

# MARKET VOLATILITY & WHAT TO DO: *THE IMPORTANCE OF STAYING INVESTED*

Q4 2019



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# INVESTING & EMOTIONS

## Negative headlines abound – how did you react?



September 15, 2008

Source: The Financial Times, The New York Times, CNN Money

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# The New York Times

Tuesday, September 16, 2008 Last Update: 7:47 PM ET

## Fed Readies A.I.G. Loan of \$85 Billion for an 80% Stake

By MICHAEL J. de la MERCED and ERIC DASH 15 minutes ago

Without help from the Federal Reserve, the insurance giant was expected to be forced to file for bankruptcy protection.

• Video Analysis: Joe Nocera on the Importance of A.I.G.



Richard Perry/The New York Times

The scene at American International Group's building in Manhattan.

September 16, 2008

CNN Money Companies Markets Tech Media

SPECIAL REPORT Issue #1: America's Money Crisis

### JPMorgan buys WaMu

In the biggest bank failure in history, JPMorgan Chase will acquire massive branch network and troubled assets from Washington Mutual for \$1.9 billion.

By David Ellis and Jeanne Sahadi, CNNMoney.com staff writers  
Last Updated: September 26, 2008: 12:18 PM ET

NEW YORK (CNNMoney.com) -- JPMorgan Chase acquired the banking assets of Washington Mutual late Thursday after the troubled thrift was seized by federal regulators, marking the biggest bank failure in the nation's history and the latest stunning twist in the ongoing credit crisis.

Under the deal, JPMorgan Chase will acquire all the banking operations of WaMu, including \$307 billion in assets and \$188 billion in deposits.

To put the size of WaMu in context, its assets are equal to about two-thirds of the combined book value assets of all 747 failed thrifts that were sold off by the Resolution Trust Corp. - the former government body that handled the S&L crisis from 1989 through 1995.

In exchange for scooping up WaMu, JPMorgan Chase (JPM, Fortune 500) will pay approximately \$1.9 billion to the Federal Deposit Insurance Corporation.

Separately, JPMorgan announced Thursday that it plans to raise \$8 billion in additional capital through the sale of stock as part of the deal. The bank expanded the offering to \$10 billion on Friday.

The acquisition is JPMorgan Chase's second major purchase this year following the mid-March acquisition of investment bank Bear Stearns, a deal that was also engineered by the government.

"We think it is a great thing for our company," JPMorgan Chase Chairman and CEO Jamie Dimon said in a conference call with investors late Thursday night.

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#### ROAD TO RESCUE

- Home prices up for 1st time in 3 years
- New home sales: 'Really good news'
- Wall Street: Here comes the hard part
- 7 regional banks fail
- Banker: "TARP helped avert a global calamity"

#### Watching Washington



More Videos

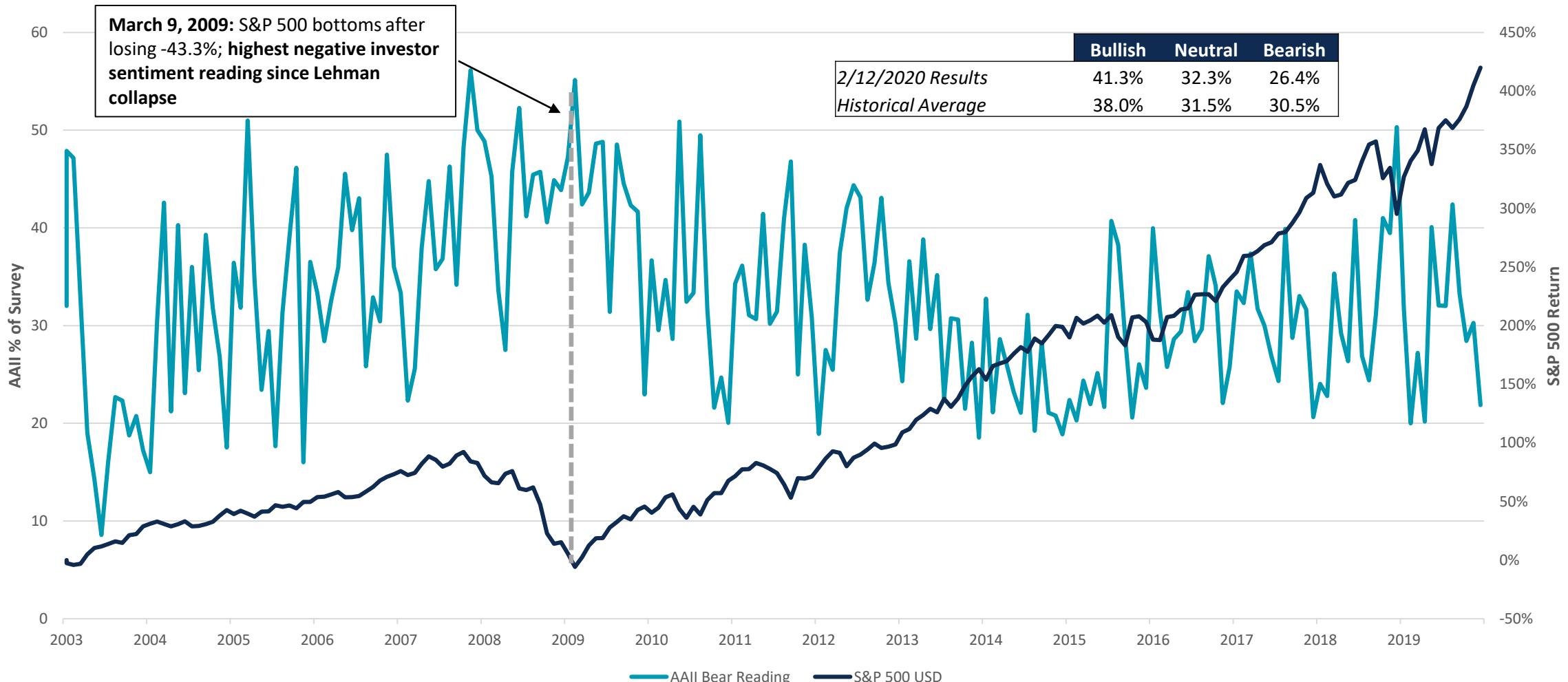
#### Biggest bank failures

WaMu became the biggest failure in U.S. history following its stunning collapse Thursday.

