



## TFSA Investors: Hold This Stock Forever

### Description

**CI Financial** ([TSX:CIX](#)) is an independent Canadian company offering [global asset management](#) and wealth management advisory services. Through subsidiaries, the firm provides client-focused equity, fixed-income, and alternative investment portfolio management services. It also manages mutual funds, exchange-traded funds, hedge funds, and fund of funds through the company's subsidiaries. The firm was founded in 1965 and is based in Toronto with offices in Vancouver, Calgary, and Montreal. The company has been recently affected by the rise of passive management and exchange-traded funds, leading to a decline in the stock price and assets under management.

The company is ridiculously cheap with a price-to-earnings ratio of 9.13, a price-to-book ratio of 3.03, and market cap of 4.69 billion. The company has been opportunistically buying back a huge amount of stock in the market for the last several years and has significantly shrunk the outstanding share count. Leverage is utilized very conservatively by the company, as evidenced by a debt-to-equity ratio of just 1.04. The most fascinating part about CI Financial is the level of profitability achieved consistently, as demonstrated by an operating margin of 39.16% and return on equity of 33.71%, which is phenomenal in the current low interest rate environment.

The company has \$129.3 billion in assets under management and \$41.8 billion in assets under advisement. The company operates primarily through subsidiaries CI Investments Inc., Assante Wealth Management (Canada) Ltd., CI Private Counsel LP, First Asset Investment Management Inc., BBS Securities Inc., GSFM PTY Limited of Australia, and WealthBar Financial Services Inc. The company also owns a majority stake in Marret Asset Management Inc., a Toronto-based fixed-income investment manager, and minority interests in Altrinsic Global Advisors, LLC, a global asset manager based in Greenwich, Connecticut, and Lawrence Park Capital Partners Ltd. of Toronto, which specializes in alternative fixed-income strategies.

CI Investments provides investment solutions and leading portfolio management services; CI Institutional Asset Management provides institutional services; Assante Wealth Management provides financial advisory services; CI Private Counsel provides high-net-worth discretionary investment counsel services and includes high-growth Assante Private Client and Stonegate Private Counsel; First Asset provides exchange-traded funds; BBS Securities is a Canadian financial technology company

that provides trading services; Virtual Brokers provides online brokerage services; GSFM provides services for Australian investors; WealthBar provides online financial management services.

CI Financial posted record earnings per share and record free cash flow for the year in spite of the fact that the [asset management industry](#) is facing a very challenging time due to increased volatility which impacts investment performance and industry sales levels. The industry is also undergoing a secular transformation driven by forces that include more stringent regulation, huge focus on management fees, digitalization, and heightened competition from incumbents and new entrants. In response, the company has responded admirably by focusing on acquisitions, buybacks, and consistent, long-term organic growth in the Canadian market.

Further, the company's advisory businesses of Assante Wealth Management and CI Private Counsel, have posted excellent growth numbers, making CI one of the largest managers of high-net-worth assets in Canada.

CI Financial appears to be an excellent long-term investment at the current market price.

### **CATEGORY**

1. Investing

### **POST TAG**

1. dividend
2. Editor's Choice

### **TICKERS GLOBAL**

1. TSX:CIX (CI Financial)

### **PARTNER-FEEDS**

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

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**Author**  
nikhilwaterloo

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