management fees from funds less trailer fees and SG&A expenses net of equity-based compensation expense (recovery), calculated as a percentage of average retail assets under management.

(as a % of average retail AUM)	Quarter ended Sept. 30, 2010	Quarter ended June 30, 2010	Quarter ended Sept. 30, 2009	Nine months ended Sept. 30, 2010	Nine months ended Sept. 30, 2009
Management fees	1.832	1.851	1.872	1.848	1.884
Less:					
Trailer fees	0.532	0.543	0.541	0.539	0.540
Net SG&A expenses	0.320	0.322	0.339	0.324	0.356
Operating profit margin	0.980	0.986	0.992	0.985	0.988

As a percentage of average retail assets under management, net SG&A expenses were 0.320% for the quarter ended September 30, 2010, down from 0.339% for the quarter ended September 30, 2009 and 0.322% for the quarter ended June 30, 2010.

Trailer fees were $88.6 million for the quarter ended September 30, 2010 compared with $82.2 million for the quarter ended September 30, 2009 and $89.5 million for the quarter ended June 30, 2010. Net of inter-segment amounts, this expense was $85.1 million for the quarter ended September 30, 2010 versus $79.0 million for the third quarter of 2009 and $85.9 million for the second quarter of 2010. As a percentage of average retail assets under management, trailer fees were 0.532% in the third quarter of 2010, down from 0.541% in the comparable quarter of 2009 and 0.543% in the prior quarter.

Amortization of deferred sales commissions and fund contracts was $44.2 million for the quarter ended September 30, 2010, up from $41.9 million in the same quarter last year and down from $44.3 million in the previous quarter. This change is consistent with the change in deferred sales commissions paid in the past several years.

Other expenses were $1.1 million for the quarter ended September 30, 2010 compared to $3.7 million in the quarter ended September 30, 2009 and $1.3 million in the prior quarter. Included in other expenses are distribution fees to limited partnerships and capital taxes.

Income before income taxes and interest expense for CI's principal segment was $112.6 million for the quarter ended September 30, 2010 compared with $95.2 million in the same period last year and $124.3 million in the previous quarter. The increase from the comparable quarter last year is primarily due to the increase in average retail assets under management as well as the decrease in SG&A expenses.

As shown in the table on the prior page, for the quarter ended September 30, 2010, CI's operating profit margin on the Asset Management segment, as a percentage of average retail assets under management adjusted for equity-based compensation expense, was 0.980%, down from 0.992% for the quarter ended September 30, 2009 and from 0.986% for the prior quarter. The decrease from the prior year is a result of lower management fees as a percentage of average retail assets under management.

Generally, as a result of increasing competition and changes in distribution channels, CI's margins have been in a gradual downward trend. A higher proportion of Class I funds, which charge lower average management fee rates are being sold relative to Class A funds. In addition, in recent years, an increasing proportion of funds have been sold with a front-end sales charge, which have higher trailer fee rates. Historically, CI has been able to limit growth in SG&A expenses below the growth in assets under management in order to mitigate the decline in its margins.

Asset Administration Segment

The Asset Administration segment includes the operating results and financial position of AWM and its subsidiaries. The operations of Blackmont are considered discontinued as at December 31, 2009 and are no longer included in the Asset Administration segment. Comparative prior quarter results have been adjusted to eliminate the discontinued operations of Blackmont

Results of Operations

The table that follows presents the operating results for the Asset Administration segment:

(in millions)	Quarter ended Sept. 30, 2010	Quarter ended June 30, 2010	Quarter ended Sept. 30, 2009	Nine months ended Sept. 30, 2010	Nine months ended Sept. 30, 2009
Administration fees	$52.9	$55.1	$50.7	$168.1	$149.9
Other revenue	3.9	3.9	3.6	11.6	12.4
Total revenue	$56.8	$59.0	$54.3	$179.7	$162.3
Selling, general and administrative	13.2	13.1	11.8	39.4	37.4
Investment dealer fees	40.3	42.0	37.9	128.0	111.7
Amortization of fund contracts	0.4	0.4	0.4	1.1	1.1
Other expenses	0.8	0.8	1.0	3.2	2.3
Total expenses	$54.7	$56.3	$51.1	$171.7	$152.5
Income before taxes and non-segmented items	$2.1	$2.7	$3.2	$8.0	$9.8

Revenues

Administration fees are earned on assets under administration in the AWM business and from the administration of third-party business. These fees were $52.9 million for the quarter ended September 30, 2010, an increase of 4% from $50.7 million for the same period last year and a decrease of 4% from the prior quarter. Net of inter-segment amounts, administration fee revenue was $31.3 million for the quarter ended September 30, 2010, up from $31.0 million for the quarter ended September 30, 2009 and down from $32.4 million in the previous quarter. The

Dealer Gross Margin

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

(in millions)	Quarter ended Sept. 30, 2010	Quarter ended June 30, 2010	Quarter ended Sept. 30, 2009	Nine months ended Sept. 30, 2010	Nine months ended Sept. 30, 2009
Administration fees	$52.9	$55.1	$50.7	$168.1	$149.9
Less:					
Investment dealer fees	40.3	42.0	37.9	128.0	111.7
	$12.6	$13.1	$12.8	$40.1	$38.2
Dealer gross margin	23.8%	23.8%	25.2%	23.9%	25.5%

increase from the prior year was mainly attributable to the improvement in assets under administration over the year. Administration fees should be considered in conjunction with investment dealer fees, an expense that represents the payout to financial advisors.

Other revenues earned by the Asset Administration segment are mainly comprised of interest income on cash balances, and foreign exchange gains and losses. For the quarter ended September 30, 2010, other revenues were $3.9 million, increasing from $3.6 million for the third quarter of last year and unchanged from $3.9 million in the second quarter of 2010.

Expenses

Investment dealer fees were $40.3 million for the quarter ended September 30, 2010, compared to $37.9 million for the third quarter last year and $42.0 million for the quarter ended June 30, 2010.

As detailed in the table on the prior page, dealer gross margin was $12.6 million or 23.8% of administration fee revenue for the quarter ended September 30, 2010 compared to $12.8 million or 25.2% for the third quarter of 2009 and $13.1 million or 23.8% for the previous quarter. The decrease in year-over-year gross margin is a result of investment dealer fees increasing at a faster pace than administration fees.

Selling, general and administrative ("SG&A") expenses for the segment were $13.2 million for the quarter ended September 30, 2010 compared to $11.8 million in the third quarter last year and $13.1 million in the second quarter of 2010.

The Asset Administration segment had income before income taxes and non-segmented items of $2.1 million for the quarter ended September 30, 2010, down from $3.2 million for the third quarter in 2009 and from $2.7 million for the prior quarter. The decrease from the prior period is due primarily to higher selling, general and administrative expenses.

Liquidity and Capital Resources

The balance sheet for CI at September 30, 2010 reflects total assets of $3.057 billion, an increase of $50.2 million from $3.006 billion at December 31, 2009. This change can be attributed to an increase in current assets of $60.3 million and a decrease in long-term assets of $10.1 million. CI's cash and cash equivalents increased by $74.4 million in the nine months ended September 30, 2010 as CI increased the regulatory capital held by key subsidiaries.

CI generates significant cash flow from its operations. Cash flow provided by operating activities was $407.1 million for the nine months ended September 30, 2010. Excluding the change in working capital, cash flow from operations was $365.9 million. During the nine-month period, CI paid $162.5 million in dividends.

As CI converted back to a corporate structure on January 1, 2009, there is no longer a requirement to pay out substantially all of its cash flow. At current levels of cash flow and anticipated dividend payout rates, CI produces sufficient cash to meet its obligations and pay down debt.

CI received proceeds of $1.7 million from the disposition of marketable securities during the first nine months of 2010, resulting in a loss of $0.1 million. The fair value of marketable securities at September 30, 2010 was $15.5 million. Marketable securities are comprised of seed capital investments in its funds and includes other strategic investments.

Accounts receivable and prepaid expenses decreased to $77.1 million at September 30, 2010 from $92.7 million at December 31, 2009. This decrease relates to the earlier receipt of management fees, which are now received at month-end rather than after month-end.

During the nine months ended September 30, 2010, long-term assets decreased primarily as a result of an $8.0 million decrease in other assets. Other assets consist mainly of employee loans, long-term receivables, and advisor receivables.