Bank	Size (by assets)	Date
Washington Mutual	\$307B	Sept. 2008
Continental Illinois	\$67.7B*	May 1984

September 26, 2008

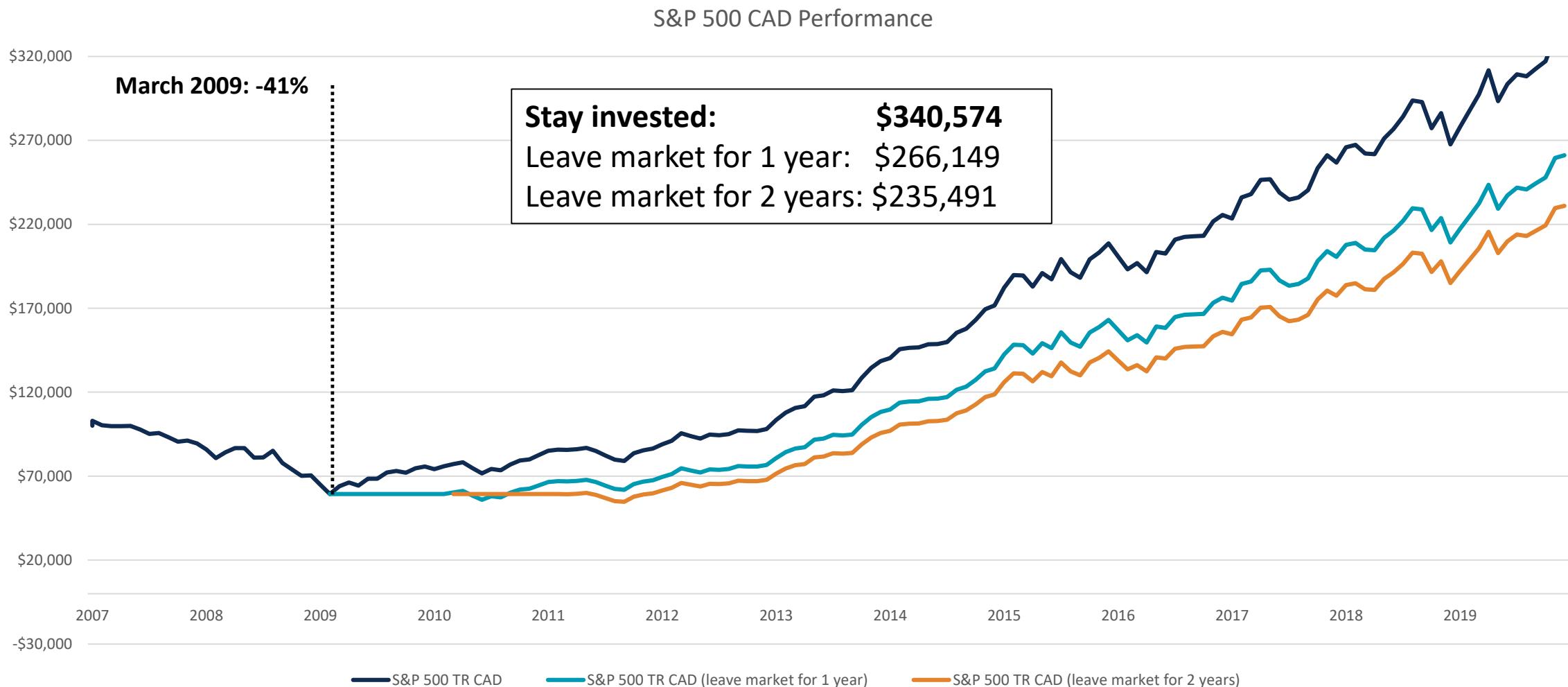
## Individual Investor Sentiment Readings – Don't time the market



*The American Association of Individual Investors (AAII) surveys its members their feelings towards the stock market over the next 6 months. "Do you feel the direction of the market over the next six months will be up (bullish), no change (neutral) or down (bearish)?" High bullish readings in the poll usually are signs of market tops; low ones, market bottoms.*

*Source: Morningstar, CI Investments. S&P 500 TR in USD, as of December 31, 2019 using monthly returns.*

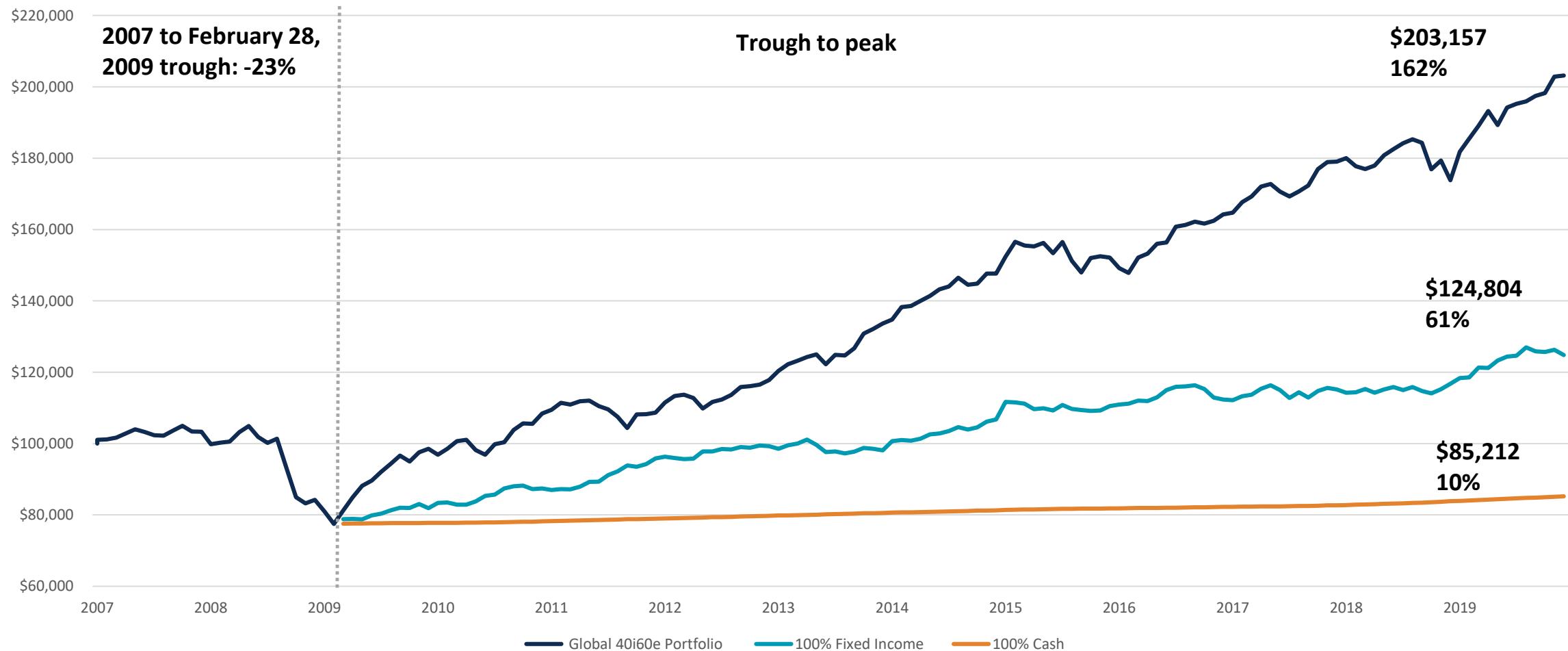
# Don't let emotions take over: staying invested leads to better performance



Source: Morningstar®, CI Investments as of December 31, 2019 using monthly returns. S&P 500 TR in CAD.

