

Q1-2019 Commentary

CI American Equity Fund

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PERFORMANCE SUMMARY

- In the first quarter of 2019, Class F of CI American Equity Fund (the "Fund") returned 9.3% compared with its benchmark, the S&P 500 Index, which was up 11.2%.
- The Fund underperformed the benchmark largely as a result of security selection within the health care and consumer discretionary sectors.

CONTRIBUTORS TO PERFORMANCE

- MasterCard Inc. provides financial transaction processing services. The company's large network continued to benefit from exposure to fast-growing international markets, business-to-business payment flows and cross-border payment volumes.
- Brookfield Asset Management Inc. is a diversified asset manager focused on infrastructure, real estate, private equity and renewable power. The company's leading position allowed it to benefit from institutional investors allocating an increasing amount of capital to alternative asset classes. We expect its management team to continue to capitalize on this trend.

DETRACTORS FROM PERFORMANCE

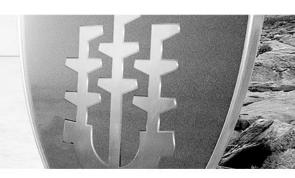
- Health services organization Cigna Corp. operates across four business segments: integrated medical, health services, international markets and group disability. During the quarter, debates on health care regulatory policy disrupted the health care industry as a result of uncertainty surrounding the potential earnings impact from a new regulatory framework.
- A holding in **Berkshire Hathaway Inc.** was another detractor from the Fund's performance. The holding company has investments in a multitude of businesses, as well as numerous publicly traded securities, including a large investment in The Kraft Heinz Co. The poor performance of Kraft Heinz stock negatively impacted Berkshire Hathaway's share price.

PORTFOLIO ACTIVITY

A new position in **Becton, Dickinson and Co.** was purchased for the Fund. The company is a global medical technology company engaged in the development and sale of a broad range of medical products. It has market share leadership across a variety of its products, which are interconnected, strengthening its relationship with hospitals. Additionally, its 2017 acquisition of C. R. Bard, Inc. gives Becton, Dickinson access to the higher-growth, therapy-oriented device segments.







CVS Health Corp. provides integrated health care services, including retail pharmacies, pharmacy benefit management and, most recently, health insurance following its acquisition of Aetna Inc. Over time, we see merit in this integrated model as the two companies transition from a highly competitive retail business to a more integrated services provider. However, we believe this transition will take years and cost significant capital, which increases the risk profile of this investment. As such, we exited the position.

MARKET OUTLOOK

- We continue to see strong but slowing growth in the United States, particularly compared to the rest of the world.
 Unemployment remains low, and consumer confidence and business confidence remain at elevated levels.
- Results for the first quarter of 2019 will likely be impacted by harsh winter weather conditions, but we believe this is a temporary slowdown in growth. Based on company commentaries, we expect growth to resume in the second quarter of 2019, and we will closely monitor positioning of companies that are most impacted by weather during the upcoming earnings season.
- Mortgage rates have declined significantly. This should benefit the housing market after being a challenge to growth in 2018. We believe the Fund's bank holdings will benefit from higher levels of loan growth and we continue to look for other opportunities to invest in this space.
- Political risk remains elevated with pre-U.S. presidential election campaigning in full swing. We continue to monitor
 potential outcomes and are adjusting positioning as we see fit. Health care is an area in particular that may be
 impacted.

FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I.*
CI American Equity Fund, Class F	8.3%	9.3%	9.0%	12.3%	1.2%
S&P 500 Index (C\$)	13.5%	14.7%	15.2%	16.6%	4.9%

^{*} Inception date of CI American Equity Fund, Class F: August 8, 2000.

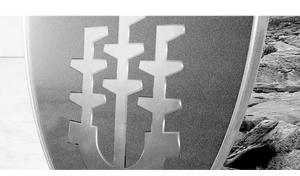
Sources: Morningstar, Bloomberg L.P. and Sentry Investment Management. Data as at March 31, 2019.

All returns are total returns, stated in Canadian dollars, unless otherwise stated. Fund returns are for Class F, net of fees, all distributions reinvested.

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. There are various important differences that may exist between the Mutual Fund and the stated indices 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. Indices are unmanaged and their returns do not include any sales charges or fees. It is not possible to invest directly in market indices.







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