Black Creek Global Balanced Fund
First-quarter 2019 Commentary

Market Overview

Following a difficult fourth quarter of 2018, equity markets reversed course sharply in the first quarter of 2019. In U.S.-dollar terms, global stocks (as measured by the MSCI All Country World Index (ACWI)) rose 12.2% over the quarter as investors embraced signs of progress on U.S.-China trade negotiations while central bankers affirmed a continued accommodative stance on monetary policy.

In U.S.-dollar terms, all major global equity markets delivered a positive return. The U.S. market (as measured by the S&P 500 Index) was up 13.6%, outperforming international developed (MSCI EAFE Index up 10.0%) and developing markets (MSCI Emerging Markets Index up 9.9%) in the quarter. On a geographic basis, stocks of companies based in China were the top performers, in aggregate, for the quarter as investors hoped progress would be made on trade talks between China and the U.S. and that China's pledges to further liberalize its domestic stock market to foreign investors would be seen through. While all sectors within the MSCI ACWI were positive, information technology sector stocks (up 18.8%) were the clear leaders as investors reconfirmed their preference for expensive growth stocks. High-profile initial public offerings (IPOs) helped increase interest in the tech sector with Lyft, Inc., the ride-hailing competitor to Uber Technologies Inc., coming to market with its IPO in late March.

While equity markets enjoyed a recovery, the global economy continued to show signs of slowing growth. China felt the impact of the trade war with the U.S. with its exports slowing, but trade wars are not fully to blame as exports slowed for Europe and Japan, as well as for the U.S. Many countries/regions have noted a slowing trend in global trade that has pressured growth, including Hong Kong, Japan, South Korea, France and Germany. Uncertainty over Brexit has not helped trade either as companies have delayed, diverted or halted investment within the U.K. and across the European Union. Recent data from the U.S. shows the U.S. economy is experiencing a slowdown as the economic boost from the 2017 tax cuts has faded. Consumer spending, which makes up approximately 70% of U.S. gross domestic product, and factory output have been more muted recently.

The bond market is signalling a slowdown in growth as well. Within the U.S., short-term yields have risen above long-term yields, resulting in an inverted yield curve, which for many investors indicates the risk of a recession is rising. Fixed-income investors pushed the yield on the 10-year U.S. Treasury down to levels not seen since 2017 amidst concerns over global growth.

In Europe, bond yields once again turned negative. For the first time since 2017, the German 10-year government bond yield fell below zero. The total amount of global government debt with a yield below zero has increased to over US$10 trillion, up from a low of US$5.7 trillion in early 2018.

From an earnings perspective, companies are facing a slowdown as a result of moderating global growth and tariff concerns. As growth slows, companies are also finding it harder to pass along the impacts of rising labour, transportation and raw materials costs to customers through price increases. In the U.S., earnings are also being dampened as some of the favourable effects of the 2017 tax cuts roll off. Broadly, corporate America is facing a year-over-year earnings contraction for the first time since 2015. Given the economic slowdown, it may be harder to justify elevated stock valuations as optimism around rising corporate earnings fades. However, offsetting this earnings concern is the continuation of low interest rates.

Stock buybacks have been a major contributor to rising equity markets over the past decade, particularly in the U.S. In 2018, U.S. companies spent a record US$806 billion on stock buybacks, which eclipsed the prior record of US$589 billion set in 2007. Corporate balance sheets have added leverage as the buybacks have been partially financed with low-cost debt. Recently though, buybacks have become politically contentious in the U.S. as politicians from both major parties have pushed the U.S. Securities Exchange Commission to restrict or eliminate them in an effort to encourage companies to invest more in their operations.

Performance Summary

Over the first quarter of 2019, Class F of Black Creek Global Balanced Fund (the “Fund”) returned 6.9%, with both equities and fixed income contributing to the Fund’s positive performance. By comparison, the Fund’s benchmark, which is a combination of 60% MSCI World Index and 40% J.P. Morgan Global Government Bond Index, was up 5.8% over the same period.

At quarter-end, approximately 62% of the Fund was invested in equities, 36% in fixed income and 2% in cash and cash equivalents.