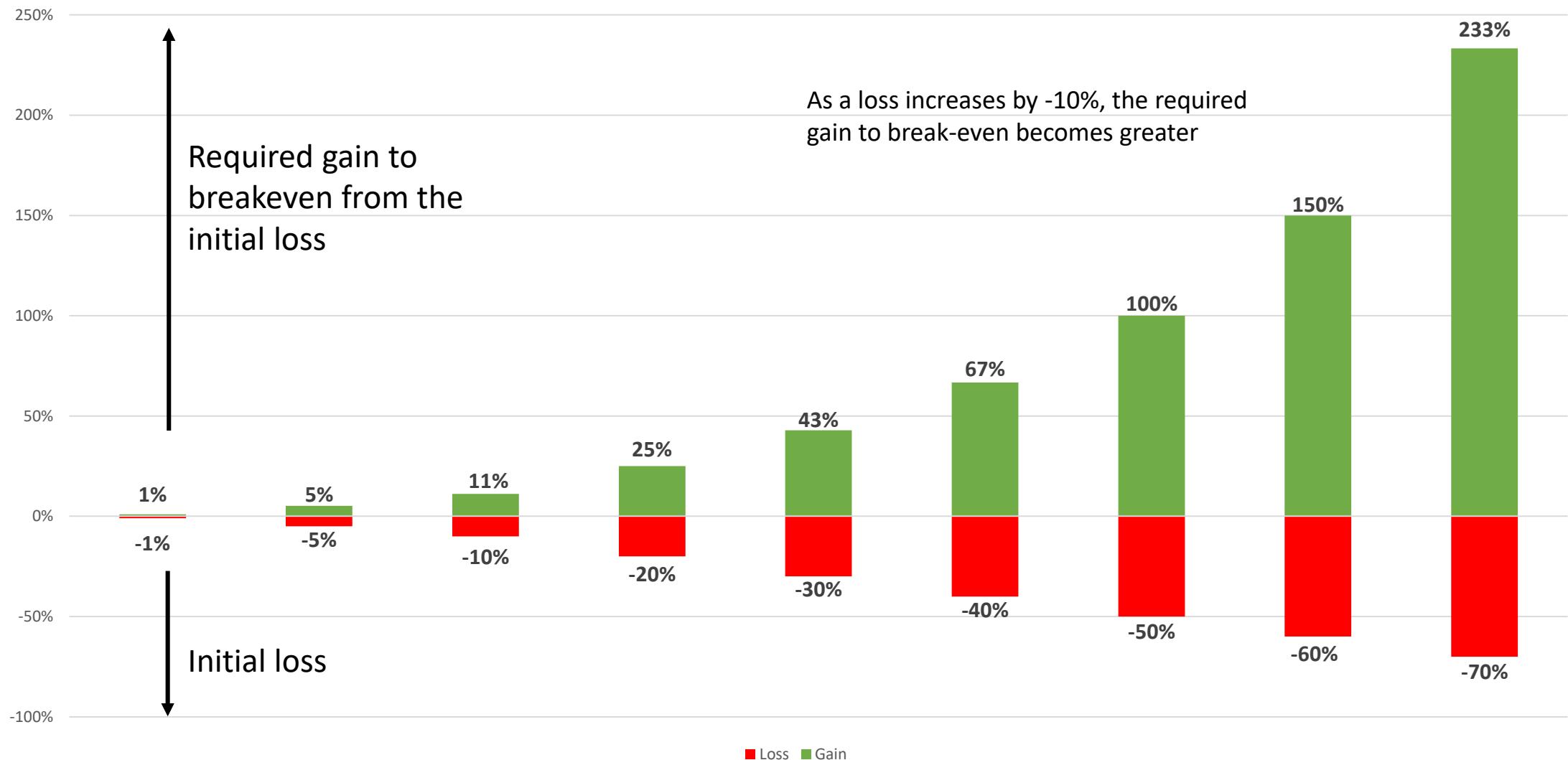
# Maintain discipline in your strategic asset allocation

Global Balanced Portfolio



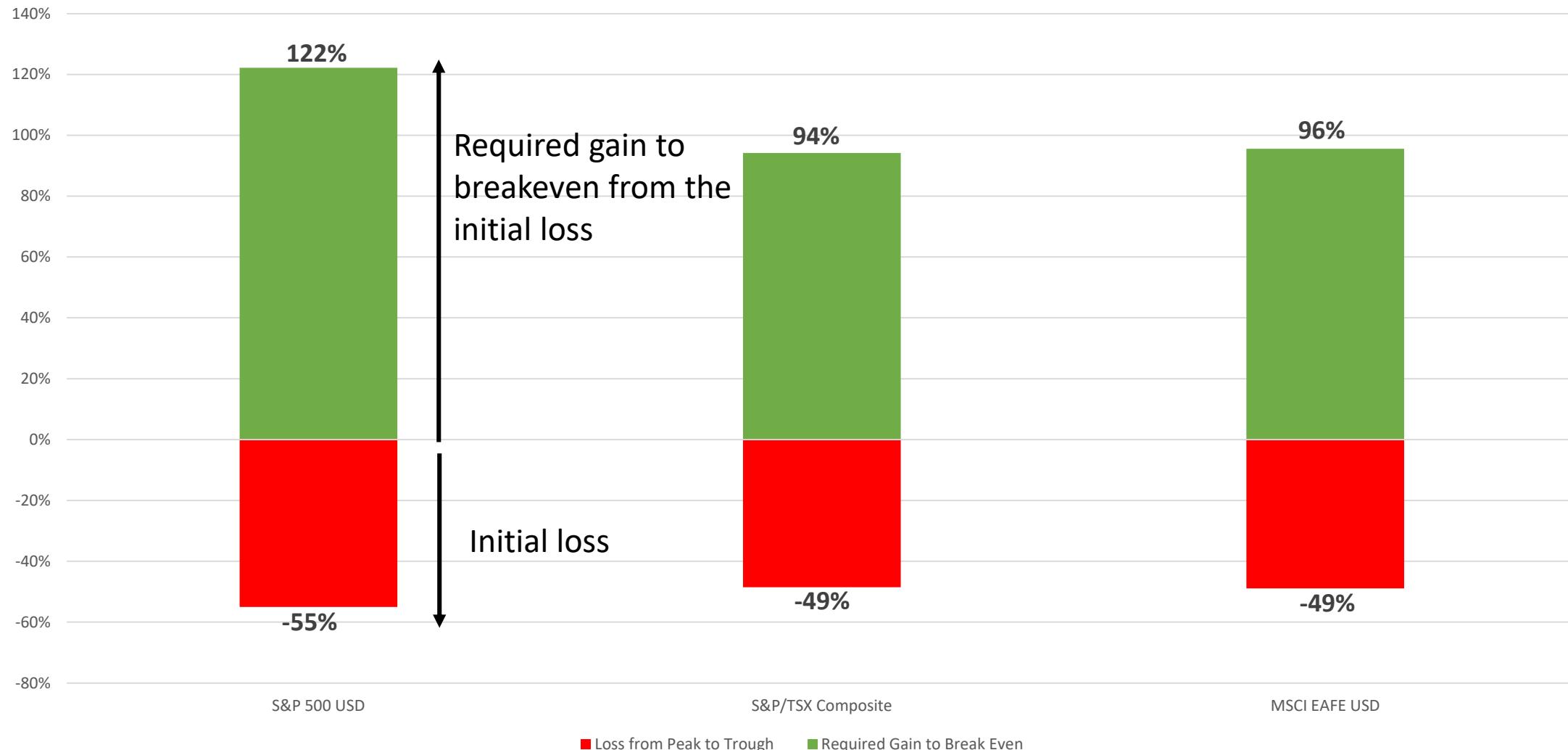
Source: Morningstar as of December 31, 2019 using monthly returns. Global 40i60e Portfolio = MSCI World CAD (18%), MSCI World LCL (18%), S&P/TSX Composite (24%), FTSE Canada Universe Bond (40%); rebalanced monthly. 100% Fixed Income = FTSE Canada Universe Bond. 100% Cash = FTSE Canada 91 Day Tbill.

