CI LIQUID ALTERNATIVE INVESTMENT STRATEGIES

CI Munro Alternative Global Growth Fund

JUNE 2021

CI Munro Alternative Global Growth Fund (the Fund) is an absolute return, global equities fund with a core focus on growth equities. The Fund aims for meaningful absolute returns while maintaining capital-preservation. The Fund's flexible mandate allows it to dynamically manage market and currency exposure to protect clients' capital and enhance long-term returns.

PERFORMANCE SUMMARY (as of June 30, 2021)

	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	2 YEARS	SINCE INCEPTION
CI MUNRO ALTERNATIVE GLOBAL GROWTH FUND (SERIES F)	5.49	3.56	3.27	23.67	23.92	18.37
MSCI ALL COUNTRY WORLD INDEX GR (C$)	3.88	5.94	9.41	27.17	16.61	14.94

Sources: CI Global Asset Management. & Morningstar Research Inc. as of June 30, 2021. Inception date: November 7, 2018

MONTHLY SUMMARY

CI Munro Alternative Global Growth Fund (Series F) posted a 5.5% return in June. Equities returned 4.1% to fund performance while currencies added 1.4%. The Fund's benchmark, the MSCI All Country World Total Return Index, returned 3.9% in Canadian dollar (CAD) terms. Equities returned 2.1% to index performance and currencies added 1.7%.

The Fund's long positions added 4.6%, while short positions and hedging detracted -0.5%.

Global equity markets had a positive month driven by rapidly rising earnings estimates as market participants continue to underestimate the strength of the economic recovery and companies' ability to profit from it. Aggressive sector rotation continued, but we would suggest the market is starting to refocus on earnings growth over the longer term and that the leading growth stocks will re-assert themselves.

Key positive contributors included High Performance Computing winner, Nvidia, Digital Enterprise businesses ServiceNow, Microsoft and Adobe, and Digital Payments winner PayPal.

The backdrop of economic growth broadening and global interest rates likely to remain structurally lower creates a good environment for companies with the ability to grow. Equities will clearly be the asset class of choice if this environment prevails.

FUND SUMMARY

KEY FACTS	
NAV/UNIT (SERIES F)	$15.3845
AUM	$2.6 billion
STRATEGY AUM	$3.8 billion
NUMBER OF STOCKS	30-50 stocks
CASH WEIGHTING	0-100%
CURRENCY HEDGING	0-100%
MANAGEMENT FEE (SERIES F)	0.90%
PERFORMANCE FEE	15%
SERIES F FUND CODE	CIG 4192, 4197 (USD)
SERIES A FUND CODE	CIG 2192, 2197 (USD)
ETF TICKER	TSX: CMAG, CMAG.U

TOP FIVE HOLDINGS

STOCK	COUNTRY	INDUSTRY	WEIGHT
AMAZON.COM, INC.	U.S.	Consumer Discretionary	5.9%
MICROSOFT CORP.	U.S.	Technology	5.5%
SERVICENOW INC	U.S.	Technology	4.9%
NVIDIA CORP	U.S.	Technology	4.6%
ALPHABET INC-CL A	U.S.	Technology	4.5%

MARKET OUTLOOK

Most market observers will have noted the large sector rotations that occurred throughout the COVID-19 pandemic. Whether it was the initial shift into 'Work from Home' winners, and out of them into the post vaccine 'Re-Opening' beneficiaries and finally, out of them and into 'Inflation Winners'. Even the market commentators are struggling to keep up with which part of the growth versus value trade we should be in right now. So rather than contribute to this ongoing narrative we make the following three points:

- Stocks follow earnings over the long term;
- Interest rates will only change the price you pay for earnings growth, but they will not change who grows or shrinks in the long run; and
- The world will probably only re-open once.

As we sit here today, the second quarter results season should be the high point for re-opening earnings growth, and in our view its noteworthy that long term interest rates and inflation expectations have stopped going up. Elsewhere, many of the Areas of Interest that contributed positively to Fund performance for the quarter were supposedly in the wrong part of the market for 're-opening'. This would suggest this is the market starting to refocus on earnings growth over the longer term and that the leading growth stocks will re-assert themselves over time. This is particularly clear in our Digital Areas of Interest where growth accelerated during COVID-19 and there is scant evidence that this will slow as workers and consumers alike look to retain the conveniences they discovered. Whether it be hybrid workforces or groceries delivered online, these changes are here to stay.