Total liabilities increased by $51.6 million during the nine-month period ended September 30, 2010. The primary contributors to this change were the $55.4 million increase in income taxes payable and $49.3 million increase in long-term debt. Current income taxes payable increased because of an income tax accrual as CI no longer has any tax losses from its income trust structure to shelter its income. Long-term debt increased as CI increased its cash on hand. The above increases to total liabilities were partially offset by the $33.9 million decrease in equity-based compensation and the $20.7 million repurchase of preferred shares for cash. The accounting for equity-based compensation was modified at the beginning of the quarter to reflect the change of CI's employee incentive share option plan from a cash-settled award to an equity-settled award. All outstanding options granted prior to 2010 that were previously accounted for as a liability are now accounted for using the fair value method of accounting where transactions are recorded as equity.

As discussed above, CI's total debt increased by $49.3 million in the first nine months of 2010. At September 30, 2010, CI had $725.9 million of debt outstanding at an average rate of 2.68%, comprised of $547.9 million in debentures issued on December 16, 2009 and $178.0 million drawn against its credit facility in the form of bankers' acceptances. This compares to total debt of $676.5 million at December 31, 2009 at an average rate of 1.88%. Net of cash and marketable securities, debt was $563.9 million at September 30, 2010, down $34.0 million from $597.9 million at December 31, 2009.

Principal repayments on CI's credit facility are only required under the facility should the bank decide not to renew the facility on its anniversary, in which case 50% of the principal would be repaid in eight equal calendar quarterly instalments with the balance payable two years following the first quarterly instalment. These payments would be payable beginning September 30, 2011 should the bank not renew the facility. The limit on the facility at September 30, 2010 was $250 million.

CI's current ratio of debt to EBITDA (adjusted for equity-based compensation) is 1.1:1. CI has a long-term target of 1:1. CI expects that, absent acquisitions in which debt is increased, the amount of excess cash flow generated will pay down debt and the ratio of debt to EBITDA will trend lower. CI is within its financial covenants with respect to its credit facility, which requires that the debt to EBITDA ratio remain below 2.5:1, and assets under management not fall below $35 billion calculated based on a rolling 30-day average.

CI's main uses of capital are the financing of deferred sales commissions, the payment of dividends on its shares, the funding of capital expenditures and the repurchase of shares through its normal course issuer bid program.

CI paid sales commissions of $123.1 million in the nine-month period ended September 30, 2010. This compares to $114.0 million in the nine-month period ended September 30, 2009. The amount of deferred sales commissions incurred in the first nine months of the year relates to back-end load fund sales of approximately $284 million per month.

During the nine months ended September 30, 2010, CI incurred capital expenditures of $10.5 million, primarily for leasehold improvements. While CI delayed certain capital expenditures in 2009, key initiatives are continuing and future capital expenditures should approximate the levels of prior years.

Shareholders' equity decreased by $1.4 million in the nine months ended September 30, 2010. During the same period, CI repurchased shares under its normal course issuer bid at a cost of $89.6 million. CI declared dividends of $164.8 million ($162.5 million paid), which was less than net income for the nine months ended September 30, 2010 by $74.6 million. CI's current dividend payments are $0.07 per share per month, or approximately $242 million per fiscal year.

Risk Management

The disclosures below provide an analysis of the risk factors affecting CI's business operations.

Market Risk

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

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

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

Asset Management Segment

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

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

At September 30, 2010, approximately 18% of CI's assets under management were held in fixed-income securities, which are exposed to interest rate risk. An increase in interest rates causes market prices of fixed-income securities to fall, while a decrease in interest rates causes market prices to rise. CI estimates that a 25 basis point change in interest rates would cause a change of $0.4 million in annual pre-tax earnings in the Asset Management segment.

At September 30, 2010, about 75% of CI's assets under management were based in Canadian currency, which diminishes the exposure to foreign exchange risk. However, at the same time, approximately 12% of CI's assets under management were based in U.S. currency. Any change in the value of the Canadian dollar relative to U.S. currency will cause fluctuations in CI's assets under management upon which CI's management fees are calculated. CI estimates that a 10% change in Canadian/U.S. exchange rates would cause a change of $10.9 million in the Asset Management segment's annual pre-tax earnings.

About 73% of CI's assets under management were held in equity securities at September 30, 2010, which are subject to equity risk. Equity risk is classified into two categories: general equity risk and issuer-specific risk. CI employs internal and external fund managers to take advantage of these individuals' expertise in particular market niches, sectors and products and to reduce issuer-specific risk through diversification. CI estimates that a 10% change in the prices of equity indexes would cause a change of $65.1 million in annual pre-tax earnings.

Asset Administration Segment

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

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

CI's operating results are not materially exposed to market risk impacting the asset administration segment given that this segment usually generates less than 5% of the total income before non-segmented items (this segment had income of $2.1 million before income taxes and non-segmented items for the quarter ended September 30, 2010). Investment advisors regularly review their client portfolios to assess market risk and consult with clients to make appropriate changes to mitigate it. The effect of a 10% change in any component of market risk (comprised of interest rate risk, foreign exchange risk and equity risk) would have resulted in a change of less than $1 million to the Asset Administration segment's pre-tax earnings.

Credit Risk

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

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

Changes in Economic, Political and Market Conditions

CI's performance is directly affected by financial market and political conditions, including the legislation and policies of governments. The financial markets and businesses operating in the securities industry are volatile and are directly affected by, among other factors, domestic and foreign economic conditions and general trends in business and finance, all of which are beyond the control of CI. There can be no assurance that financial market performance will be favorable in the future. Any decline in financial markets or lack of sustained growth in such markets may result in a corresponding decline in performance and may adversely affect CI's assets under management, fees and/or revenues, which would reduce cash flow to CI.

Current Financial Conditions

Financial markets globally have been subject to unprecedented volatility and numerous financial institutions have gone into bankruptcy or have had to be rescued by governmental authorities. Access to financing has been negatively impacted by both sub-prime mortgages and the liquidity crisis affecting the asset-backed commercial paper market. These factors may impact the ability of CI to obtain loans and make other arrangements on terms favourable to CI. While these unprecedented levels of volatility and market turmoil appear to have stabilized, CI's financial results could be materially impacted by any reversal in this stability.

Investment Performance of the Funds

If the funds managed by CI are unable to achieve investment returns that are competitive with or superior to those achieved by other comparable investment products offered by CI's competitors, such funds may not attract assets through gross sales or may experience redemptions, which may have a negative impact on CI's assets under management. This would have a negative impact on CI's revenue and profitability.

Dependence on Senior Management

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

Competition

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

Management Fees and Other Costs

CI's ability to maintain its management fee structure will be dependent on its ability to provide investors with products and services that are competitive. There can be no assurance that CI will not come under competitive pressure to lower the fees charged or that it will be able to retain the current fee structure, or with such fee structure, retain its investors in the future. Changes to management fees, commission rates, structures or service fees related

to the sale of mutual funds and closed-end funds could have an adverse effect on CI's operating results. By reason of CI's implementation in 2005 of fixed administration fees for its mutual funds, a significant decrease in the value of the relevant funds, in combination with the fixed administration fees, could reduce margins and have an adverse effect on CI's operating results.

Risks of Significant Redemptions of CI's Assets Under Management

CI earns revenue primarily from management fees earned for advising and managing pools of assets. These revenues depend largely on the value and composition of mutual fund assets under management. The level of assets under management is influenced by three factors: (i) sales; (ii) redemption rates; and (iii) investment performance. Sales and redemptions may fluctuate depending on market and economic conditions, investment performance, and other factors. Recent market volatility has contributed to redemptions and diminished sales for participants in the Canadian wealth management industry.

Changes in Tax Laws

The introduction of a Harmonized Sales Tax (HST) to combine the Goods and Services Tax (GST) and Provincial Sales Tax (PST) into a single sales tax, effectively subjects investment fund management fees to provincial taxation for the first time. Increased taxation of investment fund management fees could result in changes to current fee structures or negatively impact the ability of investment funds, including CI, to retain investors. This could adversely impact the competitiveness of the investment fund industry as compared to other products or services that are not subject to GST and will not be subject to HST.

Administration Vulnerability and Error

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

Sufficiency of Insurance

Members of CI maintain various types of insurance which may include financial institution bonds, errors and omissions insurance, directors', trustees' and officers' liability insurance, agents' insurance and general commercial liability insurance. There can be no assurance that a claim or claims will not exceed the limits of available insurance coverage, that any insurer will remain solvent or willing to continue providing insurance coverage with sufficient

limits or at a reasonable cost or that any insurer will not dispute coverage of certain claims due to ambiguities in the relevant policies. A judgment against any member of 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.

