

## **Signature Global Technology Corporate Class First Quarter 2019**

### **Performance Summary**

- In the first quarter of 2019, Class F of Signature Global Technology Corporate Class (the “Fund”) returned 14.5% compared with a 16.3% return for its benchmark, the MSCI All Country World Information Technology Index, over the same period.
- The Fund underperformed its benchmark largely as a result of a high weighting toward cash at the start of the quarter. The Fund’s cash weight was subsequently reduced.
- Stock selection was a positive contributor to Fund performance. Many Fund holdings had positive returns in the quarter, with those in the information technology sector, as a whole, outperforming the benchmark’s information technology constituents.

### **Contributors to Performance**

- The portfolio’s holdings of large-capitalization stocks were positive contributors to the Fund’s performance as the broad market appreciated over the quarter. These include Amazon.com, Inc. and Alphabet Inc. (the parent company of Google). We increased our weight in Facebook, Inc. to capitalize on its underperformance in 2018.
- The Fund benefited from positive contributions from smaller capitalized companies such as internet cloud-centric solution providers Zscaler, Inc.; Forescout Technologies, Inc.; and GDS Holdings Ltd. and Chinese consumer-focused companies such as Viomi Technology Co., Ltd.; Bilibili Inc.; and Tencent Music Entertainment Group. In addition, Advanced Micro Devices, Inc. continues to be a solid non-consensus contributor.

### **Detractors from Performance**

- The Fund’s high level of cash entering 2019 was a detractor from performance. We had raised cash in the context of a poor fundamental outlook for the information technology sector in the first quarter of 2019. Fundamentals were subsequently revealed as poor, but the market was willing to overlook near-term problems as appetite for risk increased. We subsequently adjusted our risk tolerance and reduced the Fund’s cash weight accordingly.



## Portfolio Activity

- **Equity addition:** We added Mellanox Technologies Ltd. during the quarter. We noted that several leading semiconductor companies expressed interest in increasing their market share in the fast-growing data centre market. Mellanox, as a leading provider of high-performance products that transmit data between servers, looked like an attractive acquisition candidate. Nvidia Corp. subsequently bid for the company this quarter, confirming our thesis.
- **Equity elimination:** We sold some low-beta Fund positions such as Verizon Communications Inc. and BT Group plc, which we held in 2018. We did so to shift away from our defensive positioning in this sector.

## Outlook

- Technology equities rebounded in the first quarter of 2019 from a volatile ending in 2018. Investor appetite for risk has returned with the easing of trade tensions and a more benign backdrop on interest rate hikes. Although fundamentals remain challenging, especially in areas such as semiconductors, the market is willing to overlook near-term weakness on expectations that business will rebound in the back half of 2019.
- We continue to see many interesting investment opportunities as digital-first businesses expand on a global basis. Transportation is a new focus area for the first half of 2019. It is an underpenetrated investment category for the information technology sector that is opening with initial public offerings of enterprises such as Lyft, Inc., which occurred in March, and Uber Technologies Inc., which is expected in the second quarter of 2019. This also highlights the opportunity around the deployment of autonomous vehicles, and we have investments in this space. Recent Chinese announcements about the launch of “smart roads” appear to be ahead of schedule and reinforce our interest in this field.

Class F returns (in %) as at March 31, 2019	Year-to-date	1 year	3 year	5 year	10 year
Signature Global Technology Corporate Class	14.5	12.4	24.7	19.5	21.2



**SIGNATURE**  
GLOBAL ASSET MANAGEMENT™



## **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 compounded total returns net of fees and expenses payable by the fund (except for figures of one year or less, which are simple total returns) including changes in security value and reinvestment of all dividends/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.*

*This commentary is published by CI Investments Inc. The contents of this piece are intended for informational purposes only and not to be used or construed as an endorsement or recommendation of any entity or security discussed. The information should not be construed as investment, tax, legal or accounting advice, and should not be relied upon in that regard. 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. These investments may not be suitable to the circumstances of an investor. Some conditions apply.*

*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.*

*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.*

*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.*



**Trusted Partner  
in Wealth™**



**SIGNATURE**  
GLOBAL ASSET MANAGEMENT™



*CI Investments and the CI Investments design are registered trademarks of CI Investments Inc. Signature Global Asset Management and Signature Funds are trademarks of CI Investments Inc. Signature Global Asset Management is a division of CI Investments Inc.*

*Published April 2019.*