CI PRIVATE POOLS™

CI Global Balanced Yield Private Pool
Second Quarter 2020 Commentary

Class F returns (in %) as at June 30, 2020	1 year	3 year	5 year	Since inception (2018-10-29)
CI Global Balanced Yield Private Pool Class F	4.9%	N/A	N/A	8.7%

Source: Sentry Investment Management, as at June 30, 2020.

Performance Summary

- In the second quarter of 2020, Class F of CI Global Balanced Yield Private Pool (the "Fund") returned 9.3% compared with the 6.3% return for its blended benchmark (50% MSCI World Total Return Index and 50% ICE BofAML Global Broad Market Total Return Index).

Contributors to Performance

- **Alphabet Inc.** provides online performance and brand advertising services. The company operates through its Google and other bets segments. The Google segment offers products, such as ads, Android, Chrome, Google Cloud, Google Maps, Google Play, hardware, search, and YouTube, as well as technical infrastructure. It also offers digital content, cloud services, hardware devices and other miscellaneous products and services. Google's cloud offerings have experience increased usage as a result of COVID-19. Businesses have also accelerated their e-commerce and online presence, which benefits Google's ad business.

- **Facebook Inc.** develops products that enable people to connect and share with friends and family through mobile devices, personal computers, virtual reality headsets and in-home devices worldwide. COVID-19 has forced social interaction entirely online which has benefited Facebook's businesses, increasing user activity. This increased the value proposition of Facebook's product offering to its advertising customers, driving pricing power. The company's move to Facebook Shops expands its addressable market with very little incremental capital investment and has driven the share price higher.

- **WELL Health Technologies Corp.** owns and operates a portfolio of primary health care facilities. The company also provides digital electronic medical records (EMR) software services and telehealth services. As of March 24, 2020, it operated 20 medical clinics and provided digital EMR software and services to 1,446 medical clinics across Canada. WELL's shares experienced a significant rise as the market priced in the company's better revenue growth prospects.

- **Kinaxis Inc.** is a provider of cloud-based subscription software for supply chain operations internationally. It also provides professional services, such as implementation, configuration, technical and training services, as well as maintenance and support services to its software products. The increased pressure on supply chain logistics that resulted in countries shutting down has elevated the importance of Kinaxis' offerings. This has begun to be realized by the market.

- A junior subordinated bond issued by Irish bank, **Permanent TSB PLC 8.625%**, also contributed to performance. The holding rebounded from the negative sentiment surrounding the COVID-19 pandemic.

Detractors from Performance

- **Berkshire Hathaway Inc.**, through its subsidiaries, engages in insurance, freight rail transportation and utility businesses. It provides property, casualty, life, accident, and health insurance and reinsurance, and also operates railroad systems in North America. The company's exposure to banks and insurance weighed on its share price as those areas are expected to come under continued pressure as a result of COVID-19 and low interest rates.

- **Live Nation Entertainment Inc.** operates as a live entertainment company through concerts, ticketing, and sponsorship and advertising segments. The cancellation of live events as a result of COVID-19 has hampered the business in the near term. In the long term, we are confident in the company as we believe live events will eventually return, and as the dominant player in this market, Live Nation is well positioned to rebound.

- **Bank of America Corp.**, through its subsidiaries, provides banking and financial products and services for individual consumers, small- and middle-market businesses, institutional investors, large corporations and governments worldwide. The low interest rate environment, as well as concerns over mortgage and loan repayments in the COVID-19 environment, has driven a decline in its share price. In the long term, the business remains sounds and we are comfortable maintaining the position.

- **Manulife Financial Corp.,** together with its subsidiaries, provides financial advice, insurance, and wealth and asset management solutions for individuals, groups and institutions in Asia, Canada, the United States and internationally. Concerns about insurance because of low interest rates pressured the stock's price. We are still confident in the underlying business and are comfortable maintaining the position.

- A bond issued by the iconic U.K. retailer **Marks & Spencer Group PLC 7.125% December 1/2037** only partially recovered from the lows suffered amid the COVID-19 pandemic.

Portfolio Activity

- We added a position in **McDonald's Corp.**, which operates and franchises McDonald's restaurants in the United States and internationally. Its restaurants offer various food products and beverages, as well as a breakfast menu. The broad equity sell-off in March created an opportunity to enter a position in McDonald's at an attractive valuation. This is a leading fast food chain with an excellent franchisee model that has performed well under COVID-19 and stands to benefit as the world re-opens.

- We added a new position in **Boyd Group Services Inc.**, which operates non-franchised collision repair centers in North America. The company operates its locations under the Boyd Autobody & Glass and Assured Automotive brands in Canada, and Gerber Collision & Glass brand in the United States. Reduced business because of lower auto traffic drove its share price lower, creating an opportunity to enter the business at an attractive valuation.

- We added a holding in **UnitedHealth Group Inc. 2.0% May 15/2030**. It was bought as a new issue from the U.S. health insurer. We view the company as very solid, and its debt was relatively inexpensive as a result of investors' search for more defensive assets.

- **Cognizant Technology Solutions Corp.** is a professional services company that provides consulting and technology, and outsourcing services in internationally. The company operates through four segments: financial services, health care, products and resources, and communications, media and technology. It offers analytics and artificial intelligence, digital engineering, Internet of Things, interactive, and cloud-based services and solutions, as well as application development, systems integration, application testing and maintenance, infrastructure and business process services. Cognizant is having difficulty executing on its turnaround strategy, which caused us to re-evaluate our investment and we exited the position.

- **Pembina Pipeline Corp.** provides transportation and midstream services for the energy industry in North America. It operates through three segments: pipelines, facilities, and marketing and new ventures. Declines in volume and commodity pricing have raised concerns over the company's ability to sustain new projects. As such, we have chosen to exit the position.

- The Fund's holding in **Expedia Inc. 6.25% May 1/2025** was eliminated. We took profits on this security, which was issued by the online travel company. The company is expected to be downgraded because of high debt levels as the travel industry is slow to recover.

Market Outlook

- The global economy will likely see some improved data, but should suffer from hesitant consumers and corporations amid COVID-19. The fiscal response has been enormous and should support household spending, but things are likely to remain fragile into 2021.
- We continue to expect disinflation and global quantitative easing from central banks in developed countries.
- We will continue our strategy of adding or subtracting to duration (sensitivity to interest rates) while maintaining an overweight position in credit.
- We expect the global economy to gradually recover from the near-standstill conditions experienced at the end of March and throughout April. This incremental improvement is positive, but likely to fluctuate given the number of variables at play, including the labour market, fiscal and monetary stimulus, and COVID-19 case counts. As such, volatility is likely to remain elevated.
- We continue to favour companies that should be able to endure any economic environment, as well as businesses with some short-term challenges but that are trading at prices well below intrinsic value.
- We continue to favour the United States, given the level of fiscal and monetary stimulus being employed as a percentage of gross domestic product, and we expect the economy to rebound relatively quickly in comparison to other developed nations, including Canada.
- Despite progress on the Trans Mountain Pipeline, businesses dependent to the Canadian energy sector face structural pressures that continue to inhibit returns on capital and growth potential. We continue to hold an underweight position in the energy sector relative to the benchmark.

Source: Morningstar Research Inc., Bloomberg Finance L.P. and Sentry Investment Management, as at June 30, 2020.

CI PRIVATE POOLS™

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 security holder 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. All charts and illustrations in this document are for illustrative purposes only. They are not intended to predict or project investment results. 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.

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.

CI Investments | Trusted Partner in Wealth™

CI PRIVATE POOLS™

Published July 30, 2020.

CI Investments® | Trusted Partner in Wealth™