

Market Commentary

Second Quarter 2020

PICTON
MAHONEY
Asset Management

Synergy Canadian Corporate Class

David Picton, President and Portfolio Manager

Class F returns (in %) as at June 30, 2020	Year-to-date	1 year	3 year	5 year	10 year	Since inception (2000-11-30)
Synergy Canadian Corporate Class	-4.6	1.6	4.4	4.1	7.7	6.2

Source: Picton Mahoney Asset Management, as at June 30, 2020.

Performance Summary

- Over the second quarter ended June 30, 2020, Class F of Synergy Canadian Corporate Class (the “Fund”) returned 17.5%, compared with 16.8% return for its benchmark, the S&P/TSX Composite Index Total Return Index.
- Our overweight exposure to the information technology sector and underweighting in financials made positive contributions to relative performance. Our positioning within materials was a detractor during the period as the portfolio was underweight in gold and precious-metals companies. Gold prices crept higher during the period as a safe haven due to uncertainty around COVID-19 and concerns around the secondary impact from massive global monetary stimulus.

Contributors to and Detractors from Performance

- Among individual securities, PayPal Holdings Inc. and Amazon.com, Inc. made the biggest contributions to relative performance, as these companies benefited from an acceleration in e-commerce sales as COVID-19 prompted consumers to shift their purchasing to the online channel.
- Kinaxis Inc., a supplier of supply chain management software, gained value during the period as it is anticipated demand for its software will accelerate to help customers deal with disruptions in their supply chain.
- The largest relative detractor was our underweight position in Shopify Inc., causing us to not benefit fully from the company’s significant gains made due to the substantial acceleration of e-commerce.

2 Queen Street East, Twentieth Floor, Toronto, Ontario M5C 3G7 | 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

Second Quarter 2020



PICTON
MAHONEY
Asset Management

Portfolio Activity

- During the quarter, the Fund initiated a position in Brookfield Renewables Partners LP, a global leader in renewable energy and benefits from the secular themes of decarbonization and ESG.
- We exited our position in Bank of Nova Scotia as we expect an extended credit cycle and an elongated path to recover to pre-COVID-19 earnings levels.
- The Fund had overweight exposure to the information technology and consumer discretionary sectors and was underweight in financials and energy. We remain steadfastly committed to our core momentum-based investment discipline.

Outlook

- While we continue to monitor the COVID-19 situation, our current belief is that economic growth will quickly rebound given the amount of fiscal and monetary stimulus.
- As the global economy slowly reopens, we continue to see leading indicators not only moving higher (from admittedly very depressed levels) but also broadening in scope. We understand there may be setbacks along the way, but have identified a number of opportunities for relative performance, based on themes and outcomes with respect to COVID-19 and its ongoing impact on economic activity. We believe this will benefit equity investors, particularly against the backdrop of a pro-cyclical impulse in the broader global economy. Where many investors tend to focus on large benchmark weights, we believe a willingness to dig deeper will provide ample opportunities to drive alpha from security selection.

Source: Morningstar Research Inc., Bloomberg Finance L.P. and Picton Mahoney Asset Management.

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

Market Commentary

Second Quarter 2020



PICTON
MAHONEY
Asset Management

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 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.

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.

© 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 July 27, 2020.