

CI CANADIAN INCOME & GROWTH FUND

Q3-2022 Commentary



FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I.
CI Canadian Income & Growth Fund, Series F*	-8.0%	4.1%	4.0%	6.2%	6.9%
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	-8.7%	3.4%	4.9%	7.2%	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, 2022.

PERFORMANCE SUMMARY

- Over the third quarter of 2022, CI Canadian Income & Growth Fund, Series F (the Fund) returned -1.4% compared with its blended 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 0.6%.
- The Fund underperformed its benchmark primarily as a result of its U.S.-dollar hedges as the U.S. dollar strengthened substantially during the period.

CONTRIBUTORS TO PERFORMANCE

The Fund's position in Apple Inc. contributed to performance. The company's stock rebounded along with a recovery in the broader information technology sector. In addition, excitement about the introduction of a new iPhone contributed to expectations of growth in future earnings and cash flows.

Another contributor to the Fund's performance was Alimentation Couche-Tard Inc. The company recorded strong performance following its quarterly results release, which showed that its margins had held up well, particularly on gasoline sales. In addition, the company's strong balance sheet should allow for higher future earnings through acquisitions, buybacks and dividends.

DETRACTORS FROM PERFORMANCE

A holding in The Bank of Nova Scotia detracted from the Fund's performance. The bank reported disappointing third-quarter 2022 results on net interest margins and earnings, and a CEO change produced some investor anxiety about its strategic direction.

Another detractor from the Fund's performance was Cenovus Energy Inc. given its sensitivity to oil prices, with recession fears and the strength of the U.S. dollar causing benchmark crude oil prices to fall.

PORTFOLIO ACTIVITY

We added a new position in Royal Bank of Canada to the Fund following a significant decline in the company's share price. The company's stock declined to attractive levels given that investors had overly priced in fears of credit losses amid a slowing Canadian economy and housing market.

We sold a Fund holding in NextEra Energy Inc. after the company's stock reaching our target price levels. While the company's key renewable energy business is a strong one, the stock was driven above fundamentals by optimism around renewable subsidies embedded in the U.S. *Inflation Reduction Act*.

MARKET OVERVIEW

With the rise in inflation and interest rates, central banks around the globe are attempting to slow economic activity to return inflation to their target of approximately 2%. We believe a mild recession has been priced into the markets, particularly in Canada, and that the economic slowdown could be moderate. In our view, much of the Bank of Canada's monetary tightening has been priced in by both bond and equity markets, allowing for any turn in monetary stimulus to allow for positive market returns going forward.

Source: CI Global Asset Management

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 construed as an endorsement or recommendation of any entity or security discussed. 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 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.

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.

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

© CI Investments Inc. 2022. All rights reserved.

Published November 4, 2022.