## Recovery from a loss



Source: CI Investments

## Gain required to fully recover from Global Financial Crisis



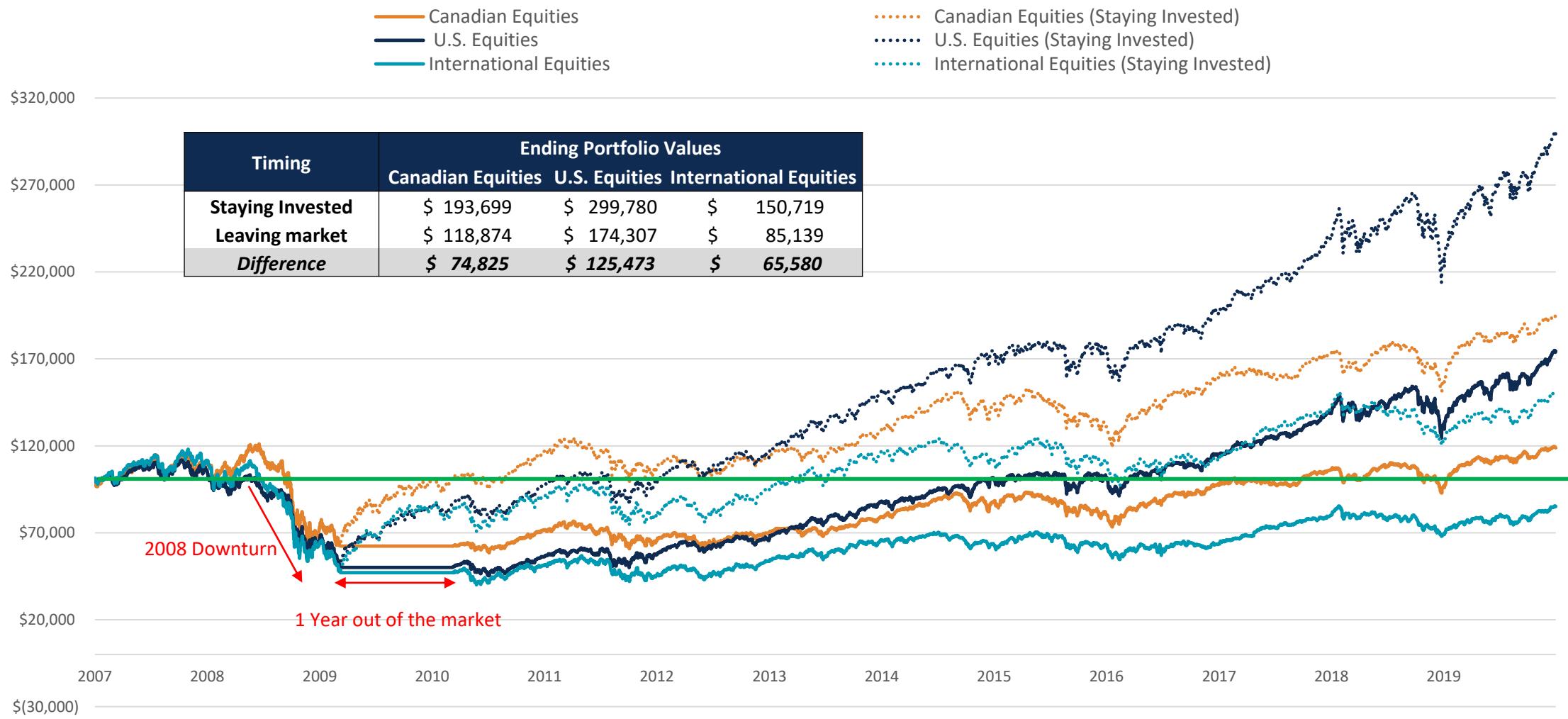
Source: Morningstar, CI Investments. August 2019. S&P 500 TR USD peaked October 9, 2007 and bottomed March 9, 2009, losing -55% from peak to trough. S&P/TSX Composite TR peaked June 18, 2008 and bottomed March 9, 2009, losing -49% from peak to trough. MSCI EAFE GR USD peaked October 31, 2007 and bottomed March 9, 2009, losing -49% from peak to trough.