Regulation of CI

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

General Business Risk and Liability

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

Leverage and Restrictive Covenants

The ability of CI to pay dividends or make other payments is subject to applicable laws and contractual restrictions contained in the instruments governing any indebtedness of CI and its subsidiaries (including CI's credit facility). The degree to which CI is leveraged could have important consequences to shareholders, including: CI's ability to obtain additional financing for working capital, capital expenditures or acquisitions in the future may be limited; CI may be unable to refinance indebtedness on terms acceptable to it or at all; and a significant portion of CI's cash flow from operations may be dedicated to the payment of the principal and interest on its indebtedness, thereby reducing the funds available for future operations. The credit facility contains a number of financial covenants that require CI to meet certain financial ratios and financial condition tests. A failure to comply with the obligations in CI's credit facility could result in a default which, if not cured or waived, could result in a termination of dividends by CI and permit acceleration of the relevant indebtedness. If the indebtedness under CI's current credit facility were to be accelerated, there can be no assurance that CI's assets would be sufficient to repay in full that indebtedness. In addition, CI's current credit facility matures no later than the fourth anniversary

thereof (unless the bank elects to extend the term at its annual renewal). There can be no assurance that future borrowings or equity financing will be available to CI, or available on acceptable terms, in an amount sufficient to fund CI's needs.

Fluctuation of Cash Dividends

Although CI intends to distribute some portion of the income it earns, there can be no assurance regarding the amount of cash dividends distributed upstream from its subsidiaries. The actual amount of dividends paid depends upon numerous factors, all of which are susceptible to a number of risks and other factors beyond the control of CI. Dividends are not guaranteed and will fluctuate with the performance of the business.

Share Price Risk

Share price risk arises from the potential adverse impact on CI's earnings due to movements in CI's share price. Prior to July 1, 2010, CI was affected by share price risk as CI's equity-based compensation liability fluctuated based on the market value of CI's share price. As at September 30, 2010, CI is no longer affected by share price risk as CI's equity-based compensation is accounted for using the fair value method which is not adjusted for future fluctuations in CI's share price.

Commitment of Financial Advisors and Other Key Personnel

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

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

Capital Requirements

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

Risks Specific to the Common Shares

Unpredictability and Volatility of Market Price

Shares of a publicly traded company do not necessarily trade at values determined by reference to the underlying value of the business. The prices at which the common shares of the Corporation will trade cannot be predicted. The market price of CI's common shares could be subject to significant fluctuations in response to variations in quarterly operating results, distributions and other factors. The market price for the common shares may be adversely affected by changes in general market conditions, fluctuations in the market for equity or debt securities and numerous other factors beyond the control of CI.

Dilution

Pursuant to its articles of incorporation, as amended, the Corporation is authorized to issue an unlimited number of common shares for the consideration and on those terms and conditions as are established by the Directors without the approval of any shareholders. Any further issuance of common shares may dilute the interests of existing shareholders.

Changes in Legislation and Administrative Policy

There can be no assurance that certain laws applicable to CI and its subsidiaries, including income tax laws, will not be changed in a manner that could adversely affect the value of CI. In addition, there can be no assurance that the administrative policies and assessing practices of the Canada Revenue Agency will not be changed in a manner that adversely affects the holders of common shares. CI may also be affected by changes in regulatory requirements, or other taxes in Canada or foreign jurisdictions. Such changes could, depending on their nature, benefit or adversely affect CI.

Risk Specific to the Debentures

Changes in Creditworthiness

This is no assurance that the creditworthiness of CI or that any credit rating assigned to the debentures will remain in effect for any given period of time or that the rating will not be lowered or withdrawn entirely by the relevant rating agency. A lowering or withdrawal of such rating may have an adverse effect on the market price or value and the liquidity of the debentures.

Market Value Risk

Prevailing interest rates will affect the market value of the debentures. The price or market value of the debentures will decline as prevailing interest rates for comparable securities rise. CI may choose to redeem debentures from time to time, in accordance with its rights, including when prevailing interest rates are lower than the yield borne by the debentures. If prevailing rates are lower at the time of redemption, a holder may not be able to reinvest the redemption proceeds in a comparable security at an effective yield as high as the yield on the debentures being redeemed.

Liquidity Risk

The debentures constitute a new issue of securities with no established trading market. In addition, the debentures are not listed on any exchange. As a result, the trading market for the debentures may not be active or liquid. There can be no assurance that an active market for the debentures will develop or be sustained or that holders of the debentures will be able to sell their debentures at any particular price or at all.

Ranking of the Debentures

The debentures are unsecured obligations of CI and certain of its subsidiaries and are not secured by any of their assets. Therefore, holders of secured indebtedness of CI or of its subsidiaries will have a claim on the assets securing such indebtedness that ranks in priority to the claims of holders of the debentures and will have a claim that ranks equally with the claims of holders of debentures to the extent that such security is insufficient to satisfy the secured indebtedness. Furthermore, although covenants given by CI or its subsidiaries in certain agreements may restrict incurring secured indebtedness, such indebtedness may, subject to certain conditions, be incurred.

Information Regarding Guarantors

The payment of the principal, interest and premium, if any, on the debentures is unconditionally guaranteed by CI Investments [the "Guarantor"], a wholly-owned subsidiary of CI, and may be guaranteed by certain other subsidiaries of CI.

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

STATEMENT OF INCOME DATA FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010

	CI		Guarantor Subsidiary		Other Subsidiaries		Consolidating Adjustments		Total Consolidated Amounts	
(in millions of dollars)	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Revenue	–	–	900.6	782.7	179.7	162.3	(69.1)	(60.0)	1,011.2	885.0
Income from continuing operations	(12.0)	(20.4)	249.2	193.6	3.0	7.1	(0.8)	0.1	239.4	180.4
Net income	(12.0)	(20.4)	249.2	193.6	3.0	(46.5)	(0.8)	0.1	239.4	126.8

STATEMENT OF INCOME DATA FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2010

	CI		Guarantor Subsidiary		Other Subsidiaries		Consolidating Adjustments		Total Consolidated Amounts	
(in millions of dollars)	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Revenue	–	–	301.1	284.1	56.7	54.3	(21.5)	(19.7)	336.3	318.7
Income from continuing operations	(3.7)	(7.7)	78.4	71.6	0.8	2.3	–	0.2	75.5	66.4
Net income	(3.7)	(7.7)	78.4	71.6	0.8	(46.7)	–	0.2	75.5	17.4

BALANCE SHEET DATA AS AT SEPTEMBER 30, 2010 AND DECEMBER 31, 2009

	CI		Guarantor Subsidiary		Other Subsidiaries		Consolidating Adjustments		Total Consolidated Amounts	
(in millions of dollars)	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Current assets	475.3	701.3	184.9	121.4	185.6	187.2	(488.9)	(713.3)	356.9	296.6
Non-current assets	1,614.5	1,381.2	2,458.4	2,453.0	46.0	48.8	(1,419.2)	(1,173.2)	2,699.7	2,709.8
Current liabilities	52.4	79.2	628.6	798.6	173.2	175.1	(497.7)	(699.8)	356.5	353.1
Non-current liabilities	713.3	668.0	400.4	394.8	–	–	(23.1)	(20.4)	1,090.6	1,042.4

Related Party Transactions

The Bank of Nova Scotia ("Scotiabank") owns approximately 36% of the common shares of CI, and is therefore considered a related party. CI has entered into transactions related to the advisory and distribution of its mutual funds with Scotiabank. These transactions are in the normal course of operations and are recorded at the agreed upon exchange amounts. During the three and nine months ended September 30, 2010, CI incurred charges for deferred sales commissions of 0.5 million and $2.0 million, respectively [three and nine months ended September 30, 2009 – $0.5 million and $1.7 million, respectively] and trailer fees of $1.7 million and $5.2 million, respectively [three and nine months ended September 30, 2009 – $1.5 million and $4.2 million, respectively] which were paid or payable to Scotiabank. The balance payable to Scotiabank as at September 30, 2010 of $0.6 million [December 31, 2009 – $0.6 million] is included in accounts payable and accrued liabilities.

Scotiabank is the provider and administrative agent for CI's revolving credit facility. As at September 30, 2010, CI had drawn long-term debt of $178.0 million [December 31, 2009 – $129.0 million] in the form of bankers' acceptances. During the three and nine months ended September 30, 2010, interest and stamping fees of $0.8 million and $4.0 million, respectively [three and nine months ended September 30, 2009 – $7.6 million and $20.4 million, respectively] was recorded as interest expense.

