CI PRIVATE POOLS™

CI Global Equity Alpha Private Pool
Third-quarter 2020 Commentary

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Class F returns (in %) as at September 30, 2020	Year-to-date	1 year	3 year	5 year	Since inception (2018-10-29)
CI Global Equity Alpha Private Pool	-0.4	8.3	N/A	N/A	8.9

Sources: Bloomberg Finance L.P., MSCI Inc., S&P Dow Jones Indices, Morningstar Research Inc., StatPro Group PLC and Black Creek Investment Management Inc., as at September 30, 2020.

Market Overview

- Global equities advanced in the third quarter, but gains continued to be uneven and narrow. The strong rally faded towards quarter-end on concerns of stretched valuations in certain areas of the market. The U.S. Congress' inability to pass further fiscal stimulus amid a bipartisan impasse also added to market volatility.

- In U.S.-dollar terms, global stocks (as defined by the MSCI ACWI Index) returned 8.1% for the quarter. Markets were supported by accommodative monetary and fiscal policy, signs of improving economic data and positive news on therapeutic treatments and vaccine progress.

- Investor preference continued to lean towards what has worked, with familiar high-valuation momentum and growth stocks favoured. Despite rising trade tensions, China (+12.5%) and the United States (+8.9%), led by large-cap technology and e-commerce stocks, were amongst the best-performing markets. The United Kingdom (-0.2%), which has been hampered by Brexit uncertainty, was among the laggards.

Performance Summary

- CI Global Equity Alpha Private Pool Class F (the Fund) returned 7.7% during the quarter, outperforming its benchmark, the MSCI World Total Return Index, which returned 6.0% over the same period.

- Positive stock selection in the industrials, financials and consumer discretionary sectors more than offset weak stock selection in the consumer staples and communication services sectors.

Contributors to Performance

- During the quarter, top contributors were Alibaba Group Holding Ltd., Makita Corp. and Wienerberger AG.

- Alibaba is a Chinese multinational holding company specializing in e-commerce, retail, internet and technology. Its stock surged after it reported very strong first-quarter results with revenue and earnings exceeding expectations. Investors rewarded strong results from its Chinese e-commerce sales, Alicloud cloud-computing platform and Ant Financial online banking service.

- Makita is a global leader in cordless power tools for residential and commercial use. The company is using its expertise in lithium-ion battery technology to move into areas such as lawn and garden tools. During the quarter, the company announced better-than-expected first-quarter 2020 operating profit and revenue, and maintained a positive outlook.

- Wienerberger is a leading international supplier of building materials and infrastructure solutions, and is the main manufacturer of bricks, globally. The company's share price rose on better-than-expected second-quarter earnings due to an improvement in demand after some pandemic-related restrictions were eased in North America and Europe. The company also modestly increased its full-year profit outlook.

Detractors from Performance

- During the quarter, Galp Energia SA, DS Smith PLC and Fomento Economico Mexicano SAB de CV were the main detractors.

- Galp Energia is an Iberia-based integrated oil-and-gas operator that has a low cost of production. Its shares fell on news that it had sustained a loss in the second quarter of 2020 due to the impact of the coronavirus and lockdowns in Portugal and Spain. To preserve cash, the company announced that it had suspended its interim second-half dividend. More recently, the company did note positive signs as countries began to re-open and refining activity resumed, but also cited a continued challenging environment.

- Cardboard box manufacturer DS Smith reported good year-over-year results due to increased e-commerce shopping during the coronavirus lockdown. To be cautious, the company cancelled its final dividend payment due to macro uncertainty, which led to a decline in its share price.

- FEMSA operates Latin America's largest chain of convenience stores, as well as pharmacies and gas stations. FEMSA reported a net loss in the second quarter of 2020, as results were impacted by the coronavirus pandemic across most of if operating segments. Is Comercio division was particularly hard hit in the short term. Mexico's decision to shut down breweries as non-essential services detracted from its Oxxo convenience stores sales. Beer plays a large role in social gatherings in Mexico, and the government shut down beer production as part of its call to stay at home. Lower realized gasoline prices also impacted convenience store sales.

Portfolio Activity

- During the quarter, no holdings were added to or eliminated from the Fund.

Outlook

- At Black Creek, we buy companies based on their underlying fundamentals and focus on businesses that are winning with their customers at prices that are inexpensive relative to their long-term cash flows. This approach has lagged in a narrowly led market, and the pandemic has only compounded this trend. These are extraordinary times, and while near-term performance has not kept up with the market, we have confidence that, given our time horizon, our portfolio of winning businesses will ultimately demonstrate their value.

- We believe that whatever shape the post-pandemic recovery follows, it will favour a broader rally in stocks and help to rebalance equity markets that have become heavily tilted towards large-capitalization growth and momentum stocks.

We wish all the best to you and your families, and hope that you are healthy and safe. We thank you for your continued support and confidence.

Sources: Bloomberg Finance L.P., MSCI Inc. and Black Creek Investment Management Inc.

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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.

Published October 14, 2020.

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