CI SELECT CANADIAN EQUITY FUND

Q2-2022 Commentary

FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I.
CI Select Canadian Equity Fund, Series F*	-6.1%	9.5%	7.3%	9.4%	8.8%
Benchmark: 50% MSCI ACWI Index/50% S&P/TSX Composite Index	-8.1%	7.0%	7.3%	9.9%	N/A

* Inception date: August 8, 2000. Formerly Signature Select Canadian Fund, renamed effective July 29, 2021.
Source: CI Global Asset Management, as at June 30, 2022.

PERFORMANCE SUMMARY

- Over the second quarter of 2022, CI Select Canadian Equity Fund, Series F (the Fund) returned -13.1% compared with its benchmark (50% MSCI ACWI Index/50% S&P/TSX Composite Index), which returned -13.0%.
- The Fund underperformed its benchmark primarily as a result of the Fund's overweight exposure to the energy and health care sectors as well as stock selection within those sectors. Security selection in the communication services sector was another significant contributor to performance, largely because of the Fund's higher exposure to more defensive telecommunications company stocks.

CONTRIBUTORS TO PERFORMANCE

The Fund's position in Cenovus Energy Inc. contributed to performance. While the company benefited from stronger oil prices, its outperformance was primarily driven by the narrowing of its relative valuation gap because of strong refining margins in its U.S. refining assets. In addition, the company revealed a more transparent capital allocation strategy during its first-quarter 2022 earnings call.

Another contributor to the Fund's performance was Suncor Energy Inc., which benefited from strong energy prices and high refining margins. The company's stock price was particularly strong because of an activist investor taking a stake in the company and pushing for a variety of operational and strategic changes to release value.

DETRACTORS FROM PERFORMANCE

A holding in Manulife Financial Corp. detracted from the Fund's performance. The company reported weaker-than-expected first-quarter 2022 results, and the market focused on an accounting-based writedown of shareholders' equity and earnings. We believe the company's valuation currently incorporates these factors, and we continue to believe the company's stock represents solid value.

Another detractor from the Fund's performance was a holding in Shopify Inc. Its stock declined because of a broad-based decline in information technology markets amid fears that growth in the company's core businesses could decline because of economic and competitive factors.

PORTFOLIO ACTIVITY

During the quarter, we added a new position in Royal Bank of Canada to the Fund. The company's stock was repurchased after being sold from the Fund's portfolio in the first quarter of 2022. The addition was based on our belief that the company's stock price decline had more than fully priced in a negative economic environment for the bank, and that its competitive position as well as overall loan and earnings quality were underappreciated by the market.

We sold a Fund holding in NextEra Energy Inc. based on its premium valuation relative to other utilities. There are also concerns that growth in the company's renewables business could fall short of expectations for profit growth.

MARKET OVERVIEW

During the past six months, the macroeconomic debate had pivoted between inflation fears and growth worries. The U.S. inflation readings in early June sent 10-year U.S. Treasury yields to 3.5%, which may well mark the high point in the current environment, with the market at one point pricing in a terminal federal funds rate of almost 4% (currently at 2.25%). Following the June spike in interest rates, the macroeconomic debate quickly shifted from inflation to growth and whether the economy would be able to avoid a recession given the higher interest rate structure. Our expectation is that inflation could start to decline in the second half of 2022 but that the decline in U.S. and global inflation could be slow and might stay above 3%, which would suggest further U.S. interest rate increases in the latter part of 2022.

Given these factors, Canadian equity markets remain reasonably well positioned, with a stock market that trades cheaper than its U.S. peers, a good exposure to the war-disrupted energy, materials and agriculture sectors, solvent banks, and excess consumer savings. We believe the outlook for Canadian equities remains reasonable after the second-quarter 2022 sell-off, particularly if recession fears prove to be overblown.

The Fund holds moderate overweight allocations to value-oriented sectors such as financials and energy, although valuations and growth opportunities within the information technology sector led us to increase exposure to this sector late in the period.

Source: CI Global Asset Management

For more information, please visit 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.

Published July 18, 2022.