Outside of the Digital Areas of Interest, we see the broadening economic backdrop as supportive of the Emerging Consumer names in our portfolio, particularly those with travel exposure. Elsewhere, we note some of the global infrastructure policies as likely to help the Climate Area of Interest. Further into 2021, the UN Climate Change of the Parties (UN COP26) meeting in Glasgow in November looks set to be a major catalyst for the leading decarbonization enablers in the Fund.

To conclude, we remain generally positive. The backdrop of economic growth broadening and global interest rates likely to remain structurally lower creates a good environment for companies with the ability to grow. Equities will clearly be the asset class of choice if this environment prevails. The key risk to this outlook remains that long term interest rates have further to rise. While, in our view, moderately higher rates are very manageable for growth stocks, we do watch for an overshoot if the Federal Reserve is forced into hiking more aggressively. For risk management purposes, we are running a slightly more balanced portfolio by Areas of Interest and by stock valuations. We also re-iterate that we have portfolio management and hedging tools available to manage the situation should things get more difficult.

STOCK STORIES

HELLOFRESH

HelloFresh added 79 basis points (bps) to Q2 2021 performance.

Listed in Germany, HelloFresh is the global leader in online meal kits. The company is solving the age-old problem of "what am I going to cook for dinner tonight?".

This is still a nascent business model that is addressing the very large grocery market. HelloFresh sources ingredients from third parties and complete the kit with in-house manufacturing (package ingredients and box them up). Effectively the business is 100% private label, which gives HelloFresh a much higher gross margin than supermarkets. HelloFresh "source to order" therefore has much lower food wastage (<1%) versus a supermarket that "sources to stock" (and therefore has 15-25% wastage). Given HelloFresh is sourcing a small number of Stock-Keeping-Units (SKUs) in large scale from relatively smaller suppliers, they have strong bargaining power. HelloFresh has a limited real estate footprint (only leased manufacturing facilities) as compared to a supermarket and finally, they are paid in advance, so have the benefit of negative working capital which can be used to fund further expansion of production facilities.

During the quarter, HelloFresh raised their 2021 full year revenue growth guidance range from 20%-25% to 35%-45%. The company also narrowed their Adjusted EBITDA margin guidance range from between 9%-12% to 10%-12%. This large guidance range lift was on the back of a more favourable than expected customer growth during the first quarter of 2021 and continued higher order rates.

During the quarter, HelloFresh added net new customers of 2 million taking the active customer number to just over 7 million. We continue to like HelloFresh given their founder-led mindset, in which they continue to provide customers with more choice and convenience. The company has barely scratched the surface of its addressable market and looks set to benefit as more and more consumers discover the convenience of ordering groceries online.

NVIDIA

Nvidia added 155 bps to Q2 2021 performance.

Starting life as a producer of graphics cards primarily to help run video games, Nvidia has emerged to become the world's leading designer of semiconductors, dominating the so-called 4th era of computing: the era of artificial intelligence. Put simply, a Graphic's Processing Unit (GPU) can process thousands of operations at once, known as parallel processing, ideal for functions like video games where there are thousands of potential outcomes every second. This capability also makes them perfect for the world of Artificial Intelligence (AI) as voice recognition software or personalised recommendations online for instance need similar capability.

Consequently, Nvidia GPU's and their attached software CUDA dominate the video game industry. They now also design into hyperscale cloud data centres, autonomous vehicles and numerous Internet of Things (IOT) devices. This trend is known as 'Accelerated Computing', the shift to GPU's and parallel computing to sit alongside the CPU's (Central Processing Unit) good for serial processing, to essentially make computers solve complex algorithms faster. It is also the primary reason why Nvidia has recently passed Intel as the world's largest semiconductor company.

Quarterly performance for Nvidia was driven by their fiscal first quarter results on May 27th. The company beat consensus handily and gave guidance that saw consensus earnings forecasts lifted by nearly 20%. Clearly gaming demand remains strong, but it was the insatiable demand from hyperscale data centres that wrong-footed consensus. The large hyperscale data centre providers like Amazon Web Services, Google Cloud and Microsoft Azure have a seemingly insatiable demand for accelerated computing. Their ability to process AI functionality faster is in essence the key differentiator in the service level they offer for cloud customers versus on-site workloads. With attach rates of GPU's still low, it is unlikely that this demand will slow, and we see a long runway of growth ahead for Nvidia, who should become the key enabler of AI functionality in all its forms for the 4th era of computing.