Share Capital

As at September 30, 2010, CI had 287,559,301 shares outstanding.

At September 30, 2010, 6.7 million options to purchase shares were outstanding, of which 0.8 million options were exercisable.

Contractual Obligations

The table that follows summarizes CI's contractual obligations at September 30, 2010.

PAYMENTS DUE BY PERIOD

(millions)	Total	Less than 1 year	2	3	4	5	5 or more years
Credit facility	$178.0	$11.1	$44.5	$122.4	$-	$-	$-
Debentures	550.0	-	100.0	250.0	-	200.0	-
Operating leases	122.0	12.9	10.7	9.4	8.6	7.9	72.5
Total	$850.0	$24.0	$155.2	$381.8	$8.6	$207.9	$72.5

Significant Accounting Estimates

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. For a discussion of all significant accounting policies, refer to Note 1 of the Notes to the Consolidated Financial Statements included in CI's 2009 Annual Report. CI carries significant goodwill and intangible assets on its balance sheet. CI uses valuation models that use estimates of future market returns and sales and redemptions of investment products as the primary determinants of fair value. CI also uses a valuation approach based on a multiple of assets under administration for the Asset Administration Segment. The multiple used by CI reflects recent transactions and research reports by independent equity research analysts. CI has reassessed these key variables in light of the current economic climate. Estimates of sales and redemptions are very likely to change as economic conditions either improve or deteriorate, whereas estimates of future market returns are less likely to do so. The models are most sensitive to current levels of assets under management and administration as well as estimates of future market returns. While these balances are not currently impaired, a decline of 20% in the fair value of certain models may result in an impairment of goodwill or other intangibles recorded on the balance sheet.

Future Accounting Changes

International Financial Reporting Standards

The Canadian Accounting Standards Board ("AcSB"), confirmed that effective January 1, 2011, all publicly listed companies will be required to prepare interim and annual financial reports in accordance with International Financial Reporting Standards ("IFRS"). These standards will replace Canadian generally accepted accounting principles ("GAAP"). CI will adopt IFRS for the year beginning January 1, 2011 and will present the interim and annual consolidated financial statements including comparative 2010 financial statements in accordance with IFRS.

CI has developed a transition plan for the changeover to IFRS. During 2009, CI completed its assessment of the differences between IFRS and Canadian GAAP. CI has substantially completed its assessment of the impact IFRS has on accounting policies and implementation decisions; information technology and data systems; financial statement presentation and disclosures; internal control over financial reporting; disclosure controls and procedures and business activities including the impact on debt covenants. Along with this assessment, an implementation plan has been developed to transition CI's financial reporting process, including internal controls and information systems to IFRS.

During the quarter ended September 30, 2010, CI drafted its opening balance sheet in accordance with IFRS. For the remainder of 2010, CI will finalize the opening balance sheet adjustments and internally report its quarterly financial results in accordance with IFRS in preparation for adoption on January 1, 2011.

Listed below is an analysis of the IFRS standards affecting CI.

IFRS 1 First-time adoption of IFRS

IFRS 1 provides entities adopting IFRS for the first time with certain optional exemptions and mandatory exceptions to the general requirement for full retrospective application of IFRS. CI is analyzing the various accounting policy choices available and will implement those determined to be most appropriate in CI's circumstance.

The most significant IFRS 1 exemption decisions for CI are as follows:

IFRS 2 – Share-based Payment

At the date of transition, IFRS 2 – Share-based Payment must be applied retrospectively. However some relief is provided in IFRS 1 for First Time Adopters. CI is electing not to apply retrospective treatment to the following:

- Equity instruments granted on or before November 7, 2002;
- Equity instruments granted after November 7, 2002 that vested before the date of transition to IFRS;
- Liabilities arising from share-based payment transactions that were settled before the date of transition to IFRS.

CI expects that the transition adjustment related to the adoption of IFRS 2 will cause an increase in the deficit. The actual adjustment is still subject to final review and approval.

IFRS 3 – Business Combinations

CI may elect, on transition to IFRS, to either restate all past business combinations or to apply a more limited restatement approach. If the limited restatement approach is chosen, specific requirements must be met, such as: maintaining the classification of the acquirer and the acquiree, recognizing or derecognizing certain acquired assets or liabilities as required under IFRS and remeasuring certain assets and liabilities at fair value.

CI expects to apply the business combinations exemption in IFRS 1 to not apply IFRS 3 – Business Combinations retrospectively to past business combinations. Accordingly, CI will not restate business combinations that took place prior to the January 1, 2010 transition date or modify the carrying amounts arising on business combinations occurring before the transition date.

IAS 12 - Income Taxes

CI expects the most significant impact of adopting IAS 12 – Income Taxes will be derived directly from the accounting policy decisions made under IFRS 2, IAS 37, and IAS 38. The impact on CI of accounting for the tax consequences of transactions and other events under IFRS versus Canadian GAAP will result in adjustments to the opening balance sheet at transition.

IAS 27 – Consolidated and Separate Financial Statements

Currently under Canadian GAAP, there are two models to determine whether entities are to be consolidated: the variable interest model and the voting interest model. Under IFRS, consolidation is based solely on control which under IAS 27 – Consolidated and Separate Financial Statements is defined as “the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.”

The adoption of IAS 27, and the related interpretive guidance in SIC-12 – Consolidation – Special Purpose Entities, will have an immaterial impact on the financial position and results of operations in 2010

IAS 36 – Impairment of Assets

IFRS requires a one-step approach using discounted cash flow techniques for asset impairment testing and measurement. Canadian GAAP has a two-step approach which requires the application of discounted cash flow techniques to measure the impairment amount, but only after the use of undiscounted cash flow analysis has indicated the existence of impairment. The adoption of IAS 36 may result in more frequent asset write downs since the carrying values of assets which are supported by undiscounted future cash flows may be determined to be impaired when the future cash flows are discounted in accordance with IFRS requirements. Unlike Canadian GAAP, previous impairment losses may be reversed or reduced (except in the case of goodwill) under IFRS if the circumstances which led to the impairment change.

IAS 36 also requires impairment testing to be applied at a cash-generating unit level. In addition, goodwill must be allocated to cash-generating units for impairment testing purposes. Under Canadian GAAP goodwill is allocated to a reporting unit for purposes of impairment testing.

CI has revised its impairment testing models to comply with the requirements of IAS 36. This includes analyzing its operations in order to determine the cash-generating units and revising its impairment models to reflect the IAS 36 concept of recoverable amount. While the methodology for testing goodwill and intangible assets will change upon adoption of IFRS, CI does not expect the adoption of the new impairment models to cause any significant changes in financial reporting.

IAS 37 – Provisions, Contingent Liabilities and Contingent Assets

IAS 37 requires a provision to be recognized when: there is a present obligation as a result of a past transaction or event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the obligation. "Probable" in this context means more likely than not. Under Canadian GAAP, the criterion for recognition in the financial statements is "likely", which is a higher threshold than "probable". Therefore, it is possible that there may be some provisions or contingent liabilities which would meet the recognition criteria under IFRS that were not recognized under Canadian GAAP. Other differences between IFRS and Canadian GAAP exist in relation to the measurement of provisions, such as the methodology for determining the best estimate where there is a range of equally possible outcomes (IFRS uses the mid-point of the range, whereas Canadian GAAP uses the low end of the range), and the requirement under IFRS for provisions to be discounted where material.

IAS 38 - Intangible Assets, Deferred Sales Commissions

Under Canadian GAAP, CI's deferred sales commissions are amortized on a straight-line basis over 84 months from the date recorded, except for commissions on low load mutual fund securities, which are amortized on a straight-line basis over 36 months. Under IFRS, IAS 38 – Intangible Assets requires CI to choose either the cost method or the revaulation method for measuring the deferred sales commission. As no active market exists for deferred sales commissions, the cost method is used to value the intangible.

IAS 38 requires that under the cost method the intangible assets should be carried at cost less any amortization and impairment losses. The amortization method should reflect the pattern of benefits. Currently, when CI receives redemption fees from assets that are redeemed, the corresponding unamortized deferred sales commissions related to those redemptions are not written off. This is not consistent with the requirements of IAS 38 where the amortization should match the benefit.

