

Market Commentary

Fourth Quarter 2018



SIGNATURE
GLOBAL ASSET MANAGEMENT™

Sentry Energy Fund

Benchmark crude prices (West Texas Intermediate (WTI) and Brent) came crashing down in the final quarter of 2018. WTI was down 38% in the fourth quarter while Brent was down 35%. Robust production from the U.S., combined with continuing increased production from OPEC and a greater number of waivers from Iranian sanctions, were behind the fall in crude oil prices during the quarter. Higher U.S. production, negative gamma hedging, negative global macroeconomic factors and trade tensions also negatively impacted the energy market.

OPEC and Russia have been vocal that they will balance the market. In December, OPEC and non-OPEC members agreed to cut 1.2 million barrels/day (b/d) of crude production. This should be enough to bring the market into balance over the next six months, as long as the continued escalation of trade tensions between the U.S. and China does not significantly rationalize crude demand.

Natural gas prices, supported by colder than expected weather, were relatively flat for the quarter, ending down 2%. Natural gas inventory is at the low end of the five-year range. However, U.S. production increased close to 8 billion cubic feet per day (bcf/d), or about half the production of Canada, in 2018. There is plenty of low-cost natural supply available in North America.

Attribution analysis

Sentry Energy Fund (Class F) was down 31.5% in the quarter. Energy sector performance was weak in the final quarter of 2018. Performance was weak in exploration and production (E&P) and service sectors while integrated companies held up better. The fund performance was negatively impacted by our low exposure to integrated companies and a higher exposure to E&P companies.

Also negatively impact the fund was our overweight in Nuvista due to a lower condensate price. Condensate, which used to trade at a premium to WTI in Canada, traded at a discount during the quarter. Condensate is used as a diluent for bitumen producers. Given the pipeline constraint in Canada, the heavy oil differential widened significantly for the quarter. As such, heavy oil production was curtailed, resulting in lower demand for condensate. Canada is still an importer of condensate, however those imports did not stop as there was a take or pay contract on the pipeline.

Market Commentary

Fourth Quarter 2018



Recent developments/outlook

With OPEC and non-OPEC members agreeing to cut 1.2 million b/d starting January 1, 2019, we believe the crude market should be balanced in the second half of the year if the members continue to extend their production cut.

We remain constructive of the crude market as spare capacity is still at the low end of the historical range. Currently, demand increase has softened but is still growing over 1 million b/d. We will continue to closely monitor China's growth and the trade tensions impact on crude markets. The current valuations of energy equities are not stretched from a historical standpoint.

Class F Returns (in %) as at December 31, 2018	Year-to-date	1 year	3 year	5 year	Since inception (3/16/2009)
Sentry Energy Fund	-30.8	-30.8	-9.6	-14.5	0.6

IMPORTANT INFORMATION

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 has taken reasonable steps to ensure their accuracy.

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.

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.

Market Commentary

Fourth Quarter 2018



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.

®CI Investments and the CI Investments design and logo are registered trademarks of CI Investments Inc. ™Signature Global Asset Management and ™Signature Funds are trademarks of CI Investments Inc.

Sentry Investment Management and Signature global Asset Management are divisions of CI Investments Inc.

Published February 2018.