# Most stock market gains are achieved shortly after a bear market



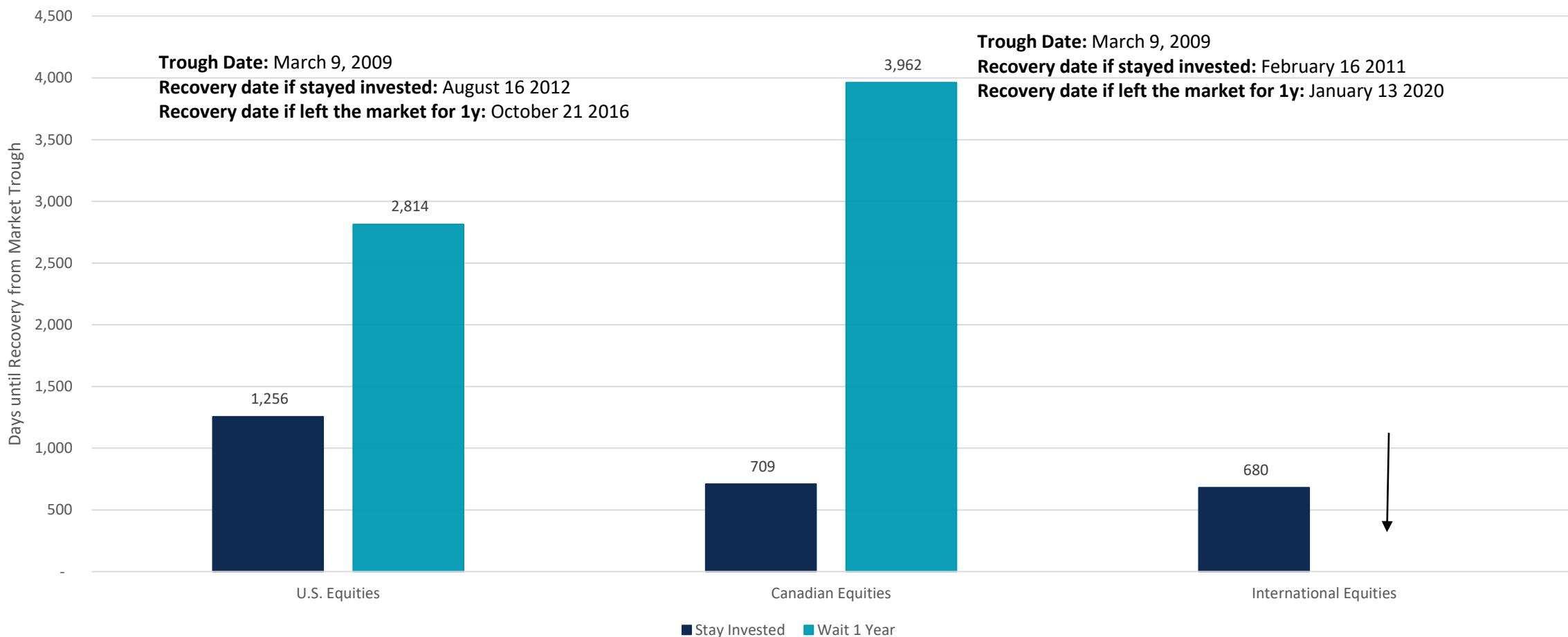
Source: Morningstar, CI Investments. December 2019 using daily returns. Returns are in index base currencies. Canadian Equities = S&P/TSX Composite TR; U.S. Equities = S&P 500 TR USD; International Equities = MSCI EAFE GR USD.

## Fast recovery: don't leave the market at its worst



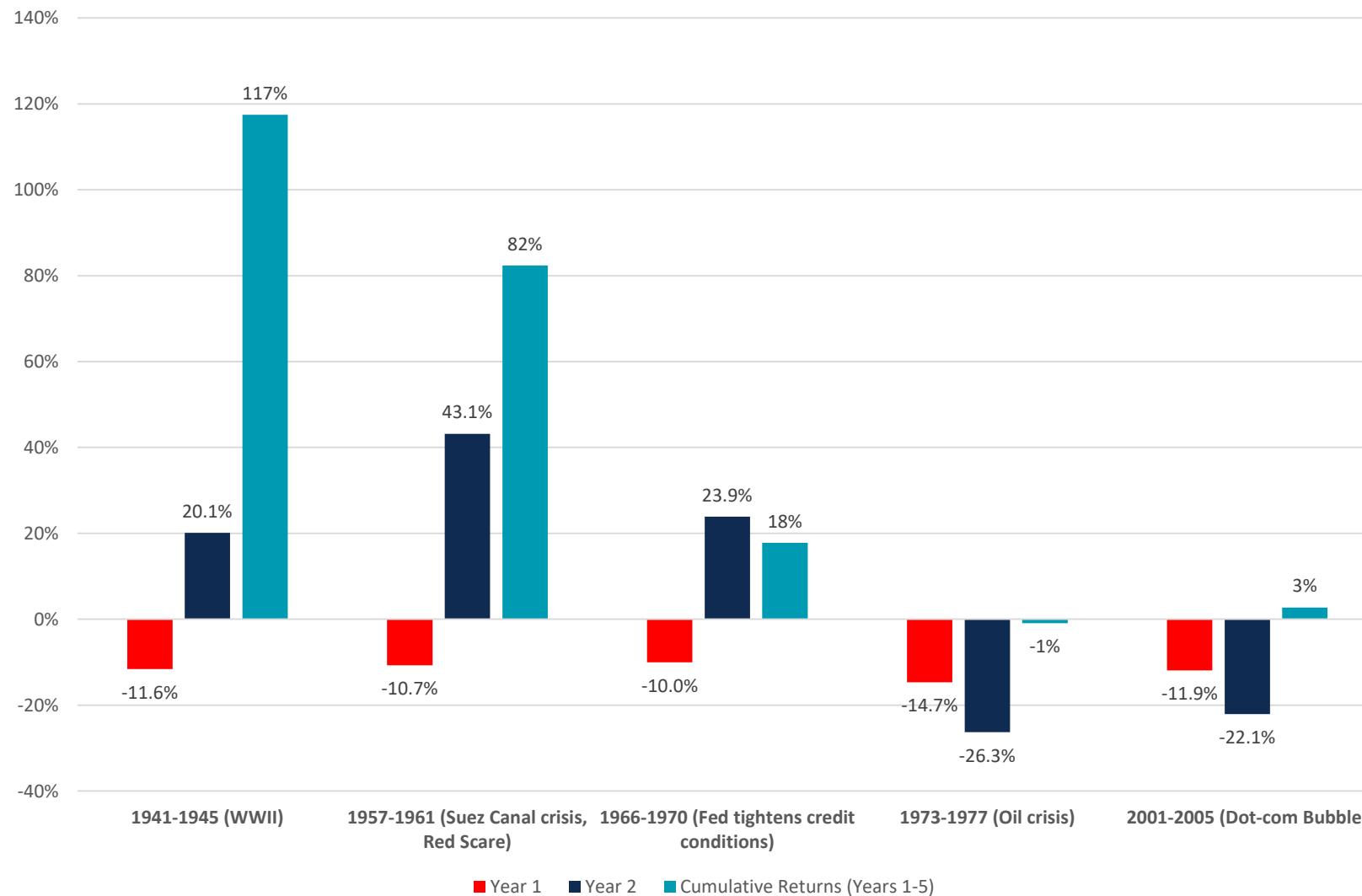
Source: Morningstar, CI Investments. As of December 31, 2019 using daily returns. Returns are in index base currencies. Canadian Equities = S&P/TSX Composite TR; U.S. Equities = S&P 500 TR USD; International Equities = MSCI EAFE GR USD.

