Market Commentary
Third Quarter 2020

EPOCH
Investment Partners

CI Global High Dividend Advantage Fund

Kera Van Valen, Managing Director, Portfolio Manager, and Senior Research Analyst
John Tobin, Managing Director, Portfolio Manager, and senior Research Analyst
Michael Welhoelter, Managing Director, Co-CIO, Portfolio Manager, Head of Risk Management
William W. Priest, CFA, Chief Executive Officer, Co-Chief Investment Officer 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 (2000-11-17)
Global High Dividend Advantage Fund	-11.7	-7.7	0.3	3.2	7.6	4.8

Source: Epoch Investment Partners, Inc., as at September 30, 2020.

Market Overview

- Stocks had a strong quarter as the economy began to recover from the coronavirus lockdown, with workers trickling back to factories and offices. Global trade also rebounded. Ongoing support from central banks, resilient corporate earnings and optimism on progress toward a COVID-19 vaccine also helped lift equities. In July and August, markets were led by a handful of U.S. mega-cap stocks in the information technology, consumer discretionary and communication services sectors. Stocks cooled off in September as an additional coronavirus relief package in the United States remained bogged down in congressional gridlock. In Europe, a rise in new coronavirus infections heightened already growing worries over the economic outlook. Nevertheless, stocks ended the period with solid gains.

- Among developed markets, the best results came from the Nordic region. The consumer discretionary sector had the best returns. Energy was the only sector with negative returns, falling sharply as demand remained subdued. Emerging markets had better returns than developed ones, with three out of the four largest markets producing double-digit gains. The U.S. dollar weakened against other major currencies after the U.S. Federal Reserve (Fed) announced a new inflation-targeting strategy, where it will tolerate periods of inflation above that target to compensate for spells when it undershoots that target. Many investors interpreted this as a promise to hold rates low indefinitely.

- The U.S. economy appeared to be reviving from its unprecedented 31.4% rate of decline in the second quarter. Home sales in the United States surged, helped by low mortgage rates. Purchasing Managers' Index (PMI) data moved from contraction to expansion. Initial jobless claims, however, remained

elevated. In Europe, optimism about a fast recovery dimmed as the quarter progressed, with growing concern over the potential for the economy to stall. For the eurozone, PMI Purchasing Managers' Index data appeared to recover for manufacturing, but services rose and then slipped back into contraction. For Japan, PMI data improved but failed to cross into expansionary territory. Japan's longest-serving prime minister, Shinzo Abe, announced he would step down for health reasons, stoking fears of a return to "revolving door" politics. While his aggressive economic policies did not achieve his goal for inflation, growth and employment both improved under his watch.

Performance Summary

- Over the third quarter of 2020, the Global High Dividend Fund Class F (the Fund) returned 3.0%, underperforming its benchmark, the MSCI World Index, which returned 6.2% over the same time period.

- Information technology was one of the main detractors during the quarter, driven by stock selection and an underweight in the sector, as growth stocks continued to dominate the market up until September.

Contributors to Performance

- During the quarter, nearly all sectors contributed to absolute performance.

- Stock selection in industrials was the strongest contributor to relative performance, as the outlook for a recovery started to improve.

- Key individual contributors to absolute performance included United Parcel Service Inc. (UPS) and Apple Inc. United Parcel Service Inc. is the world's leading package delivery company. It also provides supply chain and logistics services, freight forwarding and truck freight transportation services. Shares traded higher on a surge in international demand as economies reduced coronavirus-related restrictions and held up well during the height of the stay-at-home orders. The growth of direct business-to-customer deliveries supported strong profit growth internationally with management also matching cost increases to its shifting business mix. The company pays an attractive, growing dividend and regularly repurchases shares.

- Apple is a global technology company that designs, develops and sells consumer electronics, computer software and online services. Apple outperformed on strong underlying demand both on its service and accessories side as well as return of iPhone sales growth. Customers have shown strong adoption of its current handset lineup despite anticipation of a 5G variant later this year. Additionally, service adoption has expanded to provide a strong growth driver regardless of iPhone demand. Apple returns cash to shareholders through dividends and share repurchases.

Detractors from Performance

- Information technology was one of the main detractors during the quarter, driven by stock selection and an underweight in the sector, as growth stocks continued to dominate the market up until September. An overweight to and stock selection in utilities also weighed on results, as did stock selection in health care and communication services, as pharmaceuticals and telecommunications companies were pressured.

- Key individual detractors included FirstEnergy Corp. and Cisco Systems Inc. FirstEnergy is a U.S. utility holding company that serves customers in the states of Ohio, Pennsylvania, New Jersey, West Virginia and Maryland. It generates most of its earnings and cash flows from regulated utility operations that are involved in the generation, transmission and distribution of electricity. Shares declined as the company received subpoenas in connection with the investigation surrounding Ohio House Bill 6, and the arrest of several politicians and lobbyists on bribery charges. FirstEnergy is cooperating with the investigation. The company remains focused on delivering rate base growth through investment in projects such as transmission reliability and grid modernization. FirstEnergy returns cash to shareholders with an attractive and growing dividend.

- Cisco is the world's leading supplier of routers and switches. Shares underperformed on second-quarter earnings. Although the quarter's results were above expectations, forward guidance was lighter than expected. Demand for networking products from Enterprise customers remains weak given the current remote work being performed in many industries. This demand should return as companies' campuses re-open and workers return. The company has a policy of returning in excess of 50% of cash generation through a progressive dividend and share repurchases.

