

Market Commentary

Third Quarter 2020

PICTON
MAHONEY
Asset Management

Synergy Canadian Corporate Class

David Picton, President and Portfolio Manager

Class F returns (in %) as at September 30, 2020	Year-to-date	1 year	3 year	5 year	10 year	Since inception (2000-11-30)
Synergy Canadian Corporate Class	2.1	6.7	5.9	6.6	7.4	6.4

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

Performance Summary

- Over the third quarter ended September 30, 2020, Class F of Synergy Canadian Corporate Class (the Fund) returned 7.0%, compared with 4.7% for its benchmark, the S&P/TSX Composite Index Total Return Index.
- Our underweight positioning in the energy and overweighting in consumer discretionary added to relative performance.

Contributors to Performance

- Among our top-performing holdings during the quarter was Apple Inc., as its shares rallied on strong quarterly results and anticipation of new product launches later this year, including a new 5G iPhone.
- Our underweight exposure to oil companies, including Suncor Energy Inc., also made a positive contribution, as concerns on future oil demand and operational issues weighed on this sector's performance.

Detractors from Performance

- The largest detractor was an underweight position in Canadian National Railway Co.. Within North American railroads, our preference has been Canadian Pacific Railway Ltd., due to its better operating performance.



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

Third Quarter 2020



PICTON
MAHONEY
Asset Management

- In materials, not holding fertilizer-manufacturer Nutrien Ltd was also a detriment to our performance, as its shares rallied during the quarter. We favour copper producers within this sector due to a more favourable outlook for this metal.

Portfolio Activity

- During the quarter, we initiated a position in CCL Industries Inc., a global leader in label and packaging solutions. We believe the cadence of recovery of this company's business is outpacing expectations and its strong balance sheet provides upside potential through mergers and acquisitions.
- We sold our position in Canadian Apartment Properties REIT, as we expect potential headwinds including provincial rent freezes to weigh on its shares.

Outlook

- The economy and equity markets rapidly rebounded from the March lows, fueled by extraordinary levels of monetary easing, a record level of fiscal transfers to households, and pent-up consumer demand. Looking ahead, with consumer income support fading and parts of the economy remaining at reduced operating capacity due to social distancing, the economic recovery is expected to lose steam. We anticipate heightened market volatility amid a moderating economic backdrop and the upside appeal of equities due to extremely low interest rates and accommodative central banks.
- As we entered the fourth quarter, our portfolio had overweight exposures to diversified financials, information technology and base metals, and was underweight in banks and telecommunication services. We remain steadfastly committed to our core fundamental momentum-based investment discipline.

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

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.

Market Commentary

Third Quarter 2020



PICTON
MAHONEY
Asset Management

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 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

Market Commentary

Third Quarter 2020



PICTON
MAHONEY
Asset Management

Published October 22, 2020.