



1 Top Value Stock on Sale to Buy Right Now

Description

CI Financial ([TSX:CIX](#)) is the largest investment management firm by assets under management in Canada. The company reported a solid third quarter last Thursday. This value stock is a good buy right now, as it is very cheap.

CI Financial increased its profits in the third quarter

CI Financial reported its third-quarter results on Thursday, showing increased profits and a record level of assets in wealth management as the company continued to expand into the United States.

Earnings per share for the quarter were \$0.62 compared to \$0.56 in the prior quarter and \$0.60 in the third quarter of 2019.

The Toronto-based company reported free cash flow of nearly \$144 million in the third quarter — an increase of 12% from about \$128 million in the second quarter and a decrease of 1% from the same quarter a year ago year.

In a statement, Kurt MacAlpine, CEO of CI Financial, called the results “strong” and attributed them to “cost discipline.”

Selling, general, and administrative (SG&A) expenses were reduced by nearly \$16 million, or 13%, year over year during the quarter. Excluding the impact of acquisitions, general and administrative expenses were reduced by about \$19 million, or 16%, from the third quarter of 2019.

CI reported \$2 billion in overall net redemptions for the quarter.

CI continues U.S. wealth expansion

As of September 30, 2020, total assets under management stood at \$128.3 billion — an increase of 2% compared to June 30, 2020, and a decrease of 1% compared to September 30, 2019.

Core assets under management, which consist of assets managed by CI's Canadian and Australian subsidiaries, were \$123.6 billion as of September 30, 2020 — an increase of 2% from three months earlier and a decrease of 5% year on year.

During the third quarter, U.S. assets under management increased 10% to \$4.7 billion.

Total wealth management assets at the end of the quarter stood at \$66.1 billion — a quarter-end record for CI — and an increase of \$12.3 billion or 23% from the 30 June 2020 and an increase of \$18 billion, or 37%, year over year.

The increase is due to the company's acquisition of Balasa Dinverno Foltz LLC, based in Illinois, and an interest in Congress Wealth Management, LLC, based in Boston.

Wealth management assets in the United States stood at \$14.9 billion at the end of the quarter, up \$10 billion from the prior quarter.

Canadian wealth management assets, at \$51.2 billion, increased 4% in the quarter and 6% from a year ago. This included the assets of Assante Wealth Management (Canada) Ltd., CI Private Counsel LP, CI Direct Investing (WealthBar Financial Services Inc.), and Virtual Brokers.

New acquisitions in the United States were announced during the quarter, along with a controlling stake in Aligned Capital Partners Inc., based in Burlington, Ontario.

Since the third quarter, CI's expansion into the U.S. wealth management industry has included acquisitions of New York-based Roosevelt Investment Group, Inc., which the company announced on Wednesday; Doyle Wealth Management Inc., based in Florida; and Stavis & Cohen Financial LLC of Houston (controlling interest).

Common shares of CI Financial have been approved for [listing on the New York Stock Exchange](#). They are expected to start trading on November 17.

CI Financial pays a quarterly [dividend](#) of \$0.18 per share for a current yield of 4.3%. This value stock is very cheap, with a forward P/E of only 6.9.

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2. Investing

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