



This TSX Dividend Stock Is on an Acquisition Spree

Description

People respond to situations in two ways: fight or flight. The same holds true for companies. A lot of companies have hunkered down and conserving cash. A few of them have aggressively made strategic acquisitions and partnerships. **CI Financial Corp** ([TSX:CIX](#)) belongs to the latter group. This financial services provider has made the following moves since January 1, 2020.

CI Financial announced a sub-advisory relationship in February with DoubleLine Capital LP, an asset manager specializing in fixed-income. DoubleLine will look at new offerings by CI in the mutual fund and exchange-traded fund segments.

CI completed the acquisition of WisdomTree Asset Management Canada. It added 14 **TSX**-listed ETFs with approximately \$1 billion in assets under management (AUM) to the company ETF portfolio.

CI acquired a majority interest in Surevest LLC, an advisor to high net worth investors with offices in Phoenix and LA. It partnered up with Adams Street Partners, LLC, an international private markets investment management firm. Adams Street will customize private equity and private credit investments exclusively for CI, enabling CI's Canadian clientele to look at offerings around the world.

The company announced that it will make a strategic investment in The Cabana Group, an RIA based out of Arkansas having \$1.1 billion in AUM. On May 26, CI announced a strategic interest in Boston-based Congress Wealth Management, LLC. Congress is an investment advisory with \$2.3 billion in assets under administration.

On May 19, CI Investments launched its fourth fund in the alternative offerings space with the CI Marret Alternative Enhanced Yield Fund. This offering is a non-traditional investment strategy that lets investors diversify from regular investments in stocks.

On May 21, CI completed its acquisition of WealthBar Financial Services Inc, an online investment and financial planning firm.

First-quarter results

CI has made these acquisitions and partnerships against a [backdrop of lower numbers](#) for the first quarter of 2020. Its earnings per share came in at \$0.58 compared to \$0.66 for the fourth quarter of 2019 and \$0.58 for the first quarter of 2019.

AUM was \$127.2 billion, down 3% from December 31, 2019, and down 1% from March 31, 2019. The company saw \$2.7 billion in overall net redemptions. Its retail business had \$1.3 billion in net redemptions.

Comparatively, the numbers for its Canadian institutional business were \$0.8 billion. CI's international business saw \$0.4 billion redeemed in the first quarter of 2020.

According to the company, this has been the "worst ever month for net redemptions of long-term funds in the history of the Canadian mutual funds industry."

What next for investors?

The company says it has rebounded in April with 'retail sales in April 2020 improved by 41% over 2019, and our institutional flows improved by 12%'

CI retired \$119 million of debt by March and has said that it will have paid off the remaining \$46 million by May 2020. It announced a dividend of \$0.18 per share for the quarter, which means the forward yield is at a healthy 4.38%.

[I wrote about CI](#) on April 4, saying that this stock is a good buy. Almost two months later, my views haven't changed.

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Author

araghunath

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