

# Market Commentary

## Fourth Quarter 2019



### Synergy Canadian Corporate Class

*David Picton, President and Portfolio Manager*

Class F returns (in %) as at December 31, 2019	Year-to-date	1 year	3 year	5 year	10 year	Since inception (11/30/2000)
Synergy Canadian Corporate Class	21.6	21.6	7.4	6.0	7.7	6.6

Source: Morningstar Direct, Bloomberg Finance L.P. and Picton Mahoney Asset Management, as at December 31, 2019.

#### Performance Summary

- Over the quarter ended December 31, 2019, Class F of Synergy Canadian Corporate Class (the Fund) returned 4.6%, compared with 3.2% return for its benchmark, the S&P/TSX Composite Index Total Return Index.
- The Fund outperformed primarily due to an overweight exposure in the information technology sector. An underweighting in financials added to relative performance. Our underweight position in energy and overweighting in health care detracted.

#### Contributors to Performance

- Among individual securities, Parkland Fuel Corp. was a positive contributor. Parkland reported strong earnings results during the period and improved its forecast guidance due to stronger refining margins and growth from prior acquisitions.
- Advanced Micro Devices Inc., a manufacturer of semiconductor products, also added value. The company strengthened during the period as the outlook for 2020 improved due to new products, market share gains and an improving pricing outlook.

#### Detractors from Performance

- The largest individual detractors were Enbridge Inc. and class A shares of Shopify Inc.



2 Queen Street East, Twentieth Floor, Toronto, Ontario M5C 3G7 | [www.ci.com](http://www.ci.com)

**Head Office / Toronto**  
416-364-1145  
1-800-268-9374

**Calgary**  
403-205-4396  
1-800-776-9027

**Montreal**  
514-875-0090  
1-800-268-1602

**Vancouver**  
604-681-3346  
1-800-665-6994

**Client Services**  
English: 1-800-563-5181  
French: 1-800-668-3528

# Market Commentary

## Fourth Quarter 2019



- ) Stock selection in the energy sector was a drag on performance during the quarter as commodity prices strengthened and higher debt-levered companies outperformed.

### Portfolio Activity

- ) During the quarter, we exited our position in Emera Inc. Since initiating our position in the stock, the company had successfully delivered a strong balance sheet and executed on operational results, which led to a significantly higher valuation multiple.
- ) We initiated a position in Parex Resources Inc., an international oil and gas company that benefits from international crude oil prices and has a debt-free balance sheet.

### Outlook

- ) Global economic growth is expected to improve in 2020 as trade disputes fade and central banks' rate cuts begin to provide stimulus. While equity markets were positive in 2019, leadership was driven by defensive and low-beta companies. With an improving global economic growth picture, we expect more economically sensitive sectors to benefit.

### 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 dividends or 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.*

# Market Commentary

## Fourth Quarter 2019



*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.*

*© 2020 Morningstar Research Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.*

*Picton Mahoney Asset Management is portfolio sub-advisor to certain funds offered and managed by CI Investments Inc. CI Investments® and the CI Investments design are registered trademarks of CI Investments Inc. © CI Investments Inc. 2020. All rights reserved*

*Published January 30, 2020.*