

CI CANADIAN INCOME & GROWTH FUND



Q3-2021 Commentary

FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I.
CI Canadian Income & Growth Fund, Series F*	19.1%	7.5%	7.8%	8.4%	7.7%
Benchmark: 35% S&P/TSX Composite Index, 25% MSCI ACWI Index, 20% FTSE Canada Universe Overall Bond Index, 20% BofAML U.S. High Yield Index	15.1%	9.1%	8.2%	9.3%	N/A

* Inception date November 11, 2000. Formerly Signature Income & Growth Fund, renamed effective July 29, 2021.
Source: CI Global Asset Management, as at September 30, 2021.

PERFORMANCE SUMMARY

- In the third quarter of 2021, CI Canadian Income & Growth Fund, Series F (the Fund) returned 0.7% compared with its benchmark, 35% S&P/TSX Composite Index, 25% MSCI ACWI Index, 20% FTSE Canada Universe Overall Bond Index, 20% BofAML U.S. High Yield Index, which returned 0.9%.
- The Fund underperformed its benchmark primarily as a result of currency hedges as the Canadian dollar weakened versus the U.S. dollar.

CONTRIBUTORS TO PERFORMANCE

The Fund's position in Sony Corp. contributed to its performance as it reported strong results after signing a significant expansion in India. In addition, investors believed that the company's media properties would benefit from post-pandemic recoveries. Appreciation of the Japanese yen against the Canadian dollar also contributed to Sony Corp.'s performance. Advanced Micro Devices Inc.'s positive contribution reflected a general improvement in information technology stocks, as well as a strong pricing environment for semiconductors. Both were on display in the company's solid second-quarter results, which were released during the period.

DETRACTORS FROM PERFORMANCE

The shares of Canadian Pacific Railway Ltd. (CP) underperformed as a result of uncertainty around its acquisition of Kansas City Southern in the United States. CP continued to perform in its operations and our view of the acquisition transaction (that should close no earlier than early 2023) is that it should be positive for the company's long-term prospects. A position in Wheaton Precious Metals Corp. also detracted from the Fund's performance as a result of general weakness within precious metals markets. The weakness was brought on by broader macroeconomic factors, including U.S. dollar strength and investor expectations for reduced monetary stimulus.

PORTFOLIO ACTIVITY

During the quarter, we added a new position in Deutsche Telekom AG given our expectation that buyback activity at its key subsidiary, T-Mobile USA Inc., would provide added value and cash flow. The potential sale of Deutsche Telekom AG's tower business is also possible, which is expected to add value given elevated infrastructure valuations. We sold TC Energy Corp. as the stock approached

our internal target price. We also believed that valuations within the energy sector favoured producers over midstream and pipeline companies.

MARKET OVERVIEW

We believe that peak growth and earnings, as well as peak monetary and fiscal stimulus, may be behind us, which means that peak returns may also be in the past. However, peak COVID-19 delta infections are likely also in the past, and we believe the peak of supply chain disruptions has also passed. We believe that growth and earnings is slowing but still positive and should be above-trend through 2022. Accommodative monetary policy withdrawal is expected to be gradual and well telegraphed, but we believe that easy financial conditions should persist. Potential risks we will continue to monitor include the possibility of a policy error from China that could slow domestic growth more than expected, rising energy prices pushing inflation up, and lower-than-expected third-quarter corporate results.

Source: CI Global Asset Management

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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