Market Commentary
Second Quarter 2020

ALTRINSIC

CI International Value Fund

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Class F returns (in %) as at June 30, 2020	Year-to-date	1 year	3 year	5 year	10 year	Since inception (2001-12-18)
CI International Value Fund	-10.0	-3.7	1.2	4.2	8.0	4.7

Source: Altrinsic Global Advisors, LLC as of June 30, 2020.

Market Overview

- The MSCI EAFE Index gained more than 10%, led by highly valued information-technology stocks. Slowing rates of growth in COVID-19 cases and casualties, measures to reopen economies, and hopes for a “v-shaped” recovery contributed to the rebound. However, the primary performance driver was the announcement of extraordinary fiscal and monetary stimulus, amounting to 29% of global GDP. Although many stock and bond prices reached levels indicative of a rapid return to normalcy, the scope for disappointment increased, as the economy faces an aftershock of enormous debt burdens, subdued demand and rising geopolitical risk factors, including November’s U.S. elections.

Performance Summary

- Over the second quarter ended June 30, 2020, Class F of CI International Value Fund (the Fund) returned 9.3%, compared with 10.1% (in Canadian-dollar terms) for its benchmark, the MSCI EAFE Total Return Index.

- The Fund underperformed due to its holdings in the information-technology, financials and health-care sectors.

Contributors to Performance

- During the quarter, Kinross Gold Corp. and Siemens AG were among individual holdings that made the largest contributions to relative performance.

- Shares of Kinross Gold, a global gold miner, appreciated alongside gold prices during the quarter. The company also benefitted from the improved risk profile of its Mauritanian assets, following a settlement with that country's government.

- Siemens outperformed during the cyclical rally, as market sentiment improved, particularly for value-added technology driven industrial companies. Siemens is on track to spin off its energy business in the fall, further simplifying its operating structure.

Detractors from Performance

- Our positions in Tokio Marine Holdings, Inc. and Sumitomo Mitsui Holdings, Inc. detracted from performance.

- Tokio Marine underperformed markedly during the market rally, as investors became increasingly worried about business-interruption-insurance losses in its overseas segment. We believe these losses will be manageable and, at most, Tokio Marine will experience an earnings event rather than a capital event. At the same time, the overseas competitive environment is improving.

- Sumitomo Mitsui Trust failed to participate in the rally as investors appeared to be worried that demand for its investment products will not rebound in the medium term. The company has managed its cost base and lending spreads extremely well in a difficult environment in recent years, and we expect this to continue.

Portfolio Activity

- The Fund initiated three new positions during the quarter. Among these was Aena SME SA, a leading global airport operator with an attractive portfolio of assets, including a monopoly of Spanish airports. Aena benefits from the long-term growth in air travel, as the global middle class continues to expand. Compared to peers, Aena offers a strong balance sheet, superior cash generation, a more desirable passenger mix and the most diverse airline exposure.

- We exited four positions, including Uniper SE, which reached our estimate of intrinsic value.

Outlook

- Uncertain fundamentals, mounting debt, fall elections, and increasing geopolitical risk emanating from U.S.-China relations point to a potential increase in volatility. As the pandemic continues to handicap the economy to varying extents, we will continue to balance the consideration of margin of safety in our investments with opportunity during bouts of volatility.

Source: Morningstar Direct; FactSet; Altrinsic Global Advisors, LLC.

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 or another investment fund. There are various important differences that may exist between the mutual fund and the stated indexes 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 indexes or investment fund. 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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