

BLACK CREEK INTERNATIONAL EQUITY FUND

Q4-2020 Commentary



FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I.*
Black Creek International Equity Fund, Series F*	-3.85%	-0.12%	3.31%	8.37%	9.99%
Benchmark: MSCI EAFE Total Return Index	6.38%	5.37%	6.12%	8.67%	7.67%

* Inception date of Black Creek International Equity Fund, Series F: September 30, 2008.

Source: Black Creek Investment Management Inc., as at December 31, 2020.

PERFORMANCE SUMMARY

- Over the fourth quarter of 2020, Black Creek International Equity Fund, Series F (the Fund) returned 17.70% compared with the MSCI EAFE Total Return Index, which returned 10.72%.
- The Fund outperformed its benchmark which was driven by strong stock selection in the industrials, consumer staples and financials sectors. Detractors included stock selection in the energy and health care sectors.

CONTRIBUTORS TO PERFORMANCE

Lloyds Banking Group Plc. was among the leading contributors to Fund performance. After its share price was hit hard by concerns associated with the COVID-19 pandemic's impact on the U.K. economy, optimism resulting from positive vaccine news resulted in a sharp recovery. The company also benefited from the announcement of the Brexit trade deal. ICICI Bank Ltd. also contributed to performance. The bank announced record quarterly profits, which exceeded consensus estimates. The bank's results were led by better-than-expected operating performance and lower-than-expected non-performing loans.

DETRACTORS FROM PERFORMANCE

Shares of Ipsen S.A. fell after it announced a larger-than-expected merger and acquisition budget for target companies in oncology, rare disease and neuroscience, while also removing its earnings margin guidance. Our investment thesis, however, remains intact given the company's high entry barrier on the manufacturing of its Somatuline drug and underappreciated drug pipeline. Alibaba Group Holding Ltd. also detracted from performance. The company's share price fell after Chinese regulators delayed its subsidiary, Ant Group Co., Ltd.'s US\$35 billion initial public offering, and later launched an antitrust investigation into the company. We continue to like the company given its attractive valuation, its dominance in e-commerce and its growing cloud and logistics businesses.

PORTFOLIO ACTIVITY

There were no new or meaningful additions to the Fund over the quarter. The Fund's position in Aryzta AG was eliminated. We sold the position after the company's share rose on news that Elliott Management Corp. made an offer of 794 million Swiss francs to take the company private.

MARKET OVERVIEW

The start of 2021 will likely remain challenging given continued volatility in markets and disappointing economic activity as a result of further pandemic-related lockdowns. We believe the delivery and distribution of vaccines in the first half of 2021 should lead to an economic recovery in the latter half of the year given pent-up demand. We also expect the post-pandemic recovery will favour a broader rally in stocks and help rebalance equity markets that have become heavily biased towards large-capitalization growth and momentum stocks.

At Black Creek, we do not position our portfolios based on any short-term market views because we believe predictions based on what the market or economy will do in the short term are inherently unreliable. As always, we will continue to look past the noise of the markets and use market volatility to our advantage as we invest in a portfolio of winning businesses at attractive valuations.

For more information, please visit [ci.com](https://www.ci.com).

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

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