TOP FIVE CONTRIBUTORS (JUNE)

STOCK	COUNTRY	CONTRIBUTION (BPS)
NVIDIA CORP.	UNITED STATES	89
SERVICENOW INC.	UNITED STATES	64
PAYPAL HOLDINGS INC.	UNITED STATES	43
MICROSOFT CORP.	UNITED STATES	43
AMAZON.COOM, INC.	UNITED STATES	37

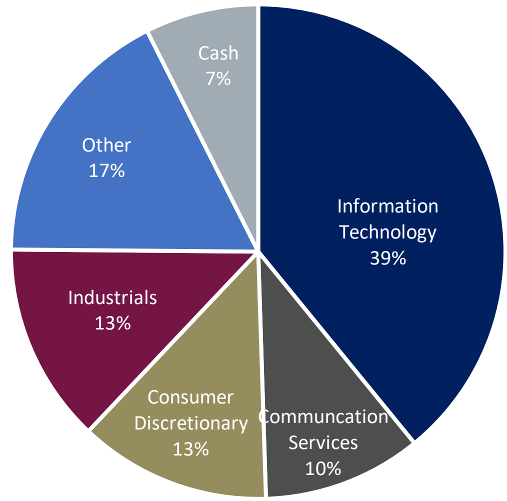
LONG/SHORT EXPOSURE

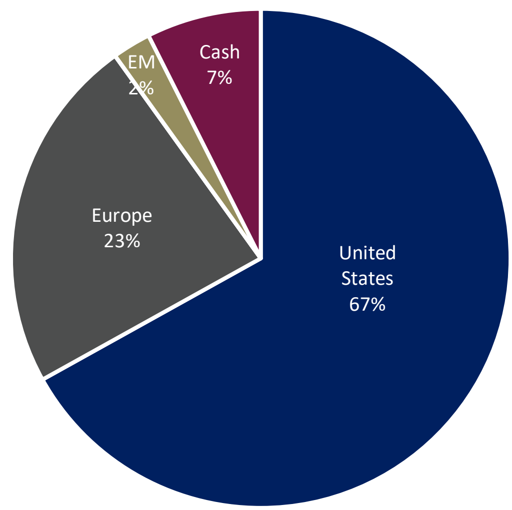
	NUMBER OF POSITIONS	EXPOSURE
GROSS	38	104.2%
LONG	34	98.4%
SHORT	4	5.8%
NET		92.6%
DELTA ADJ. NET		92.6%
CURRENCY HEDGE (C$)		50.6%
BETA (VS. LOCAL MSCI)		0.5
BETA (VS. MSCI C$)		0.5
STANDARD DEVIATION		9.6%

TOP FIVE AREAS OF INTEREST

AREAS OF INTEREST	PERCENT OF HOLDINGS
CLIMATE	15.3%
DIGITAL ENTERPRISE	15.1%
E-COMMERCE	11.6%
DIGITAL PAYMENTS	11.4%
INTERNET DISRUPTION	11.0%

NET FUND SECTOR, REGION AND CASH EXPOSURE





CI MUNRO ALTERNATIVE GLOBAL GROWTH FUND SERIES F: MONTHLY PERFORMANCE BY CALENDAR YEAR													
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2018											-1.9%	-1.7%	-3.6%
2019	1.8%	1.5%	2.0%	3.0%	-4.4%	1.7%	0.7%	-1.0%	-1.5%	0.7%	4.5%	1.5%	10.5%
2020	4.3%	-0.5%	0.8%	5.8%	3.9%	3.1%	6.8%	4.8%	-1.0%	1.2%	3.6%	3.0%	42.0%
2021	1.5%	1.0%	-2.8%	2.7%	-4.4%	5.5%							3.3%

Sources: CI Global Asset Management and Munro Partners, as of June 30, 2021

For more information visit liquidalts.ci.com or contact your CI sales representative.

GLOSSARY OF TERMS

Standard Deviation: Standard deviation is widely used to measure risk in terms of the volatility of returns. It represents the historical level of volatility in returns over set periods. A lower standard deviation means the returns have historically been less volatile and vice versa. Historical volatility may not be indicative of future volatility.

Beta: A measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.

DISCLAIMERS

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