CI will have an adjustment for IAS 38 in the opening balance sheet at transition to reflect the relieving of deferred sales commissions related to redemptions.

Financial Instruments
Over the past number of years Canadian GAAP has substantially converged with the reporting guidelines of IAS 39 – Financial Instruments: Recognition and Measurement and IFRS 7 – Financial Instruments: Disclosures with respect to the recognition, measurement and disclosure of financial instruments. CI does not expect the transition to IAS 39 and IFRS 7 to have a significant impact on the financial position or results of operations.

Framework for the Preparation and Presentation of Financial Statements
CI has reviewed the definition of a liability under IFRS as described in the Framework and has determined that a deferred credit not meeting the definition of a liability will be reversed to retained earnings upon adoption of IFRS.

This is not an exhaustive list of all the significant impacts that could occur during the conversion to IFRS.

At this time, the comprehensive impact of the changeover on CI's future financial position and results of operations is not yet determinable. Management expects to complete this assessment by December 31, 2010.

The effects on information technology, data systems, and internal controls have also been assessed, and CI does not expect that significant modifications will be necessary on conversion based on CI's analysis of current standards to date.

CI continues to monitor and assess the impact of evolving differences between Canadian GAAP and IFRS, since the IASB is expected to continue issuing new accounting standards during the transition period.

Since 2009, the Audit Committee was provided with quarterly IFRS updates. At these updates, management provided the Audit Committee with a review of the conversion project, including an overview of the project structure and the timeline for IFRS implementation, as well as an overview of the key areas of potential financial reporting impact. The Audit Committee will continue to receive quarterly presentations and project status updates from management.

Disclosure Controls and Internal Controls over Financial Reporting

The Chief Executive Officer and the Chief Financial Officer have designed or caused the design of the Internal Controls over Financial Reporting ("ICFR") and Disclosure Controls and Procedures. There has been no material weaknesses identified relating to the design of the ICFR and there has been no changes to CI's internal controls for the quarter ended September 30, 2010 that has materially affected or is reasonably likely to materially affect the internal controls over financial reporting.

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

Q3

Financial Statements

Consolidated Statements of Income and Comprehensive Income (unaudited)
for the three-month period ended September 30

[in thousands of dollars, except per share amounts]	2010 $	2009 $
REVENUE		
Management fees	**293,286**	273,461
Administration fees	**31,331**	31,006
Redemption fees	**7,356**	6,832
Gain on sale of marketable securities	**5**	3,193
Other income	**4,365**	4,244
	336,343	318,736
EXPENSES		
Selling, general and administrative	**67,782**	72,940
Trailer fees *[note 9]*	**85,113**	79,025
Investment dealer fees	**22,913**	22,140
Amortization of deferred sales commissions and fund contracts	**43,548**	41,433
Interest *[notes 3 and 9]*	**3,845**	7,801
Other	**2,011**	4,658
	225,212	227,997
Income from continuing operations before income taxes	**111,131**	90,739
Provision for (recovery of) income taxes		
Current	**38,846**	2,175
Future	**(3,216)**	22,186
	35,630	24,361
Net income from continuing operations for the period	**75,501**	66,378
Net loss from discontinued operations for the period *[note 2]*	**—**	(48,972)
Net income for the period	**75,501**	17,406
Other comprehensive income (loss), net of tax		
Unrealized income on available-for-sale financial assets, net of income taxes of $74 [2009 – $4]	**414**	25
Reversal of gains to net income on available-for-sale financial assets, net of income taxes of $nil [2009 – ($174)]	**—**	(1,031)
Total other comprehensive income (loss), net of tax	**414**	(1,006)
Comprehensive income	**75,915**	16,400
Basic and diluted earnings per share from continuing operations *[note 5(d)]*	**$0.26**	$0.23

(see accompanying notes)

Consolidated Statements of Income and Comprehensive Income (unaudited)

for the nine-month period ended September 30

[in thousands of dollars, except per share amounts]	2010 $	2009 $
REVENUE		
Management fees	874,902	753,570
Administration fees	99,009	89,889
Redemption fees	22,499	22,960
Gain (loss) on sale of marketable securities	(149)	2,904
Other income	14,901	15,670
	1,011,162	884,993
EXPENSES		
Selling, general and administrative	191,886	203,278
Trailer fees *[note9]*	255,000	216,224
Investment dealer fees	72,488	63,550
Amortization of deferred sales commissions and fund contracts	130,453	121,902
Interest *[notes 3 and 9]*	12,433	20,658
Other	8,214	13,204
	670,474	638,816
Income from continuing operations before income taxes	340,688	246,177
Provision for (recovery of) income taxes		
Current	98,165	(4,062)
Future	3,081	69,848
	101,246	65,786
Net income from continuing operations for the period	239,442	180,391
Net loss from discontinued operations for the period *[note 2]*	—	(53,575)
Net income for the period	239,442	126,816
Other comprehensive income, net of tax		
Unrealized income on available-for-sale financial assets, net of income taxes of $13 [2009 – $4]	80	52
Reversal of losses to net income on available-for-sale financial assets, net of income taxes of $17 [2009 – $44]	99	233
Total other comprehensive income, net of tax	179	285
Comprehensive income	239,621	127,101
Basic earnings per share from continuing operations *[note 5(d)]*	$0.83	$0.62
Diluted earnings per share from continuing operations *[note 5(d)]*	$0.82	$0.61

(see accompanying notes)

Consolidated Statements of Cash Flows (unaudited)
for the three-month period ended September 30

[in thousands of dollars]	2010 $	2009 $
OPERATING ACTIVITIES		
Net income from continuing operations for the period	75,501	66,378
Add (deduct) items not involving cash		
Gain on sale of marketable securities	(5)	(3,193)
Equity-based compensation	4,598	11,264
Amortization of deferred sales commissions and fund contracts	43,548	41,433
Amortization of other	1,729	1,639
Future income taxes	(3,216)	22,186
	122,155	139,707
Net change in non-cash working capital balances related to continuing operations	33,685	9,480
Cash provided by continuing operating activities	155,840	149,187
Cash provided by discontinued operating activities	—	6,600
Cash provided by operating activities	155,840	155,787
INVESTING ACTIVITIES		
Purchase of marketable securities	(10,600)	(15)
Proceeds on sale of marketable securities	605	7,649
Additions to capital assets	(7,473)	(1,627)
Deferred sales commissions paid	(31,685)	(34,358)
Proceeds on sale of other assets	4,268	2,312
Cash used in investing activities	(44,885)	(26,039)
Cash provided by discontinued investing activities	—	1,022
Cash used in investing activities	(44,885)	(25,017)

(continued)

Consolidated Statements of Cash Flows (unaudited)
for the three-month period ended September 30

[in thousands of dollars]	2010 $	2009 $
FINANCING ACTIVITIES		
Increase (decrease) in long-term debt	57,999	(90,499)
Repurchase of share capital *[note 5(a)]*	(10,506)	(475)
Issuance of share capital *[note 5(a)]*	2	—
Dividends paid to shareholders	(56,195)	(43,842)
Cash used in financing activities	(8,700)	(134,816)
Net increase (decrease) in cash and cash equivalents during the period	102,255	(4,046)
Cash and cash equivalents, beginning of period	44,282	53,267
Cash and cash equivalents, end of period	146,537	49,221
Cash and cash equivalents, beginning of period includes:		
Cash from continuing operations	44,282	37,260
Cash from discontinued operations	—	16,007
	44,282	53,267
Cash and cash equivalents, end of period includes:		
Cash from continuing operations	146,537	25,593
Cash from discontinued operations	—	23,628
	146,537	49,221
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	3,910	13,273
Income taxes paid	12,555	2,293

(see accompanying notes)

Consolidated Statements of Cash Flows (unaudited)
for the nine-month period ended September 30

[in thousands of dollars]	2010 $	2009 $
OPERATING ACTIVITIES		
Net income from continuing operations for the period	239,442	180,391
Add (deduct) items not involving cash		
Loss (gain) on sale of marketable securities	149	(2,904)
Equity-based compensation	(12,659)	22,492
Amortization of deferred sales commissions and fund contracts	130,453	121,902
Amortization of other	5,448	5,182
Future income taxes	3,081	69,848
	365,914	396,911
Net change in non-cash working capital balances related to continuing operations	41,212	38,793
Cash provided by continuing operating activities	407,126	435,704
Cash used in discontinued operating activities	—	(26,151)
Cash provided by operating activities	407,126	409,553
INVESTING ACTIVITIES		
Purchase of marketable securities	(10,600)	(15)
Proceeds on sale of marketable securities	1,651	7,649
Additions to capital assets	(10,459)	(2,566)
Deferred sales commissions paid	(123,144)	(113,964)
Proceeds on sale of other assets	7,962	19,053
Purchase of subsidiary	—	(1,205)
Cash used in investing activities	(134,590)	(91,048)
Cash provided by discontinued investing activities	—	4,866
Cash used in investing activities	(134,590)	(86,182)

