

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).

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