

CI Canadian Equity Private Pool Third Quarter 2019 Commentary

FUND HOLDINGS

- **Brookfield Asset Management Inc.** is a global alternative asset manager with \$150 billion in fee-bearing capital.
- **Brookfield Infrastructure Partners L.P.** is one of the largest owners and operators of critical infrastructure assets globally.
- **Stella-Jones Inc.** is a leading North American manufacturer and supplier of pressure-treated wood products (e.g., railway ties and utility poles).
- **Tourmaline Oil Corp.** is a Canadian senior crude oil and natural gas exploration and production company.

PORTFOLIO ACTIVITY

- We added a new position in **CCL Industries Inc.**, which produces a broad range of specialty packaging applications and is the global leader in labelling. The company generates a high level of free cash flow and return on equity with its large geographic footprint, giving it a key competitive advantage.
- The position in **Stella-Jones Inc.** was eliminated from the pool given constant uncertainty regarding the supply/demand balance of railway ties and the timing of an upgrade cycle for utility poles.

MARKET OUTLOOK

- We have a cautiously optimistic outlook for the Canadian economy. The eastern Canadian economy is currently performing better than the western Canadian economy. Housing trends appear to have improved, with the exception of British Columbia, which should improve consumer sentiment. However, the recent federal election created some uncertainty.
- A number of large energy infrastructure projects have been announced, which could be the catalyst for an improving western Canadian economy. However, at this point, only one liquefied natural gas project has started construction.

- We have reduced the pool's cyclical exposure and, where possible, we have increased the pool's U.S. exposure, particularly in the health care and information technology sectors. We have noted some pockets of the Canadian market where valuations seem overly discounted, and we continue to add to some of those companies.

Sources: Morningstar Research Inc., Bloomberg Finance L.P. and Sentry Investment Management, as at September 30, 2019.

IMPORTANT DISCLAIMERS

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

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.

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.

© 2019 Morningstar Research Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

Sentry Investment Management is a division of CI Investments Inc.

CI PRIVATE POOLS™

CI Private Pools™ is a trademark of CI Investments Inc. CI Investments® and the CI Investments design are registered trademarks of CI Investments Inc.

CI Investments® and the CI Investments design are registered trademarks of CI Investments Inc © CI Investments Inc. 2019. All rights reserved. "Trusted Partner in Wealth™" is a trademark of CI Investments Inc.

Published October 29, 2019.