

CI Canadian Fixed Income Private Pool Second-quarter 2019 Commentary

FUND HOLDINGS

- Infrastructure company **407 International Inc.** operates and maintains a toll highway 407 in Ontario, Canada. CI Canadian Fixed Income Private Pool (the “Fund”) holds 407 International Inc.’s 3.6% bond due May 21, 2047.
- **City of Montreal 3.0% Sept. 1/2027** bond is issued by the Montreal municipal government.
- **TransCanada PipeLines Ltd.** is Canada-based energy infrastructure company, offering pipeline and other infrastructure construction, distribution and transmission of energy. The Fund holds the company’s perpetual floating-rate bonds.
- **HSBC Holdings plc**, the largest bank in Europe, is a British multinational financial services company. The Fund holds a perpetual bond (5.844%) issued by HSBC Holdings.

PORTFOLIO ACTIVITY

- We added a new Fund position in **Government of Canada real return bond 4.0% Dec. 1/2031** as inflation breakeven rates decreased.
- **Maple Leaf Sports & Entertainment Ltd.** (MLSE) is a professional sports and entertainment company based in Toronto, Canada, owning several major sport franchises in the United States and Canada. A bond issued by MLSE (4.94%, June 20, 2023) was eliminated from the Fund.

MARKET OUTLOOK

- We expect the Canadian economy to grow moderately over the next quarter as oil prices are expected to remain high enough to support improvement in Canada’s terms of trade.
- After its recent rebound, the Canadian dollar is close to the higher end of its multi-year range. Any further gains in the Canadian dollar should be modest as bond yields remain below U.S. government rates.
- The Fund is positioned with a duration (sensitivity to interest rates) that is slightly below neutral, with a moderate overweight exposure to corporate debt.

Sources: Bloomberg L.P. and Sentry Investment Management, as at June 30, 2019.

IMPORTANT DISCLAIMERS

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns net of fees and expenses payable by the fund (except for figures of one year or less, which are simple total returns), including changes in security value and reinvestment of all dividends/distributions, and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

The comparison presented is intended to illustrate the mutual fund's historical performance as compared with the historical performance of widely quoted market indexes or a weighted blend of widely quoted market indexes or another investment fund. There are various important differences that may exist between the mutual fund and the stated indexes or investment fund, that may affect the performance of each. The objectives and strategies of the mutual fund result in holdings that do not necessarily reflect the constituents of and their weights within the comparable indexes or investment fund. Indexes are unmanaged and their returns do not include any sales charges or fees. It is not possible to invest directly in market indexes.

The contents of this piece are intended for informational purposes only and not to be used or construed as an endorsement or recommendation of any entity or security discussed. The information should not be construed as investment, tax, legal or accounting advice, and should not be relied upon in that regard. Individuals should seek the advice of professionals, as appropriate, regarding any particular investment. Investors should consult their professional advisors prior to implementing any changes to their investment strategies. These investments may not be suitable to the circumstances of an investor. Some conditions apply.

Certain statements in this document are forward-looking. Forward-looking statements ("FLS") are statements that are predictive in nature, depend upon or refer to future events or conditions, or that include words such as "may," "will," "should," "could," "expect," "anticipate," "intend," "plan," "believe," or "estimate," or other similar expressions. Statements that look forward in time or include anything other than historical information are subject to risks and uncertainties, and actual results, actions or events could differ materially from those set forth in the FLS. FLS are not guarantees of future performance and are by their nature based on numerous assumptions. Although the FLS contained herein are based upon what CI Investments Inc. and the portfolio manager believe to be reasonable assumptions, neither CI Investments Inc. nor the portfolio manager can assure that actual results will be consistent with these FLS. The reader is cautioned to consider the FLS carefully and not to place undue reliance on FLS. Unless required by applicable law, it is not undertaken, and specifically disclaimed that there is any intention or obligation to update or revise FLS, whether as a result of new information, future events or otherwise.

Certain statements contained in this communication are based in whole or in part on information provided by third parties and CI Investments Inc. has taken reasonable steps to ensure their accuracy. Market conditions may change which may impact the information contained in this document.

CI PRIVATE POOLS™

Sentry Investment Management is a division of CI Investments Inc. Sentry Investment Management and the Sentry Investment Management logo and design are trademarks of CI Investments Inc

© CI Investments Inc. 2019. All rights reserved. "Trusted Partner in Wealth™", CI Private Pools™ are trademarks of CI Investments Inc.

Published July 25, 2019.