# Fast recovery: Staying invested pays off



Source: Morningstar, CI Investments. December 31, 2019. Returns are in index base currencies. Canadian Equities = S&P/TSX Composite TR; U.S. Equities = S&P 500 TR USD; International Equities = MSCI EAFE GR USD. All three indexes experienced a bottom on March 9, 2009. Waiting 1 year assumes you leave the market at the bottom and re-enter 1 year later on March 9, 2010. S&P 500: 122% required gain to recover from peak on October 9, 2007. If you stayed invested you recovered on April 2, 2012. If you left the market you recover on November 21, 2016. S&P/TSX: 94% gain to recover from peak on June 18, 2008. If you stayed invested you recovered on February 14, 2011. If you left the market you would not have recovered. MSCI EAFE: 96% gain to recover from peak on October 31, 2007. If you stayed invested you recovered on January 13 2011. If you left the market you would not have recovered.

# S&P 500 bad years (10%-20%) tend to be followed by good years

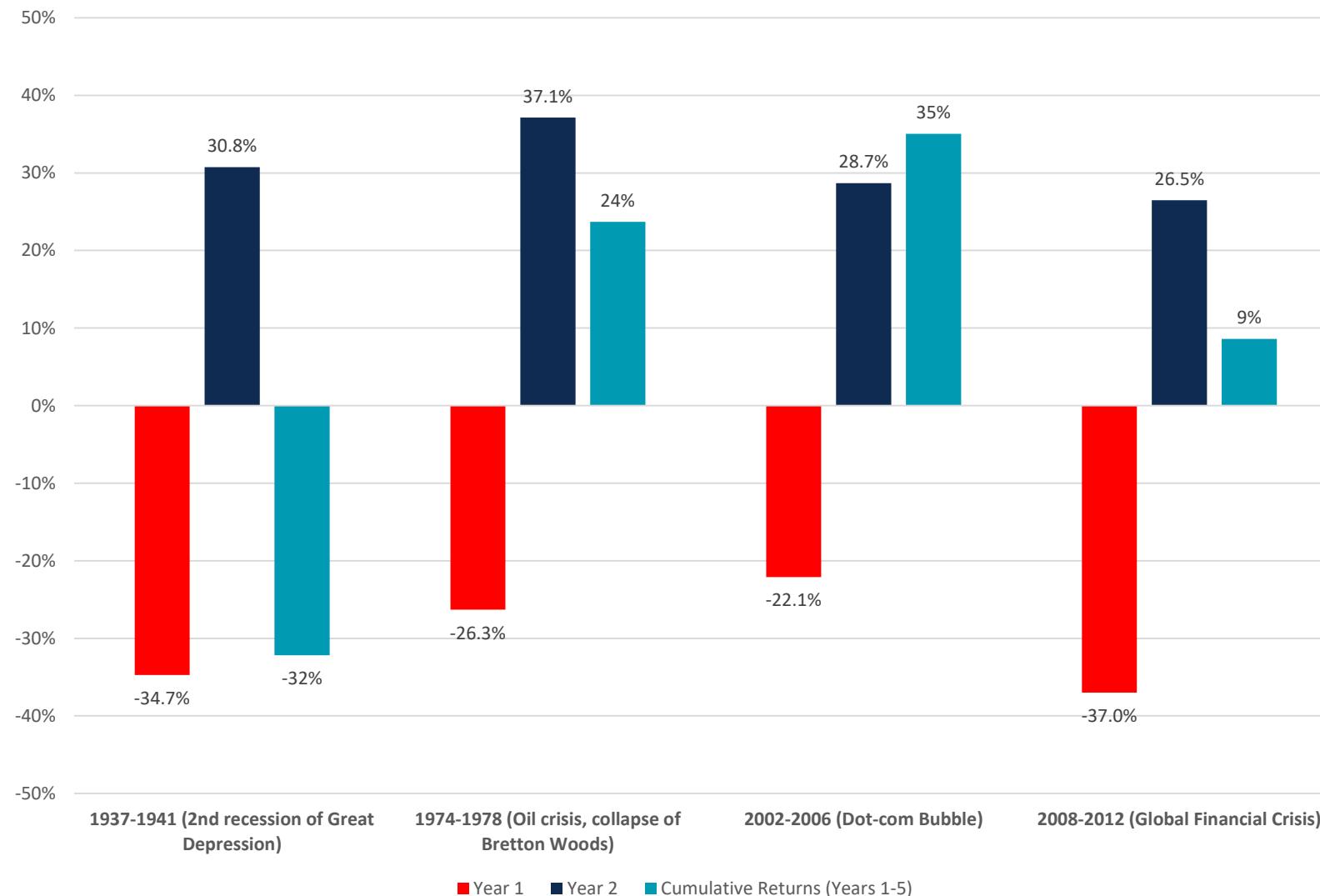


**It will get better**

In a year where the S&P 500 fell between 10%-20%, the market increases on average by 8% in the following year