Equities

Top contributors to performance during the quarter included Fund holdings in Varex Imaging Corp., Koninklijke DSM N.V., Greencore Group PLC, HeidelbergCement AG and Cap Gemini S.A. Notable detractors from performance were Fund holdings in Inovalon Holdings Inc., Grupo Televisa S.A.B. de C.V., SES S.A. and Galp Energia SGPS S.A.

For the quarter, there were no new Fund purchases and one outright sale, Oracle Corp.

Oracle, which provides cloud and on-premise software, hardware and service to customers, was sold from the Fund's portfolio after a period of strong market performance, which in our view reduced its future return potential.

Fixed Income

In the quarter, global fixed-income markets were broadly higher given declining government bond yields and lower corporate credit spreads. The Fund's positive performance during the quarter was driven by the high-yield corporate bond portion of the portfolio as prices rose on falling interest rates and lower corporate bond spreads (i.e., the difference between corporate bond and government bond yields).

Top contributors to performance included high-yield-rated corporate bonds from ServiceMaster Co., LLC; MSCI Inc.; VeriSign Inc.; Hologic Inc.; and Booz Allen Hamilton Inc. Detractors from performance in the quarter were short-term U.S. Treasury bonds with maturities from one to five years. The U.S. Treasuries in the Fund's portfolio had a positive return in local-currency terms; however, the 2.2% appreciation in the Canadian dollar to the U.S. dollar during the quarter pushed returns modestly negative. The effect of the currency movement was partially offset through a currency hedge between Canadian and U.S. dollars.

At quarter-end, approximately 58% of the fixed-income portion of the Fund portfolio was invested in high-yield-rated bonds. We continue to prefer to earn higher yields by allocating to bonds issued by companies rated below investment grade (high yield). As noted above, high-yield corporate bonds drove the Fund's fixed-income gains this quarter. Within corporate bonds, credit spreads declined across both investment-grade and high-yield corporate bonds, with high-yield bonds experiencing a greater decline. A strong 2019 rebound in high-yield bonds followed the sharp correction in late 2018. December 2018 went by without any U.S. high-yield debt issuance, which further exacerbated the broader 2018 year-end downturn. Investors and issuers returned to the market in 2019 with inflows and new issuances.

The remaining portion of the Fund's fixed income is invested in U.S. Treasuries, which performed well during the quarter on concerns of a slowing global economy. The U.S. Federal Reserve (the "Fed") reversed course during the quarter by becoming more dovish regarding hikes in interest rates. The Fed stated there would likely be no interest rate hikes in 2019 and that it would pause selling down its balance sheet this coming September. This led to heightened fears of a coming recession, and expectations even shifted toward the potential for a Fed interest rate cut in 2019. Investors demanded safety and liquidity in the form of U.S. Treasuries, particularly in the middle portion of the yield curve, which resulted in a brief and rare inversion of the yield curve (i.e., the 10-year U.S. Treasury yield fell below three-month and one-year Treasury yields).

In Europe, the European Central Bank also took a cautious stance by leaving interest rates at historic lows and announcing a fresh round of stimulus by restarting a cheap lending program to euro-zone banks.

Internationally, we continue to not hold any European or Japanese government bonds given their low to negative yields, and which in our view provide little future return potential. In Europe, yield on a German 10-year Bund finished the quarter at -0.07%, while the yield on a Swiss 10-year bond ended the quarter at -0.38%. In Japan, a similar 10-year bond finished the quarter with a yield of -0.07%.

Outlook

There are a multitude of macro-related issues that one could be concerned with currently, and we are cognizant of them as this is the environment in which companies operate. However, our strength lies in our ability to identify profitable companies versus attempting to forecast macroeconomic movements or the magnitude or direction of interest rates or markets. We continue to believe owning a concentrated, high-conviction portfolio of differentiated and sustainable businesses that are acquired at reasonable valuations is the best way we can deliver attractive long-term returns for the Fund. We will look to take advantage of future mispricing, volatility and irrational behaviour given our long-term horizon and expectations of increased volatility.

Class F returns (in %) as at March 31, 2019	Year-to-date	1 year	3 year	5 year	10 year
Black Creek Global Balanced Fund	6.9	6.6	5.8	5.4	10.2

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 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.

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 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 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 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.

Black Creek Investment Management Inc. is a portfolio sub-advisor to certain funds offered and managed by CI Investments Inc.

Published May 2019.

CI Investments | Trusted Partner in Wealth™