

GRANT SAMUEL FUNDS MANAGEMENT

MEDIA RELEASE

Canadian wealth management firm CI Financial acquires majority stake in Grant Samuel Funds Management

CI Financial Corp. (CI) has agreed to purchase an 80 per cent stake in Grant Samuel Funds Management (GSFM). The transaction is expected to close on or about 15 November 2016.

CI is a diversified wealth management firm with assets under management of CAD\$112.2 billion (as of 31 October, 2016). Based in Toronto, it offers a wide range of investment products and services, including a broad selection of portfolio management teams and mandates.

It will acquire the stake previously held by corporate advisory firm Grant Samuel, which established the funds management business in 2007. For the time being the business will continue to operate under the name GSFM.

Andrew McKinnon, chief executive officer of GSFM, said: “With this transaction, GSFM gains the backing of an accomplished asset management and distribution firm that is one of the largest investment fund companies in Canada.

“The CI business model is similar to the GSFM model and the two businesses are culturally aligned.

“CI initially approached GSFM as a potential distribution relationship but during negotiations found a partner who could help accelerate its efforts in Australia.

“The move will allow GSFM to continue to develop and further build upon its already strong client relationships for its existing partners - Epoch, Tribeca, Payden & Rygel and Triple 3 - in the institutional and retail markets.

“The transaction also opens up further opportunity to expand the number of solutions we are providing to our clients in the Australian market.”

Doug Bartlett, chief executive officer of the Grant Samuel Group, said that while the company had no previous intention to sell its stake, it decided that this was the best course for both businesses in the long-term.

“After being approached by CI Financial, we decided that the more logical long-term partner for GSFM was one whose core business is asset management and distribution.”

Peter W Anderson, chief executive officer of CI, said: “CI has been looking for an opportunity to further expand outside Canada, and Australia was identified as an attractive market, with strong organic growth and a sophisticated investor base.

“We are very excited to partner with a well-established firm led by an experienced and highly regarded management team.

“This acquisition aligns CI with a proven competitor in one of the world’s fastest-growing pension markets, and is a significant new platform for CI as it expands its presence in global markets.”

Under the transaction agreement, current GSFM executives will retain a 20 per cent stake in the company. The existing GSFM team will remain in place, including executives CEO Andrew McKinnon, Head of Distribution Damien McIntyre and COO Peter Nichols, and the existing team will continue to manage all aspects of the company.

Mr McKinnon said that for its asset management partners and investors it would continue to be business as usual.

“GSFM will maintain its approach of only partnering with asset management businesses that don’t compete with its existing partners, and that it believes offer differentiated strategies for Australian investors.”

Grant Samuel Funds Management (GSFM) was established in July 2007 and is a subsidiary of the Grant Samuel Group, and co-owned by the executives of GSFM. Grant Samuel Group is an independent investment advisory house founded in 1988 and owned by its executives. GSFM specialises in marketing funds managed by high calibre local and international managers to Australian and New Zealand institutional and Australian retail investors.

GSFM formed an alliance in October 2007 with New York based Epoch Investment Partners, Inc. to distribute Epoch’s investment products to Australian and New Zealand clients.

In May 2008, GSFM acquired an equity stake in Tribeca Investment Partners, a successful Australian boutique manager which has been investing clients’ funds since 1999.

In May 2011, GSFM formed a relationship with Payden & Rygel, a Los Angeles based independent investment management firm established in 1983, to distribute its global fixed income and absolute return strategies in the Australian and New Zealand market.

In early 2014, GSFM established a relationship with Triple Three Partners Pty Ltd (Triple3) a boutique research and investment management firm based in Sydney. Triple3 specialises in volatility as an asset class.

GSFM currently represents over \$6 billion funds under management (as at 31 October 2016). For more information about GSFM please visit the website: www.gsfm.com.au

For more information please contact:

Andrew McKinnon

Phone: 02 9324 4351

Email: amckinnon@grantsamuelfunds.com.au