

CI U.S. Equity Private Pool Second-quarter 2019 Commentary

FUND HOLDINGS

- **Mastercard Inc.** is a technology company that provides transaction processing and other payment-related products and services in the United States and internationally. It facilitates the processing of payment transactions, including authorization, clearing and settlement, as well as delivers related products and services.
- **Facebook Inc.** is the world's largest social media platform, connecting over 1.5 billion daily users. The company provides various products to connect and share through mobile devices, personal computers and other surfaces worldwide.
- **Alphabet Inc.** provides online advertising services in the United States, Europe, the Middle East, Africa, the Asia-Pacific, Canada and Latin America. It offers performance and brand advertising services, operating through its Google and Other Bets segments.
- **Cognizant Technology Solutions Corp.** is a professional services company that provides consulting, technology and outsourcing services worldwide.

PORTFOLIO ACTIVITY

- U.S.-based **Fiserv Inc.** was added to CI U.S. Equity Private Pool (the "Fund") during the quarter as the company continues to widen its client base and enhance its product portfolio. The company is a provider of financial services technology worldwide to banks, credit unions, leasing and finance companies, and retailers, among others.
- **Cinemark Holdings Inc.**, headquartered in Plano, Texas, engages in the motion picture exhibition business. It is also the largest movie theatre chain in Brazil. It was eliminated from the Fund during the quarter.

MARKET OUTLOOK

- We continue to see strong but slowing growth in the United States, particularly in comparison to the rest of the world. Unemployment remains low, consumer confidence remains at elevated levels, but we have noticed lower business confidence more recently.

- The Fund remains fully invested but with a specific focus on certain sectors. Typically, these sectors are more U.S.-centric and less exposed to trade disputes or a reduction in business capital spending.
- Mortgage rates have declined fairly significantly. We believe that this should benefit the U.S. housing market, which was a challenge to growth in 2018. The Fund's bank holdings should benefit from higher levels of loan growth and we continue to look for other opportunities to invest in this space.
- Political risk remains elevated with the upcoming U.S. elections. We are monitoring potential outcomes and adjusting positioning as we see fit. The health care sector is an area in particular that could be impacted.

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

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