SYNERGY GLOBAL CORPORATE CLASS

Q4-2020 Commentary

CI GLOBAL ASSET MANAGEMENT

FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I*
Synergy Global Corporate Class, Series F	16.37%	9.88%	8.38%	11.30%	5.26%
Benchmark: MSCI World Total Return Index (C$)	14.45%	11.77%	10.88%	13.26%	5.35%

* Inception date of Synergy Global Corporate Class: November 30, 2000.
Source: Picton Mahoney Asset Management research based on raw data from Morningstar Research Inc., and Bloomberg Finance L.P., as at December 31, 2020.

PERFORMANCE SUMMARY

- Over the fourth quarter of 2020, Synergy Global Corporate Class, Series F (the Fund) returned 8.54% compared with the MSCI World Total Return Index (C$), which returned 8.80%.

- The Fund underperformed its benchmark despite growth stocks underperforming value stocks. The Fund's higher allocation to the U.S. detracted from performance as the rest of the world played catch up over the quarter. We have overweighted the U.S. for a prolonged period given the better economic backdrop in that country but have recently started to reallocate capital to other areas of the market. Stock selection across most sectors and regions was the main contributor to Fund performance.

CONTRIBUTORS TO PERFORMANCE

Apple Inc. was the largest contributor to Fund performance given the Fund's weighting in the name as well as the expectation of strong sales for 5G smartphones. JPMorgan Chase & Co. also contributed to the Fund's performance as the prospect of re-opening the economy grew more realistic amid positive vaccine news in November. JPMorgan Chase & Co. also benefited when the U.S. Federal Reserve surprisingly agreed to allow banks to restart share buyback programs in the first quarter of 2021.

DETRACTORS FROM PERFORMANCE

DraftKings Inc. detracted after a period of strong gains. The company's management team used the share price strength to raise capital. Vertex Pharmaceuticals Inc. detracted from the Fund's performance following the announcement that it would discontinue an early/mid-stage drug it was developing for alpha-1 antitrypsin deficiency due to toxicities observed.

PORTFOLIO ACTIVITY

Hilton Grand Vacations Inc. was added to the Fund as we believe 2021 will mark a shift away from the consumption of goods towards the consumption of services as the economy reopens. We believe pent up demand for travel should be at the forefront of the recovery in services. As a time share operator, Hilton Grand Vacations is well positioned for the return of leisure travellers, whom we believe will return with greater speed than corporate travellers. Air Products and Chemicals, Inc., was eliminated from the Fund during the quarter following disappointing news relating to two large projects – Lu'an and Jazan. These issues could reduce the company's near-term growth prospects. These developments create near-term uncertainty at a time when other stocks have much brighter recovery prospects and thus we exited the position.

MARKET OVERVIEW

We believe a new economic cycle is underway where economic data will quickly normalize. After a pause related to COVID-19, GDP growth is likely to materially accelerate in 2021 at rates not witnessed in decades. This is occurring against the backdrop of dramatic monetary policy stimulus and potentially more fiscal stimulus.

We believe equities can make further gains. While absolute valuations are higher than normal, they are somewhat distorted by valuations in the technology space. Stocks remain attractive relative to other asset classes and have yet to benefit from aggressive systematic positioning or outflows from still-elevated cash balances, and can benefit from both private equity and special purpose acquisition companies. While pullbacks are still possible, we would expect them to be shallow given the positive sentiment around an economic recovery.

Amid this backdrop, we have increased the Fund's allocation to earlier-cycle materials and industrials names while also increasing the Fund's exposure to smaller-capitalization stocks. With the decline in the value of the U.S. dollar, we also believe companies with more international exposure may benefit. In particular, we have increased the Fund's allocation in European stocks that are poised to gain from a recovery in the domestic economy.

CI GLOBAL ASSET MANAGEMENT

For more information, please visit ci.com.

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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. There are various important differences that may exist between the Mutual Fund and the stated indexes 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. 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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