

# BLACK CREEK GLOBAL LEADERS FUND



## Q4-2020 Commentary

FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I.*
Black Creek Global Leaders Fund, Series F	15.2%	8.9%	11.2%	12.4%	10.1%
Benchmark: MSCI World Total Return Index (C\$)	14.5%	11.8%	10.9%	13.3%	9.0%

\* Inception date of Black Creek Global Leaders Fund, Series F: June 12, 2006.

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

### PERFORMANCE SUMMARY

- Over the fourth quarter of 2020, Black Creek Global Leaders Fund, Series F (the Fund) returned 14.7% compared with the MSCI World Total Return Index (in Canadian-dollar terms), which returned 8.8%.
- The Fund outperformed its benchmark which was driven by strong stock selection in the communication services, industrials and materials sectors. Detractors included stock selection in the health care and energy sectors.

### CONTRIBUTORS TO PERFORMANCE

Baidu, Inc. was among the leading contributors to Fund performance. The company's share price rose on news that it is considering making its own electric vehicles and has held preliminary discussions with automakers. The company also reported better-than-expected third quarter revenue results. The Weir Group plc also contributed to performance. Its share rose on the news that it had agreed to sell its oil and gas division to Caterpillar Inc. The company's share price also benefited from the market rotation in November towards more cyclical stocks.

### DETRACTORS FROM PERFORMANCE

Shares of Santen Pharmaceutical Co., Ltd. fell on concerns about the company's business in China and competition from local generic companies. We have doubts about the competition's ability to manufacture and supply quality and safe products at scale. Inovalon Holdings, Inc. also detracted from performance after announcing a reduction in full-year 2020 guidance related to the COVID-19 pandemic. We continue to believe Inovalon presents a good opportunity in the health care technology space with a strong runway for continued subscription growth.

### PORTFOLIO ACTIVITY

There were no liquidations over the period but we took the opportunity to add several new names to the Fund that were experiencing share price weakness and met our investment criteria. Ebara Corp. is a Japan-based global manufacturer of environmental and industrial machinery. The company's share price has been weak as a result of the pandemic's impact on global growth, sluggish conditions in the oil and gas market and concerns around declining demand for machinery. FTI Consulting Inc. is a global business advisory firm. The company's share price sold off on concerns around delays in project activity due to pandemic-related court closures as well as a shift in market appetite away from more defensive names. PriceSmart, Inc. is the largest operator of membership-based

retail warehouses in Central America and the Caribbean. The company has been impacted by concerns around lower GDP growth and a weak consumer environment related to COVID-19.

## **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).**

---

## **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 compounded total returns net of fees and expenses payable by the fund (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.

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 a solicitation to buy or sell securities. 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 authors 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 Global Asset Management

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.

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.

Certain statements contained in this communication are based in whole or in part on information provided by third parties and CI Global Asset Management has taken reasonable steps to ensure their accuracy. Market conditions may change which may impact the information contained in this document.

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 Global Asset Management and the portfolio manager believe to be reasonable assumptions, neither CI Global Asset Management 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.

Black Creek Investment Management Inc. is the portfolio sub-advisors to certain funds offered and managed by CI Global Asset Management.

CI Global Asset Management is a registered business name of CI Investments Inc.

© CI Investments Inc. 2021. All rights reserved.

Published Date: January 18, 2021.