

CI SYNERGY CANADIAN CORPORATE CLASS

Q2-2021 Commentary



FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I.
CI Synergy Canadian Corporate Class, Series F*	35.6%	12.0%	11.9%	8.8%	7.4%
Benchmark: S&P/TSX Composite Total Return Index	33.9%	10.8%	10.8%	7.4%	6.9%

* Inception date November 30, 2000. Formerly Synergy Canadian Corporate Class, renamed effective July 29, 2021.
Source: Picton Mahoney Asset Management, as at June 30, 2021.

PERFORMANCE SUMMARY

- Over the second quarter of 2021, CI Synergy Canadian Corporate Class, Series F (the Fund) returned 8.0% compared with the S&P/TSX Composite Total Return Index, which returned 8.5%.
- The Fund underperformed its benchmark primarily as a result of an underweight positioning in the utilities sector and overweight allocation to the information technology sector. Notable individual performers included holdings in Canadian National Railway Co. and Trisura Group Ltd.
- An overweight exposure to health care and underweight position in energy detracted from performance.

CONTRIBUTORS TO PERFORMANCE

The Fund's position in Shopify Inc. contributed to performance. After a period of consolidation, its shares rebounded in June as investors gravitated back to information technology growth stocks. We continue to have a favourable view of the growth of e-commerce and, in addition to Shopify Inc., the Fund holds a number of stocks that are benefiting from this change. Royal Bank of Canada was another contributor to performance as Canadian banks rebounded on record earnings after the release of credit losses and strong trading revenues. We continue to have a favourable view of Royal Bank of Canada given its scale advantage and strength across divisions.

DETRACTORS FROM PERFORMANCE

Despite beating and raising its forecast during the period, BRP Inc. share prices were lower as concerns of peak demand weighed on the shares. The company announced a substantial issuer bid towards the end of the quarter as its management viewed the shares as undervalued. Brookfield Renewable Partners L.P.'s share prices were lower after doubling in 2020. The company owns a platform of long-term renewable assets that we believe will benefit from the shift to decarbonization.

PORTFOLIO ACTIVITY

During the quarter, we added a new position in Home Capital Group Inc. We have a positive outlook for the company given its exposure to a recovery in the Alternative A-paper ("Alt-A") mortgage market and excess capital. We expect Home Capital Group Inc. will likely be able to deploy its excess capital in the second half of 2021 as the Office of the Superintendent of Financial Institutions allows the resumption of capital return.

TELUS Corp. was eliminated after the stock rebounded on the back of the successful spin out of Telus International (CDA) Inc. Our preference within the Canadian telecommunications industry is Rogers Communications Inc.

MARKET OVERVIEW

While equity markets rose higher during the quarter, there was a rotation in the market as investors weighed their concerns of peak economic growth, higher inflation, and peak monetary and fiscal stimulus. Within the Fund, we reduced exposure to cyclical companies in favour of quality compounders with positive change. The one area of exception is commodities, of which we continue to have a favourable view amid rebounding demand as economies reopen. Supply remains constrained as commodity producers across both base metals and oil and gas remain disciplined about raising production.

Source: Picton Mahoney Asset Management research based on raw data from Morningstar Research Inc., and Bloomberg Finance L.P.

For more information, please visit [ci.com](https://www.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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