It took on average 1.5 years to recover

# S&P 500 bad years (20% or more) tend to be followed by good years

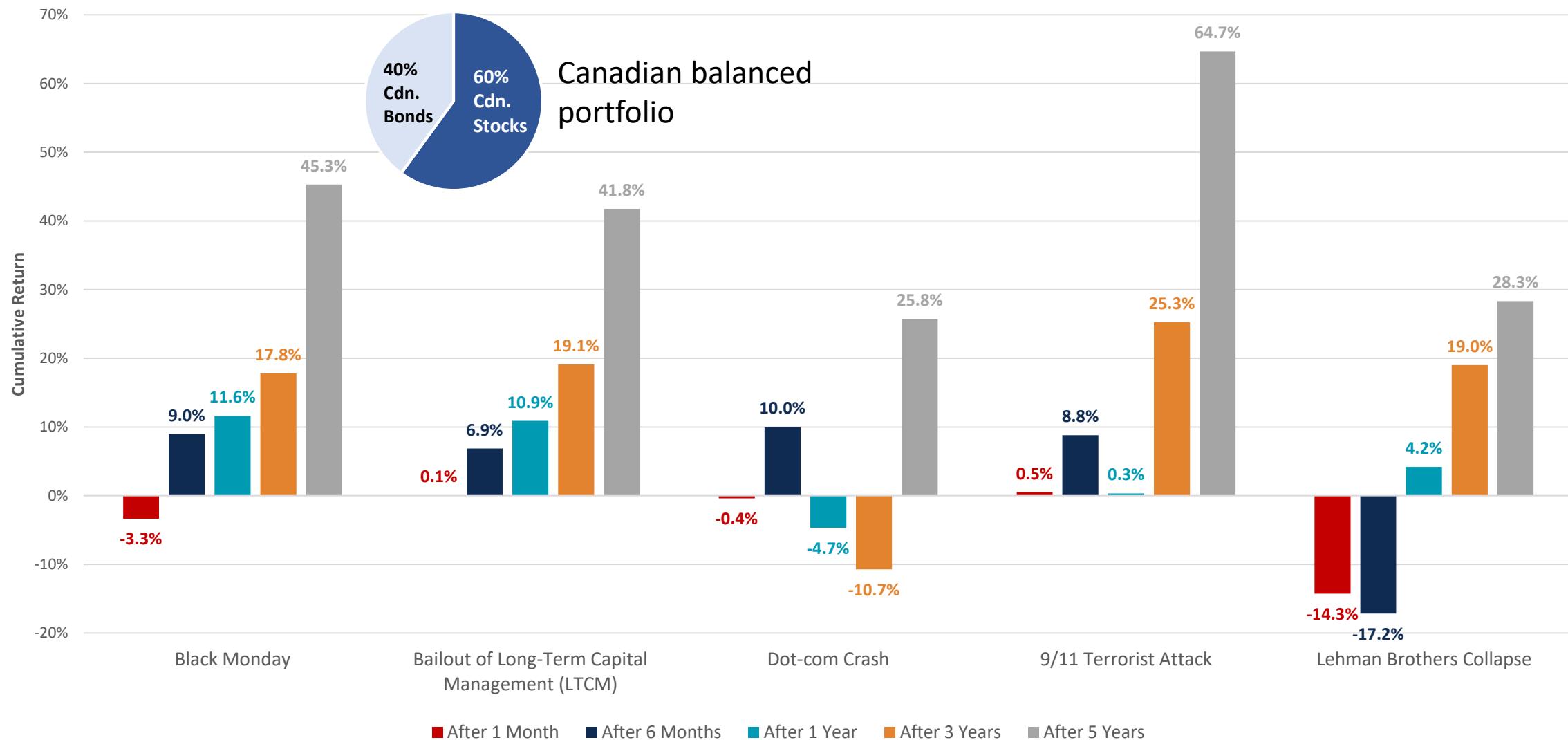


## It will get better

In a year where the S&P 500 declines more than 20%, the market increases on average 30% in the following year

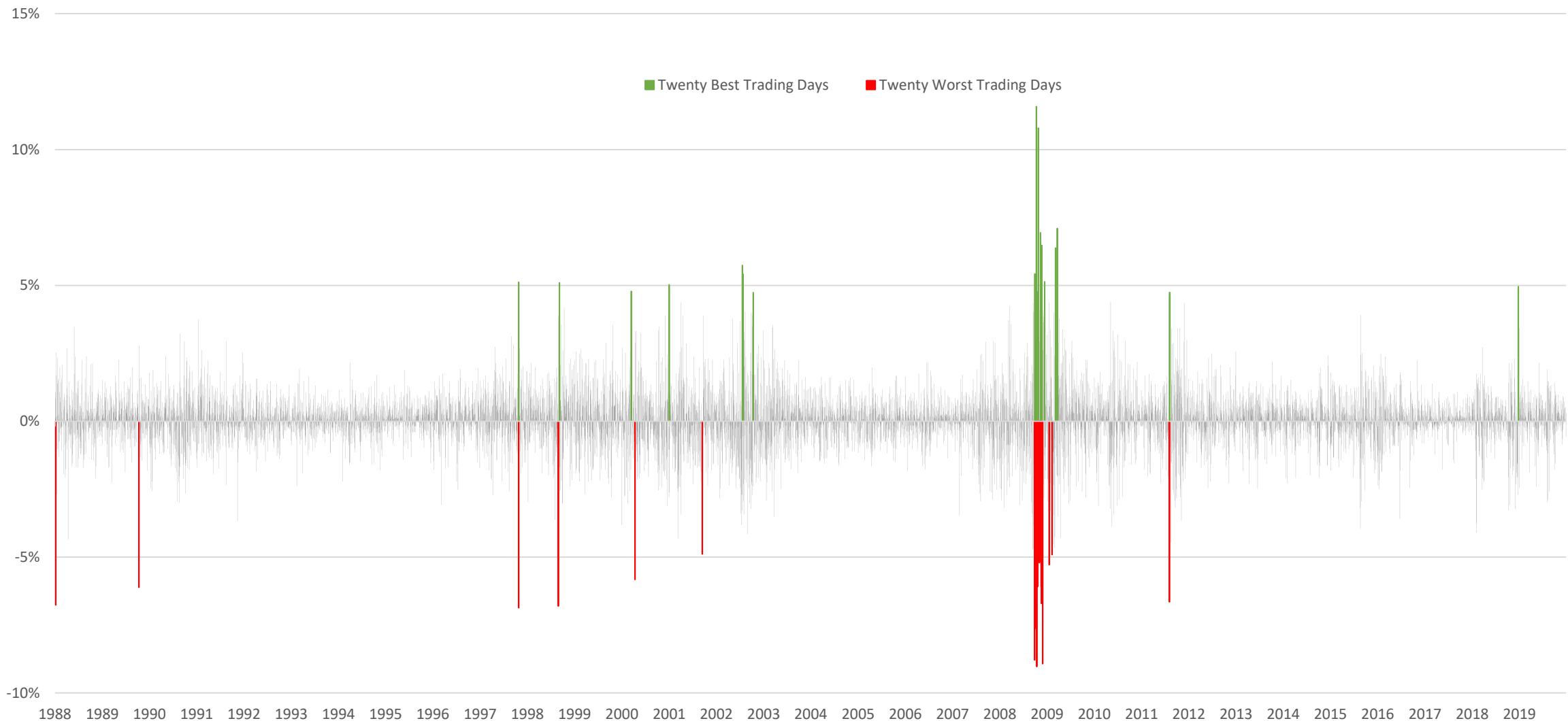
**Excluding Great Depression, it took on average 1.5 years to recover**