Portfolio Activity

- A few positions were initiated during the period, including Bayer AG and T. Rowe Price Group Inc. Bayer is a global life-science company based in Germany with market-leading crop science, pharmaceuticals and consumer healthcare businesses. Cash flows are sustained by relatively inelastic demand for Bayer's essential products in highly regulated health and nutrition markets with high barriers to entry. Cash flow growth drivers include a growing and aging global population that will require more food and medical care, innovation-led opportunities to grow share, and margin expansion from synergy and efficiency programs. Bayer returns cash to shareholders through an attractive dividend and debt repayment.

- T. Rowe Price is a global asset manager overseeing approximately $1.2 trillion in assets under management (AUM). The company generates strong, recurring cash flows from management fees on the average AUM levels during each year. The company is an exclusively active manager, with consistent alpha generation that has led to strong relative performance against peers and benchmarks. Cash flow growth is driven by organic growth (net flows) and market appreciation. Over half of T. Rowe assets are held in the defined contribution channel (401ks), which creates a stickier asset base and, therefore, more recurring and sustainable cash flows. The company has a capital-light business model that generates strong free cash flow and results in an operating margin of more than 40%. The company pays an attractive, growing dividend, regularly repurchases shares and has no debt on its balance sheet.

- A few positions were closed during the period, including People's United Financial Inc. and Pembina Pipeline Corp. People's United is a regional bank operating in the U.S. Northeast, providing retail and business lending and deposit services, trust, wealth management, insurance and securities brokerage services. Shares underperformed regional U.S. bank peers in the beginning of the quarter despite reporting in-line earnings, reflecting management's downbeat commentary on the near-term outlook. The company's predominately spread-based revenue mix in a low interest-rate environment and concentrated U.S. Northeast client exposure raised concerns about future cash flow growth sustainability. As a result, we decided to exit the position in July in favour of other opportunities.

- Pembina is a global utility company that provides power generation, electricity transmission and electricity distribution services to customers in the United States and the United Kingdom. The company's U.K. business is facing a challenging regulatory review in the upcoming years, which is likely to lead to lower growth going forward. We exited the position to fund better opportunities.

Outlook

- The macro outlook continues to improve, although the pace of recovery has slowed. Since March we've expected the economic recovery to trace out the Nike swoosh. However, no single letter or shape fully encapsulates the complex recovery taking place. While a few sectors are experiencing a "V" (e.g., housing), the Fed worries that some industries face an "L" (e.g., commercial real estate). Moreover, we believe "K" in many ways has become an apt metaphor for this cycle, with college-educated workers in digital industries thriving, while less-educated workers in some services sectors still struggling.

- Overall, we expect a 90% economy to emerge, with an exceptionally long road back to normal. The COVID-19 recession has hit the service sector particularly hard, and we believe consumers and

employees will only gradually return to malls, restaurants, cinemas, offices and airports. This is particularly true for work and other activities where public transit is required. Further, even a month after Labour Day, there remains much debate and uncertainty regarding schools and universities.

- Further, the COVID-19 shock has accelerated several long-standing trends. One is lower-for-even-longer interest rates and a world of yield starvation. The Fed has made it clear that it is “not even thinking about thinking” about hiking rates. The COVID-19 shock has also acted as an accelerant for technology and the digitization/virtualization of the economy. This is being reflected in the shift to working-from-home, EdTech, e-fitness, telehealth, e-commerce, and so on.

- Regarding the U.S. election, market volatility typically rises ahead of elections and this year is proving to be no exception. During periods of rising volatility, high-quality companies with strong earnings visibility and sustainable free cash flow, typically outperform.

- Given this challenging backdrop, the consensus expects MSCI World earnings per share to decline by 19% this year, and then to rise by 30% in 2021 and 16% in 2022. Valuations imbed aggressive earnings growth expectations, and lower-for-longer interest rates, leaving little room for error. This is especially important as we begin the third-quarter earnings season. Last quarter, the vast majority of companies announced above consensus, but most also emphasized the elevated level of uncertainty, a perspective that was reflected in the relative lack of guidance for the remainder of the year and into 2021.

- Finally, it is especially crucial in this environment to identify companies that have sustainable cash flows and are focused on maintaining their dividends. Moreover, the yield from equities is likely to be far superior to that attainable in fixed income markets. As a result of the above points, we believe the best-positioned companies are those that have a demonstrated ability to produce sustainable free cash flow and to allocate that cash flow effectively between return of capital options and reinvestment/acquisition opportunities.

Source: Bloomberg Finance L.P., Morningstar Research Inc. and Epoch Investment Partners, Inc.

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/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

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.

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 construed as an endorsement or recommendation of any entity or security discussed. 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. All charts and illustrations in this document are for illustrative purposes only. They are not intended to predict or project investment results. 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 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.

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 or another investment fund. There are various important differences that may exist between the mutual fund and the stated indexes 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 indexes or investment fund. Indexes are unmanaged and their returns do not include any sales charges or fees. It is not possible to invest directly in market indexes.

Epoch Investment Partners, Inc. is a portfolio sub-advisor to certain funds offered and managed by CI Investments Inc.

Market Commentary
Third Quarter 2020

Published October 20, 2020.