

## CI Global High Yield Credit Private Pool Third-quarter 2019 Commentary

### Fund Holdings

- CI Global High Yield Credit Private Pool (the “Fund”) holds bonds (8%, due 2027) of Michaels Stores, Inc., an arts and craft retailer.
- The Fund also holds Calfrac Holdings L.P. bonds (8.5% due 2026). Calfrac Holdings is a Canadian oilfield services company specializing in pressure pumping.
- California Resources Corp. is an oil-focused producer with core acreage in California. The Fund holds a position in the company’s second-lien bonds (8%, due 2022).

### Outlook

- Accommodative monetary policy by central banks globally should be supportive of credit conditions, and our base case is underlying business resilience, consumer balance-sheet health and the Fed proactively cutting interest rates should be sufficient to keep economic growth low but positive. Nonetheless, corporate and investor belief that the economy is in the late stage of a business cycle and that recession is around the corner risks being self-fulfilling. Central bankers are beginning to realize the potency of monetary policy is muted when interest rates are closer to zero-bound but with increased adverse side effects in the currency markets and in trade relationships. While disappointing but positive economic growth is our base case, absent renewed optimism subsequent to a U.S.-China trade deal, a hand-off to government fiscal stimulus may be required to spark confidence and inflation. As always, we will monitor closely corporate earnings and sentiment, but for the time being, at the margin we have become more cautious in our security selection and slightly more defensive in our asset allocation.

Sources: Bloomberg Finance L.P. and Signature Global Asset Management, as at September 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.*

*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.*

*The author and/or a member of their immediate family may hold specific holdings/securities discussed in this document. Any opinion or information provided are solely those of the author and does not constitute investment advice or an endorsement or recommendation of any entity or security discussed or provided by CI Investments Inc.*

*This commentary is published by CI Investments Inc. 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 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 Investments® and the CI Investments design are registered trademarks of CI Investments Inc. CI Private Pools™ and “Trusted Partner in Wealth™” are trademarks of CI Investments Inc. © CI Investments Inc. 2019. All rights reserved.*

*Published October 15, 2019.*