

# CI CORPORATE BOND FUND

## Q1-2022 Commentary



FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I
CI Corporate Bond Fund, Series F*	-1.5%	3.1%	3.3%	4.7%	5.2%
Benchmark: 50% FTSE Canada Universe + Maple All Corporate Bond / 50% BofAML US High Yield (CAD Hedged)	-2.4%	2.6%	3.2%	6.0%	6.0%

\* Inception date: July 15, 2003. Formerly Signature Corporate Bond Fund, renamed effective July 29, 2021.

Source: CI Global Asset Management, as at March 31, 2022.

### PERFORMANCE SUMMARY

- Over the first quarter of 2022, CI Corporate Bond Fund, Series F (the Fund) returned -4.9% compared with its benchmark, a 50/50 combination of the ICE BofAML U.S. High Yield Total Return Index and the FTSE Canada Universe + Maple All Corporate Bond Total Return Index, which was up -5.4% over the same period.
- The Fund's shorter duration (interest rate sensitivity) than that of the benchmark contributed to performance. Security selection and an overweight exposure to the energy sector also helped to drive outperformance.
- Currency movements had a negligible impact on the Fund's performance.

### CONTRIBUTORS TO PERFORMANCE

As energy prices continued to rebound, a holding in NuVista Energy Ltd. 7.875%, Jul. 23, 2026 bonds contributed to performance. The Fund's convertible bond positions in sectors leveraged to economic reopening also contributed to performance. These included a holding in Air Canada 4.0%, Jul. 01, 2025 bonds, which outperformed.

### DETRACTORS FROM PERFORMANCE

Long-duration bonds detracted from the Fund's performance as Canadian and U.S. 10-year government bond yields declined 98 basis points (bps) and 83 bps, respectively. Representative positions that detracted from performance include Foot Locker Inc 4.0%, Oct. 1, 2029 bonds and Enbridge Inc. 4.1%, Sep. 21, 2051 bonds, both of which traded 10 bps lower.

A holding in Commerzbank AG 8.151%, Jun. 30, 2031 bonds was another detractor from performance. It was impacted by the move higher in government bond yields.

### PORTFOLIO ACTIVITY

We added new fixed-rate subordinated bonds issued by Rogers Communications Inc. (5.25%, Mar. 15, 2082) to the Fund. Fixed reset subordinated perpetual bonds issued by The Toronto-Dominion Bank were also added to the Fund.

### MARKET OVERVIEW

Investors will be carefully watching the trajectory of interest rates and how inflation and unemployment respond for clues to economic growth and margins, earnings and credit quality in 2023 and beyond. The expansion phase of this economic cycle may be nearing its end, but the moderation phase, with decent earnings growth and credit quality improvement, could persist for some time. COVID-19 pandemic disruptions appear to be waning as a concern for investors, and hopefully soon the Russia-Ukraine conflict will be resolved. Valuations are better than they were six months ago and while non-core to the Fund's strategy, government bond yields now offer better diversification potential. We do not yet believe it is time to significantly reduce the Fund's risk.

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 April 18, 2022.