(continued)

Consolidated Statements of Cash Flows (unaudited)

for the nine-month period ended September 30

[in thousands of dollars]	2010 $	2009 $
FINANCING ACTIVITIES		
Increase (decrease) in long-term debt	48,924	(218,400)
Repurchase of share capital *[note 5(a)]*	(89,648)	(15,981)
Issuance of share capital *[note 5(a)]*	80	—
Dividends paid to shareholders	(162,475)	(119,850)
Cash used in financing activities	(203,119)	(354,231)
Net increase (decrease) in cash and cash equivalents during the period	69,417	(30,860)
Cash and cash equivalents, beginning of period	77,120	80,081
Cash and cash equivalents, end of period	146,537	49,221
Cash and cash equivalents, beginning of period includes:		
Cash from continuing operations	72,120	35,168
Cash from discontinued operations	5,000	44,913
	77,120	80,081
Cash and cash equivalents, end of period includes:		
Cash from continuing operations	146,537	25,593
Cash from discontinued operations	—	23,628
	146,537	49,221
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	10,233	20,771
Income taxes paid	42,918	6,447

(see accompanying notes)

Consolidated Balance Sheets (unaudited)

[in thousands of dollars]	As at September 30, 2010 $	As at December 31, 2009 $
ASSETS		
Current		
Cash and cash equivalents	**146,537**	72,120
Client and trust funds on deposit	**117,866**	109,004
Marketable securities	**15,471**	6,460
Accounts receivable and prepaid expenses	**77,053**	92,711
Future income taxes	**—**	9,644
Assets held for sale *[note 2]*	**—**	6,670
Total current assets	**356,927**	296,609
Capital assets, net	**23,672**	18,238
Deferred sales commissions, net of accumulated		
amortization of $649,743 [2009 – $590,843] *[note 9]*	**577,602**	582,127
Fund contracts	**1,007,294**	1,010,078
Goodwill	**1,051,285**	1,051,285
Other assets	**39,864**	47,826
Assets held for sale *[note 2]*	**—**	268
	3,056,644	3,006,431
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities *[note 9]*	**126,860**	138,140
Dividends payable	**37,440**	35,096
Client and trust funds payable	**116,956**	108,004
Income taxes payable	**64,167**	8,727
Equity-based compensation *[note 5(b)]*	**—**	33,877
Preferred shares issued by subsidiary *[note 4]*	**—**	20,662
Current portion of long-term debt *[note 3]*	**11,125**	8,062
Liabilities held for sale *[note 2]*	**—**	561
Total current liabilities	**356,548**	353,129
Long-term debt *[note 3]*	**714,746**	668,462
Future income taxes	**375,826**	373,905
Total liabilities	**1,447,120**	1,395,496
Shareholders' equity		
Share capital *[note 5(a)]*	**1,983,057**	2,008,846
Contributed surplus	**19,659**	11,445
Deficit	**(393,101)**	(409,086)
Accumulated other comprehensive loss	**(91)**	(270)
Total shareholders' equity	**1,609,524**	1,610,935
	3,056,644	3,006,431

(see accompanying notes)

Consolidated Statements of Changes in Shareholders' Equity (unaudited)

for the three-month period ended September 30

[in thousands of dollars]	2010 $	2009 $
SHARE CAPITAL *[note 5(a)]*		
Balance, beginning of period	1,986,048	2,004,761
Issuance of share capital on exercise of options	2	—
Share repurchase, net of issuance of share capital on vesting of deferred equity units	(2,993)	1,044
Balance, end of period	1,983,057	2,005,805
CONTRIBUTED SURPLUS *[note 5(c)]*		
Balance, beginning of period	7,270	22,119
Modification of option plan *[note 5(b)]*	10,920	—
Compensation expense for equity-based plans	3,267	538
Vesting of deferred equity units and options	(1,798)	(699)
Balance, end of period	19,659	21,958
DEFICIT		
Balance, beginning of period	(405,725)	(434,486)
Net income for the period	75,501	17,406
Cost of shares repurchased in excess of stated value	(6,682)	(276)
Dividends declared	(56,195)	(43,918)
Balance, end of period	(393,101)	(461,274)
ACCUMULATED OTHER COMPREHENSIVE LOSS		
Balance, beginning of perod	(505)	666
Other comprehensive income (loss)	414	(1,006)
Balance, end of period	(91)	(340)
Net change in shareholders' equity during the period	22,436	(26,911)
Shareholders' equity, beginning of period	1,587,088	1,593,060
Shareholders' equity, end of period	1,609,524	1,566,149

(see accompanying notes)

Consolidated Statements of Changes in Shareholders' Equity (unaudited)

for the nine-month period ended September 30

[in thousands of dollars]	2010 $	2009 $
SHARE CAPITAL *[note 5(a)]*		
Balance, beginning of period	2,008,846	1,985,912
Issuance of share capital on exercise of options	80	—
Share repurchase, net of issuance of share capital on vesting of deferred equity units	(25,869)	19,893
Balance, end of period	1,983,057	2,005,805
CONTRIBUTED SURPLUS *[note 5(c)]*		
Balance, beginning of period	11,445	47,587
Modification of option plan *[note 5(b)]*	10,920	
Compensation expense for equity-based plans	4,705	1,975
Vesting of deferred equity units and options	(7,411)	(27,604)
Balance, end of period	19,659	21,958
DEFICIT		
Balance, beginning of period	(409,086)	(431,162)
Net income for the period	239,442	126,816
Cost of shares repurchased in excess of stated value	(58,638)	(7,726)
Dividends declared	(164,819)	(149,202)
Balance, end of period	(393,101)	(461,274)
ACCUMULATED OTHER COMPREHENSIVE LOSS		
Balance, beginning of perod	(270)	(625)
Other comprehensive income	179	285
Balance, end of period	(91)	(340)
Net change in shareholders' equity during the period	(1,411)	(35,563)
Shareholders' equity, beginning of period	1,610,935	1,601,712
Shareholders' equity, end of period	1,609,524	1,566,149

(see accompanying notes)

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ["GAAP"], except that certain disclosures required for annual financial statements have not been included. Accordingly, the unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2009. The unaudited interim consolidated financial statements have been prepared on a basis consistent with the accounting policies set out in the audited annual consolidated financial statements.

2. DISCONTINUED OPERATIONS

On October 26, 2009, CI announced that it had reached an agreement to sell the retail brokerage division of Blackmont Capital Inc. ["Blackmont"] for $93.3 million. This transaction closed on December 31, 2009. The capital markets division of Blackmont was spun out into a new wholly owned subsidiary of CI Investments Inc. ["CI Investments"], named CI Capital Markets Inc. ["CI Capital"]. On February 4, 2010, CI sold CI Capital to the employees of this subsidiary. This transaction closed on March 12, 2010. The results of operations of Blackmont and CI Capital have been reported as discontinued operations in the consolidated statements of income and comparative statements and related notes have been reclassified. As at December 31, 2009, assets and liabilities held for sale represents the assets and liabilities of CI Capital after the disposition of Blackmont.

Summarized financial information for the discontinued operations is as follows:

	Three months ended September 30, 2009 $	Nine months ended September 30, 2009 $
Revenue	25,532	79,922
Loss from discontinued operations before income taxes	(49,341)	(54,315)
Basic and diluted loss per share from discontinued operations [Note 5(d)]	(0.17)	(0.18)

3. LONG-TERM DEBT

Long-term debt consists of the following:

	September 30, 2010	December 31, 2009
	$	$
Credit facility		
Bankers' acceptances	**178,025**	129,025
Debentures		
$100 million, floating rate, due December 16, 2011	**99,719**	99,640
$250 million, 3.30%, due December 17, 2012	**249,122**	248,960
$200 million, 4.19%, due December 16, 2014	**199,005**	198,899
	547,846	547,499
	725,871	676,524

Credit facility

Effective January 1, 2010, CI's revolving credit facility was amended to reduce the amount that may be borrowed to $150,000 [December 31, 2009 – $250,000]. On August 9, 2010, CI's revolving credit facility was amended to increase the amount that may be borrowed to $250,000.

