CI SYNERGY CANADIAN CORPORATE CLASS

Q3-2024 Commentary

FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I.
CI Synergy Canadian Corporate Class, Series F*	28.0%	8.9%	11.8%	8.5%	7.5%
Benchmark: S&P/TSX Composite Total Return Index	26.7%	9.5%	11.0%	8.1%	7.1%

* Inception date: November 30, 2000. Formerly Synergy Canadian Corporate Class, renamed effective July 29, 2021.
Source: Picton Mahoney Asset Management, as at September 30, 2024.

PERFORMANCE SUMMARY

- Over the third quarter of 2024, CI Synergy Canadian Corporate Class, Series F (the Fund) returned 6.3% compared with its benchmark, the S&P/TSX Composite Total Return Index, which returned 10.5%.
- The Fund underperformed its benchmark primarily because of an underweight allocation to the financials sector and an overweight allocation to the industrials sector.
- An overweight exposure to the health care sector and underweight exposure to the energy sector contributed to the Fund’s performance.

CONTRIBUTORS TO PERFORMANCE

The Fund’s position in Royal Bank of Canada contributed to performance. The company posted strong results given its diversified platform.

A holding in Canadian Imperial Bank of Commerce also contributed to the Fund’s performance. The company reported strong results in its Canadian operations.

DETRACTORS FROM PERFORMANCE

Alphabet Inc.’s shares were lower as there was a broader sell-off in the information technology sector.

A holding in MEG Energy Corp. also detracted from the Fund’s performance. The company’s shares underperformed amid lower oil prices.

PORTFOLIO ACTIVITY

During the period, we added to the Fund a new position in Bank of Montreal. We expect the bank’s credit results in the United States to improve, and its valuation was lower than its peers.

A holding in Freehold Royalties Ltd. was eliminated from the Fund in favour of better opportunities within the oil and gas industry.

MARKET OVERVIEW

In September, the U.S. Federal Reserve Board had to choose between stimulating a slowing U.S. economy and remaining firm in its fight against potential inflationary forces. The central bank chose the former, and further interest rate cuts have been priced in to interest rate markets, some of which could be larger or come sooner than expected. We believe the decision to cut interest rates this soon could stoke inflation given the structural issues in U.S. housing and labour supply, as well as challenging supply-side dynamics in certain key commodities. This, in turn, could have implications that investors need to remain conscious of in relation to portfolio construction.

On equity markets, as expected, the reaction to lower short-term interest rates was a burst of risk-on sentiment. We have taken the opportunity to increase cyclicality in equity portfolios at the margin. That said, we do remain cautious toward ebullient sentiment, but we believe that the balance of probabilities remains positive on a medium-term, forward-looking view.

Source: Picton Mahoney Asset Management research based on raw data from Morningstar Research Inc. and Bloomberg Finance L.P.

For more information, please visit 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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