Market Commentary
Third Quarter 2019

CI Can-Am Small Cap Corporate Class

Joe Jugovic, CFA, President, Chief Investment Officer and Chief Executive Officer
Ian Cooke, CFA, Vice-President and Portfolio Manager

Class F returns (in %) as at September 30, 2019	Year-to-date	1 year	3 year	5 year	10 year	Since inception (11/30/2000)
CI Can-Am Small Cap Corporate Class	8.4	-6.4	0.4	1.7	8.2	9.2

Source: Morningstar Direct as at September 30, 2019.

Market Overview

- In Canada, small-capitalization stocks have underperformed the broader market, primarily due to challenges in the energy and base-metals-related segments of the market.

Performance Summary

- Over the third quarter of 2019, Class F of CI Can-Am Small Cap Corporate Class (the “Fund”) returned 0.53%, outperforming its blended benchmark (50% S&P 1000 Total Return Index/50% S&P/TSX Small Cap Total Return Index), which was up 0.03% over the same period.

- Exposure to quality financials holdings that offered value and avoidance of weaker businesses in the health care sector were key contributors to our outperformance. In particular, we benefitted from side-stepping declines from the early-stage cannabis sector in favour of businesses with strong franchises and management teams.

Contributors to Performance

- Shares of iA Financial Corp. added relative value as the company reported healthy operating results and a further strengthening of its balance-sheet positioning.

- Commercial lender Canadian Western Bank continued to execute on its business diversification efforts while raising its dividend 4% and returning additional capital to share owners through its buyback.

Detractors from Performance

- Secure Energy Services Inc., despite focusing on its steadier producing assets, detracted from our performance in the period, as the energy sector suffered from low commodity prices and slow industry activity. Another victim of the energy sector's woes was ARC Resources Ltd., which also pulled down our portfolio's value.

- SNC-Lavalin Group Inc. also detracted, as the company continued to provide unsatisfactory information on its efforts to rebuild its reputation, as discussed below.

Portfolio Activity

- The Fund initiated an investment in SmartCentres Real Estate Investment Trust during the quarter, which offers both reasonable growth and defensive attributes. Strong anchor tenants such as Walmart and Canadian Tire are expected to provide stability through periods of economic downturn.

- We also purchased Stella-Jones Inc., a North American producer of treated wood products, such as railway ties and utility poles. The company provides steady growth and excess cash flow, which they employ to reduce debt, grow dividends or fund opportunistic acquisitions. Stella-Jones is a reasonably priced company of above-average quality. It enhances our portfolio's cash-flow stability and return on equity.

- We finished exiting our position in SNC-Lavalin Group Inc. after its latest quarterly report provided disappointing information, including a lack of meaningful progress on key milestones. SNC-Lavalin continues to work toward rebuilding its reputation after legal issues from pre-2012 issues, but this process is unlikely to conclude anytime soon as the company awaits a trial on federal charges. In addition, its once highly profitable engineering and construction business has been tarnished by several failed fixed-price contracts and the path toward positive cash flow is uncertain.

Outlook

- Global equity returns have been strong in 2019, but the path to these gains has been volatile. International trade conflicts have increased economic and market uncertainty. Meantime, accommodative central bank policy has supported asset valuations. The weak fundamentals behind the Canadian market gains, which has been largely unsupported by corporate earnings, is cause for concern. Growth and gold-related equities continue to outperform, while value stocks have lagged.

- If this trend persists, our strategy could result in underperformance. However, we remain committed to our investment and risk-management process that has historically generated healthy absolute performance over time.

- This strategy currently provides a dividend yield of above 3%, with over 90% of the Fund's holdings paying a dividend. We continue to focus on companies with clear balance sheet and more attractive valuations than the average Canadian small/mid cap company, while providing more diversification.

Sources: Bloomberg Finance L.P. and Picton Mahoney 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 compound total returns net of fees (except for figures of one year or less, which are simple total returns) including changes in security value and reinvestment of all 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.

This document is provided as a general source of information and should not be considered personal, legal, accounting, tax or investment advice, or an offer or a solicitation to buy or sell securities. Every effort has been made to ensure that the material contained in this document is accurate at the time of publication. Market conditions may change which may impact the information contained in this document. The opinions expressed in the communication are solely those of the author and are not to be used or construed as investment advice or as an endorsement or recommendation of any entity or security discussed. 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.

The comparison presented is intended to illustrate the mutual fund's historical performance as compared with the historical performance of widely quoted market indices or a weighted blend of widely quoted market indices or another investment fund. There are various important differences that may exist between the mutual fund and the stated indices 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 indices or investment fund. Indices are unmanaged and their returns do not include any sales charges or fees. It is not possible to invest directly in market indices.

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.

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.

QV Investors Inc. are portfolio sub-advisors to certain funds offered and managed by CI Investments Inc.

Published November 1, 2019.