Amounts may be borrowed under this facility in Canadian dollars through prime rate loans, which bear interest at the greater of the bank's prime rate plus 0.50% and the Canadian Deposit Offering Rate plus 0.60%, or bankers' acceptances, which bear interest at bankers' acceptance rates plus 1.50%. Amounts may also be borrowed in U.S. dollars through base rate loans, which bear interest at the greater of the bank's reference rate for loans made by it in Canada in U.S. funds plus 0.50% and the federal funds effective rate plus 0.60%, or LIBOR loans which bear interest at LIBOR plus 1.50%.

Debentures

CI entered into interest rate swap agreements with a Canadian Chartered Bank to swap the fixed rate payments on the 2012 Debentures and the 2014 Debentures for floating rate payments. As at September 30, 2010, the fair value of the interest rate swaps was an unrealized gain of $8,873 [December 31, 2009 – loss of $3,680] and is included in long-term debt in the consolidated balance sheets. Interest expense attributable to the Debentures for the nine-month period was $8,540.

4. PREFERRED SHARES ISSUED BY SUBSIDIARY

On January 22, 2010, the preferred shareholders sold their interests to CI in exchange for cash of $20,662.

5. SHARE CAPITAL

[a] Authorized and issued

A summary of the changes to CI's share capital for the period is as follows:

Common Shares	Number of shares [in thousands]	Stated value $
Authorized:		
An unlimited number of common shares of CI		
Issued:		
Common shares, balance, December 31, 2009	**291,821**	**2,008,846**
Issuance of share capital on vesting of deferred equity units and exercise of share options	186	3,911
Share repurchase	(773)	(5,321)
Common shares, balance, March 31, 2010	**291,234**	**2,007,436**
Issuance of share capital on vesting of deferred equity units and exercise of share options	22	477
Share repurchase	(3,176)	(21,865)
Common shares, balance, June 30, 2010	**288,080**	**1,986,048**
Issuance of share capital on vesting of deferred equity units and exercise of share options	34	833
Share repurchase	(555)	(3,824)
Common shares, balance, September 30, 2010	**287,559**	**1,983,057**

[b] Employee incentive share option plan

The March 2010 federal budget included changes to the tax treatment of options which if enacted may prevent CI from taking a full tax deduction on the cash payment made to employees on the exercise of options. As a result of these federal budget announcements, on March 25, 2010, the Employee Incentive Share Option Plan [the "Share Option Plan"] was amended to permit CI to revoke or amend the employee's cash settlement alternative such that an employee will receive either shares or the cash proceeds from the sale of shares for the "in the money value of the option".

Effective July 1, 2010 [“modification date”], CI revoked the employee’s cash settlement alternative such that an employee will receive either shares or the cash proceeds from the sale of shares for the “in the money value of the option”. As a result of this modification, all outstanding options granted prior to 2010 that were previously accounted for as a liability are accounted for using the fair value method on the modification date. As a result of this change, $10,920 was transferred to contributed surplus and an incremental compensation expense of $430 was recorded on the modification date and reflected in three-month period ended September 30, 2010. The remaining modification date fair value of $7,738 will be recognized as an expense over the remaining vesting period of the respective options. The fair value of the pre 2010 option grants was estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions:

Year of Grant	2005	2006	2008	2009
# of options outstanding at modification date	177	8	792	3,819
Dividend yield	4.4%	4.4%	4.7%	4.7% – 5.1%
Expected volatility	20.0%	20.0%	20.0%	20.0%
Risk-free interest rate	0.55% – 0.94%	1.0% – 1.29%	1.71%	1.75% – 1.85%
Expected life [years]	0 – 0.5	0.6 – 1.3	2.3	2.4 – 2.6
Fair value per stock option	$0.10 - $0.47	$0.05 - $0.21	$5.23	$1.53 – $6.2
Exercise price	$18.15 – $18.94	$23.06 – $23.09	$12.57	$11.60 – $18.20

Prior to the modification date, CI accounted for options granted prior to fiscal year 2010 as a liability based on the intrinsic value of outstanding share options at the consolidated balance sheet dates and the proportion of their vesting periods that had elapsed. On the exercise of share options for cash, the liability recorded with respect to the options was reduced for the settlement. If share options for these grants were exercised for shares, the liability recorded with respect to the options and consideration paid by the option holders was credited to share capital.

During the nine-month period ended September 30, 2010, CI granted 2,147,538 options to employees. The fair value method of accounting is used for the valuation of the 2010 share option grants. Compensation expense is recognized over the three-year vesting period, assuming a 0.75 per cent forfeiture rate, with an offset to contributed surplus. When exercised, amounts originally recorded against contributed surplus as well as any consideration paid by the option holder is credited to share capital. The fair value of the 2010 option grants was estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions:

Year of Grant	2010	2010	2010
# of option grants *[in thousands]*	1,823	130	194
Vesting terms	1/3 at end of each year following the grant date	100% at the end of 3 years	1/3 at end of each year following the grant date
Dividend yield	4.2%	4.2%	4.7%
Expected volatility	20.0%	20.0%	20.0%
Risk-free interest rate	2.22%	2.38%	2.62%
Expected life [years]	3.5	3.8	3.5
Fair value per stock option	$2.44	$2.39	$2.22
Exercise price	$21.27	$21.27	$19.48

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

	Number of options [in thousands]	Weighted average exercise price $
Options outstanding, December 31, 2009	**6,394**	**13.11**
Options exercisable, December 31, 2009	**1,067**	**16.52**
Options granted	1,953	21.27
Options exercised	(1,042)	14.43
Options cancelled	(17)	11.68
Options outstanding, March 31, 2010	**7,288**	**15.12**
Options exercisable, March 31, 2010	**1,339**	**13.31**
Options granted	194	19.48
Options exercised	(531)	13.27
Options cancelled	(10)	15.03
Options outstanding, June 30, 2010	**6,941**	**15.38**
Options exercisable, June 30, 2010	**1,039**	**14.14**
Options exercised	(190)	17.31
Options cancelled	(36)	15.25
Options outstanding, September 30, 2010	**6,715**	**15.33**
Options exercisable, September 30, 2010	**847**	**13.47**

Options outstanding and exercisable as at September 30, 2010 are as follows:

Exercise price $	Number of options outstanding [in thousands]	Weighted average remaining contractual life [years]	Number of options exercisable [in thousands]
11.60	3,065	3.4	447
12.57	786	3.2	144
15.59	346	3.5	113
18.10	20	3.8	7
18.20	341	3.7	113
18.94	14	0.2	14
19.48	194	4.6	—
21.27	1,940	4.4	—
23.06	6	0.4	6
23.09	3	1.1	3
11.60 to 23.09	**6,715**	**3.7**	**847**

[c] Compensation trust

CI uses a compensation trust to acquire shares on the open market in order to fulfill its obligations under the DEU Plan. A summary of the changes in the DEU Awards outstanding and the shares repurchased by the compensation trust for the DEU Plan is as follows:

	Number of DEU Awards [in thousands]
DEU Awards outstanding, December 31, 2009	**494**
Vested	(261)
Cancelled	(2)
DEU Awards outstanding, March 31, 2010	**231**
Vested	(1)
DEU Awards outstanding, June 30, 2010	**230**
Vested	(69)
DEU Awards outstanding, September 30, 2010	**161**
Shares held by the compensation trust, December 31, 2009	**652**
Released on vesting	(126)
Transferred to advisor equity plan	(57)
Shares held by the compensation trust, March 31, 2010	**469**
Released on vesting	(1)
Transferred to advisor equity plan	(18)
Shares held by the compensation trust, June 30, 2010	**450**
Released on vesting	(7)
Transferred to advisor equity plan	(18)
Shares held by the compensation trust, September 30, 2010	**425**

[d] Basic and diluted earnings per share

The weighted average number of shares outstanding were as follows:

[in thousands]	**For the nine months ended Sep. 30, 2010**	**For the three months ended Sep. 30, 2010**	For the nine months ended Sep. 30, 2009	For the three months ended Sep. 30, 2009
Basic	**289,622**	**287,727**	292,675	292,396
Diluted	**290,636**	**289,173**	294,023	293,195

[e] Maximum share dilution

The following table presents the maximum number of shares that would be outstanding if all the outstanding options as at October 31, 2010 were exercised and outstanding:

[in thousands]	$
Shares outstanding at October 31, 2010	287,530
DEU Awards outstanding	10
Options to purchase shares	6,682
	294,222

6. FINANCIAL INSTRUMENTS

Financial instruments have been classified on a basis consistent with the presentation in the 2009 audited consolidated financial statements.

