Q3-2019 Commentary

CI American Equity Fund
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PERFORMANCE SUMMARY

- In the third quarter of 2019, CI American Equity Fund Series F (the “Fund”) returned 3.7% compared with the S&P 500 Total Return Index, which returned 3.0%.

- The Fund outperformed its benchmark largely as a result of security selection within the financials and communication services sectors.

CONTRIBUTORS TO PERFORMANCE

- **Alphabet Inc.** provides online advertising services globally, operating through its Google and Other Bets segments. Its Google segment offers many products, such as online advertising, a search engine, hardware, Android, Chrome, Google Cloud, Google Maps, Google Play and YouTube, as well as technical infrastructure. Alphabet Inc.‘s stock benefited from its Google Cloud platform gaining growth momentum in cloud services.

- **Brookfield Asset Management Inc.** is a publicly-owned asset management holding company that specializes in acquisition, distressed investments, short-term financing to mid-market companies and recapitalizations. The company benefited from strong execution and declining interest rates.

DETRACTORS FROM PERFORMANCE

- **Cisco Systems Inc.** designs, manufactures and sells Internet protocol-based networking and other products related to the global communications and information technology industry. The company faced challenges in its service provider market segment and uncertainties surrounding global tensions, which caused a pullback in capital spending from its customer base.

<table>
<thead>
<tr>
<th>FUND</th>
<th>1 YEAR</th>
<th>3 YEAR</th>
<th>5 YEAR</th>
<th>10 YEAR</th>
<th>S.I.*</th>
</tr>
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<tbody>
<tr>
<td>CI American Equity Fund Series F</td>
<td>4.3%</td>
<td>8.6%</td>
<td>9.5%</td>
<td>11.1%</td>
<td>1.5%</td>
</tr>
<tr>
<td>S&amp;P 500 Total Return Index (C$)</td>
<td>6.8%</td>
<td>13.7%</td>
<td>14.7%</td>
<td>15.6%</td>
<td>5.0%</td>
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</tbody>
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* Inception date of CI American Equity Fund Series F: August 8, 2000.
UnitedHealth Group Inc. is a diversified health care company based in the U.S. Its UnitedHealthcare segment offers health benefit plans and services to national employers, public sector employers, mid-sized employers, small businesses and individuals. The company’s stock declined amid uncertainty surrounding the outcome of the upcoming U.S. presidential election.

PORTFOLIO ACTIVITY

Expedia Group Inc. is an American global travel technology company that largely operates as a travel search engine. Its websites include CarRentals, CheapTickets, VRBO, Hotels.com, Hotwire, Orbitz, Travelocity, Trivago and Venere. The position was added to the Fund after shares of an existing position in Liberty Expedia Holdings Inc. was converted to shares of Expedia Group Inc.

A position in Liberty Global plc, a global telecommunications provider, was sold during the quarter. We lowered our growth expectations for the business because of the increasingly challenging competitive environment. With this re-evaluation, we chose to exit the position to pursue more attractive investment opportunities.

MARKET OUTLOOK

- Slowing global growth and escalating trade tensions have resulted in increased economic uncertainty.
- Declining levels of capital investment are beginning to have an impact on other areas of the economy.
- The 2020 U.S. election is weighing on certain areas of the market (e.g., health care), which is creating opportunities for long-term investors to buy high-quality businesses at discounted valuations.
- We remain focused on owning companies with strong free cash generation and low balance sheet leverage.


All returns are total returns, stated in Canadian dollars. Fund returns are for Series F, net of fees, all distributions reinvested.

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. There are various important differences that may exist between the Mutual Fund and the stated indexes 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. Indexes are unmanaged and their returns do not include any sales charges or fees. It is not possible to invest directly in market indexes.
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