7. RISK MANAGEMENT

CI's financial instruments are exposed to the risks as disclosed in the 2009 audited consolidated financial statements. There has been no significant change to these risk factors during the nine months ended September 30, 2010.

8. CAPITAL MANAGEMENT

CI's objectives in managing capital are to maintain a capital structure that allows CI to meet its growth strategies and build long-term shareholder value, while satisfying its financial obligations and meeting its long-term debt covenants.

CI's capital is comprised of shareholders' equity, long-term debt [including current portion of long-term debt] and preferred shares issued by the subsidiary. CI's senior management is responsible for the management of capital. CI's Board of Directors is responsible for reviewing and approving CI's capital policy and management.

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. Failure to maintain required regulatory capital by CI may result in fines, suspension or revocation of registration by the relevant securities regulator. As at September 30, 2010, CI met its capital requirements.

CI's capital consists of the following:

	As at September 30, 2010	As at December 31, 2009
	$	$
Shareholders' equity	1,609,524	1,610,935
Long-term debt	725,871	676,524
Preferred shares issued by subsidiary	–	20,662
Total capital	2,335,395	2,308,121

9. RELATED PARTY TRANSACTIONS

The Bank of Nova Scotia "Scotiabank" owns approximately 36.4% of the common shares of CI, and is therefore considered a related party. CI has entered into transactions related to the advisory and distribution of its mutual funds with Scotiabank. These transactions are in the normal course of operations and are recorded at the agreed upon exchange amounts. During the three and nine months ended September 30, 2010, CI incurred charges for deferred sales commissions of $513 and $2,023, respectively [three and nine months ended September 30, 2009 – $526 and $1,678, respectively] and trailer fees of $1,671 and $5,152, respectively [three and nine months ended September 30, 2009 – $1,498 and $4,245, respectively] which were paid or payable to Scotiabank. The balance payable to Scotiabank as at September 30, 2010 of $557 [December 31, 2009 – $602] is included in accounts payable and accrued liabilities.

Scotiabank is the provider of and administrative agent for CI's revolving credit facility. As at September 30, 2010, CI had drawn long term debt of $178,025 [December 31, 2009 – $129,025] in the form of bankers' acceptances. During the three and nine months ended September 30, 2010, interest and stamping fees of $807 and $4,076, respectively [three and nine months ended September 30, 2009 – $7,693 and $20,389, respectively] was recorded as interest expense.

10. SEGMENTED INFORMATION

CI has two reportable segments: Asset Management and Asset Administration. These segments reflect CI's internal financial reporting and performance measurement.

The Asset Management segment includes the operating results and financial position of CI Investments and United Financial Corporation ["United"] which derive their revenues principally from the fees earned on the management of several families of mutual and segregated funds. These two entities amalgamated on January 1, 2010 to continue as CI Investments.

The Asset Administration segment includes the operating results and financial position of Assante Wealth Management (Canada) Ltd. ["AWM"] and its subsidiaries, including Assante Capital Management Ltd. and Assante Financial Management Ltd. These companies derive their revenues principally from commissions and fees earned on the sale of mutual funds and other financial products, and ongoing service to clients.

Segmented information for the three months ended September 30, 2010 is as follows:

	Asset Management $	Asset Administration $	Intersegment Eliminations $	Total $
Management fees	293,286	—	—	293,286
Administration fees	—	52,910	(21,579)	31,331
Other revenues	7,858	3,868	—	11,726
Total revenues from continuing operations	301,144	56,778	(21,579)	336,343
Selling, general and administrative	54,576	13,206	—	67,782
Trailer fees	88,562	—	(3,449)	85,113
Investment dealer fees	—	40,291	(17,378)	22,913
Amortization of deferred sales commissions and fund contracts	44,179	376	(1,007)	43,548
Other expenses	1,198	813	—	2,011
Total expenses from continuing operations	188,515	54,686	(21,834)	221,367
Income from continuing operations before income taxes and non-segmented items	112,629	2,092	255	114,976
Interest expense				(3,845)
Provision for income taxes				(35,630)
Net income from continuing operations				75,501

Segmented information for the three months ended September 30, 2009 is as follows:

	Asset Management $	Asset Administration $	Intersegment Eliminations $	Total $
Management fees	273,461	—	—	273,461
Administration fees	—	50,738	(19,732)	31,006
Other revenues	10,685	3,584	—	14,269
Total revenues from continuing operations	284,146	54,322	(19,732)	318,736
Selling, general and administrative	61,075	11,865	—	72,940
Trailer fees	82,242	—	(3,217)	79,025
Investment dealer fees	—	37,925	(15,785)	22,140
Amortization of deferred sales commissions and fund contracts	41,950	376	(893)	41,433
Other expenses	3,662	996	—	4,658
Total expenses from continuing operations	188,929	51,162	(19,895)	220,196
Income from continuing operations before income taxes and non-segmented items	95,217	3,160	163	98,540
Interest expense				(7,801)
Provision for income taxes				(24,361)
Net income from continuing operations				66,378

Segmented information for the nine months ended September 30, 2010 is as follows:

	Asset Management	Asset Administration	Intersegment Eliminations	Total
	$	$	$	$
Management fees	874,902	—	—	874,902
Administration fees	—	168,164	(69,155)	99,009
Other revenues	25,657	11,594	—	37,251
Total revenues from continuing operations	900,559	179,758	(69,155)	1,011,162
Selling, general and administrative	152,471	39,415	—	191,886
Trailer fees	265,478	—	(10,478)	255,000
Investment dealer fees	—	128,039	(55,551)	72,488
Amortization of deferred sales commissions and fund contracts	132,240	1,128	(2,915)	130,453
Other expenses	5,077	3,137	—	8,214
Total expenses from continuing operations	555,266	171,719	(68,944)	658,041
Income (loss) from continuing operations before income taxes and non-segmented items	345,293	8,039	(211)	353,121
Interest expense				(12,433)
Provision for income taxes				(101,246)
Net income from continuing operations				239,442
Identifiable assets	1,783,079	236,943	(14,663)	2,005,359
Goodwill	858,703	192,582	—	1,051,285
Total assets	2,641,782	429,525	(14,663)	3,056,644

Segmented information for the nine months ended September 30, 2009 is as follows:

	Asset Management $	Asset Administration $	Intersegment Eliminations $	Total $
Management fees	753,570	—	—	753,570
Administration fees	—	149,924	(60,035)	89,889
Other revenues	29,169	12,365	—	41,534
Total revenues from continuing operations	782,739	162,289	(60,035)	884,993
Selling, general and administrative	165,850	37,428	—	203,278
Trailer fees	225,413	—	(9,189)	216,224
Investment dealer fees	—	111,663	(48,113)	63,550
Amortization of deferred sales commissions and fund contracts	123,335	1,128	(2,561)	121,902
Other expenses	10,905	2,299	—	13,204
Total expenses from continuing operations	525,503	152,518	(59,863)	618,158
Income (loss) from continuing operations before income taxes and non-segmented items	257,236	9,771	(172)	266,835
Interest expense				(20,658)
Provision for income taxes				(65,786)
Net income from continuing operations				180,391
As at December 31, 2009				
Identifiable assets (*)	1,711,896	257,702	(14,452)	1,955,146
Goodwill	858,703	192,582	—	1,051,285
Total assets	2,570,599	450,284	(14,452)	3,006,431

(*) Including assets held-for-sale

11. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the consolidated financial statement presentation in the current period.

12. SUBSEQUENT EVENT

On October 21, 2010, CI announced an agreement to acquire Hartford Investments Canada Corp. The transaction is expected to close in December 2010, subject to the approval of Canadian securities regulatory authorities.

This Report contains forward-looking statements with respect to CI, including its business operations and strategy and financial performance and condition. Although management believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause results to differ materially include, among other things, general economic and market factors, including interest rates, business competition, changes in government regulations or in tax laws, and other factors discussed in materials filed with applicable securities regulatory authorities from time to time.

On November 9, 2010, The Board of Directors declared monthly cash dividends of $0.07 per share payable on December 15, 2010, January 14, February 15, and March 15, 2011 to shareholders of record on November 30, December 31, 2010, January 31, and February 28, 2011, respectively.