# Recovery of Canadian balanced portfolio after crises



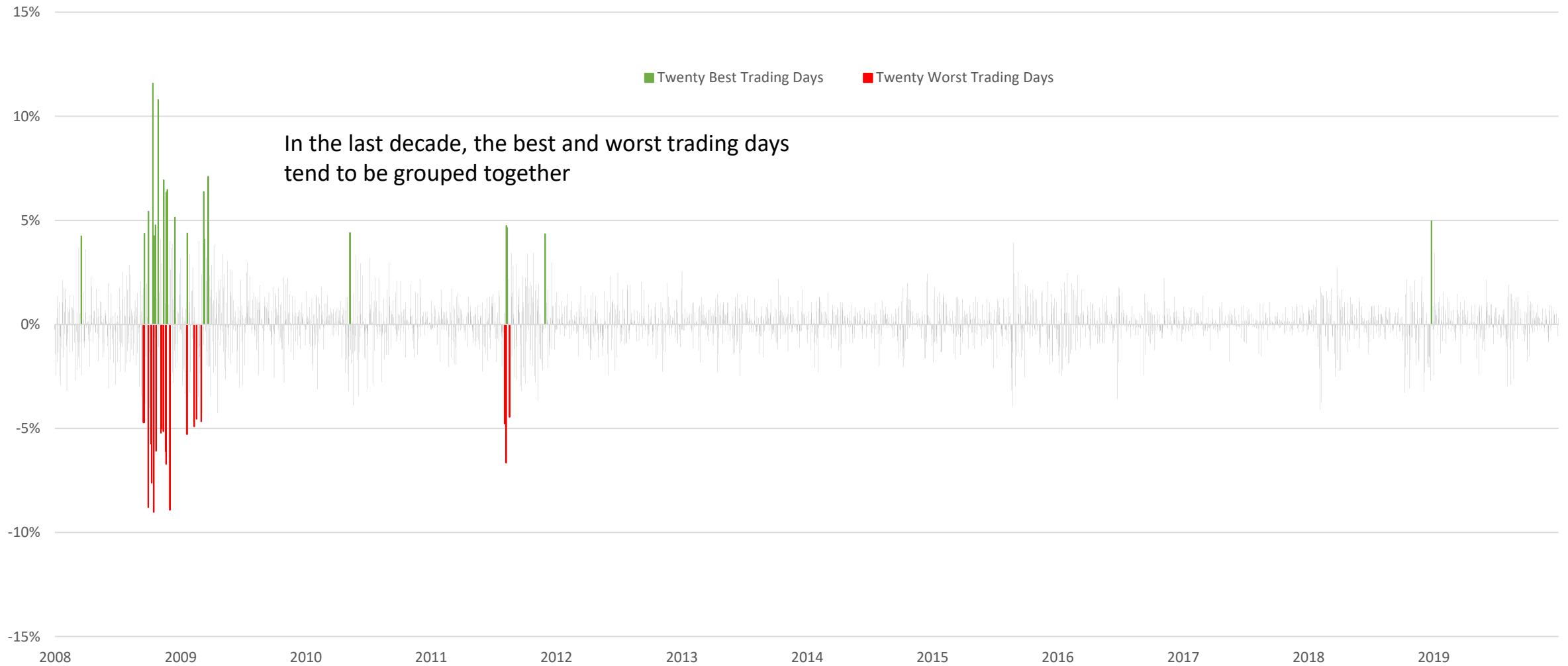
Source: Morningstar, CI Investments. The Canadian portfolios = S&P/TSX Composite TR (60%) & FTSE Canada Universe Bond TR (40%). Black Monday occurred October 19, 1987; bailout of Long-Term Capital Management (LTCM) occurred September 23, 1998; Dot-com Crash assumed to have started after the NASDAQ peaked, March 11, 2000; 9/11 Terrorist Attack occurred September 11, 2001; Lehman Brothers Collapse occurred on September 15, 2008

# The best and worst trading days happen close together: S&P 500 1988-2019



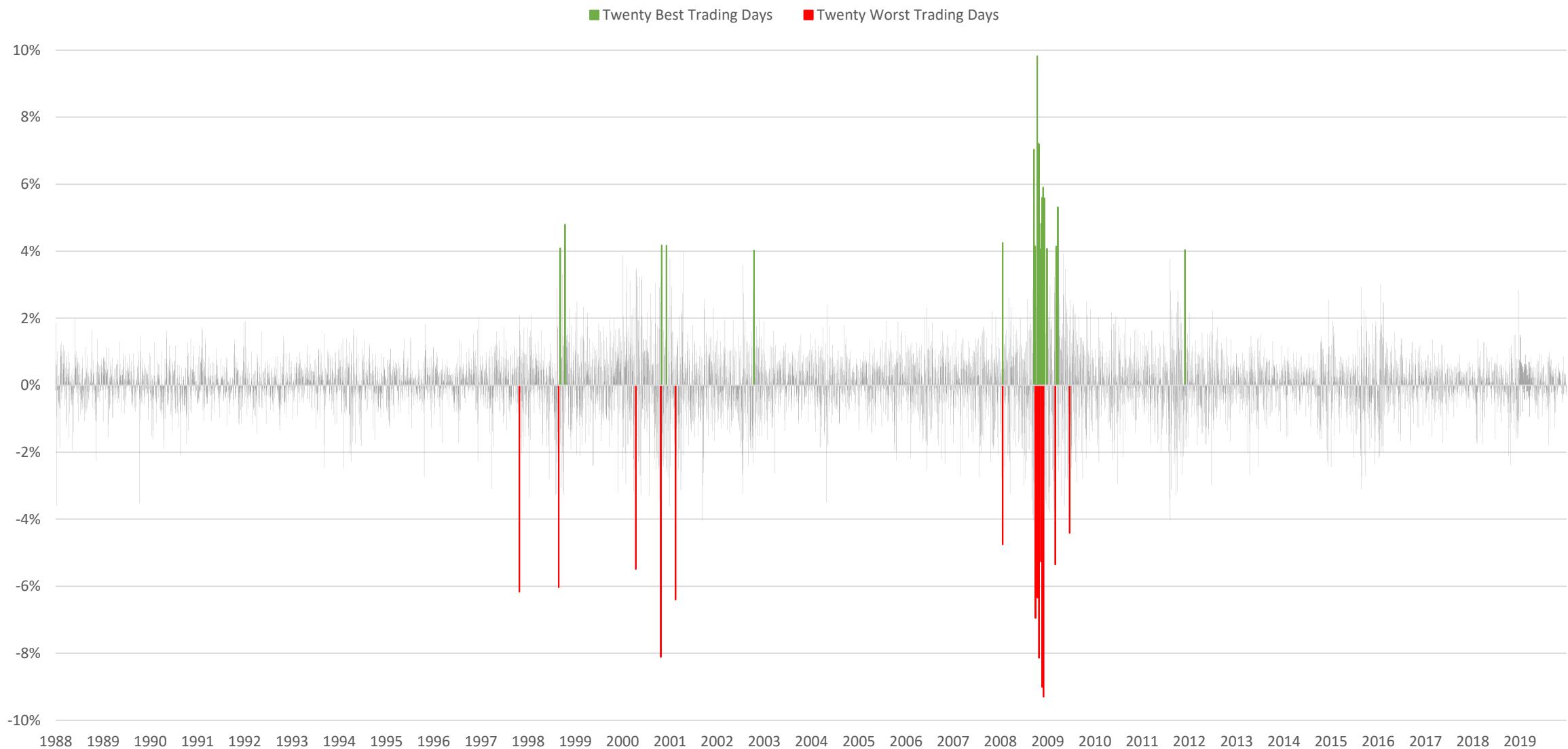
Source: Bloomberg Finance L.P., CI Investments. S&P 500 TR daily returns in USD, January 1, 1988 - December 31, 2019

# The best and worst trading days happen close together: S&P 500 2008-2019



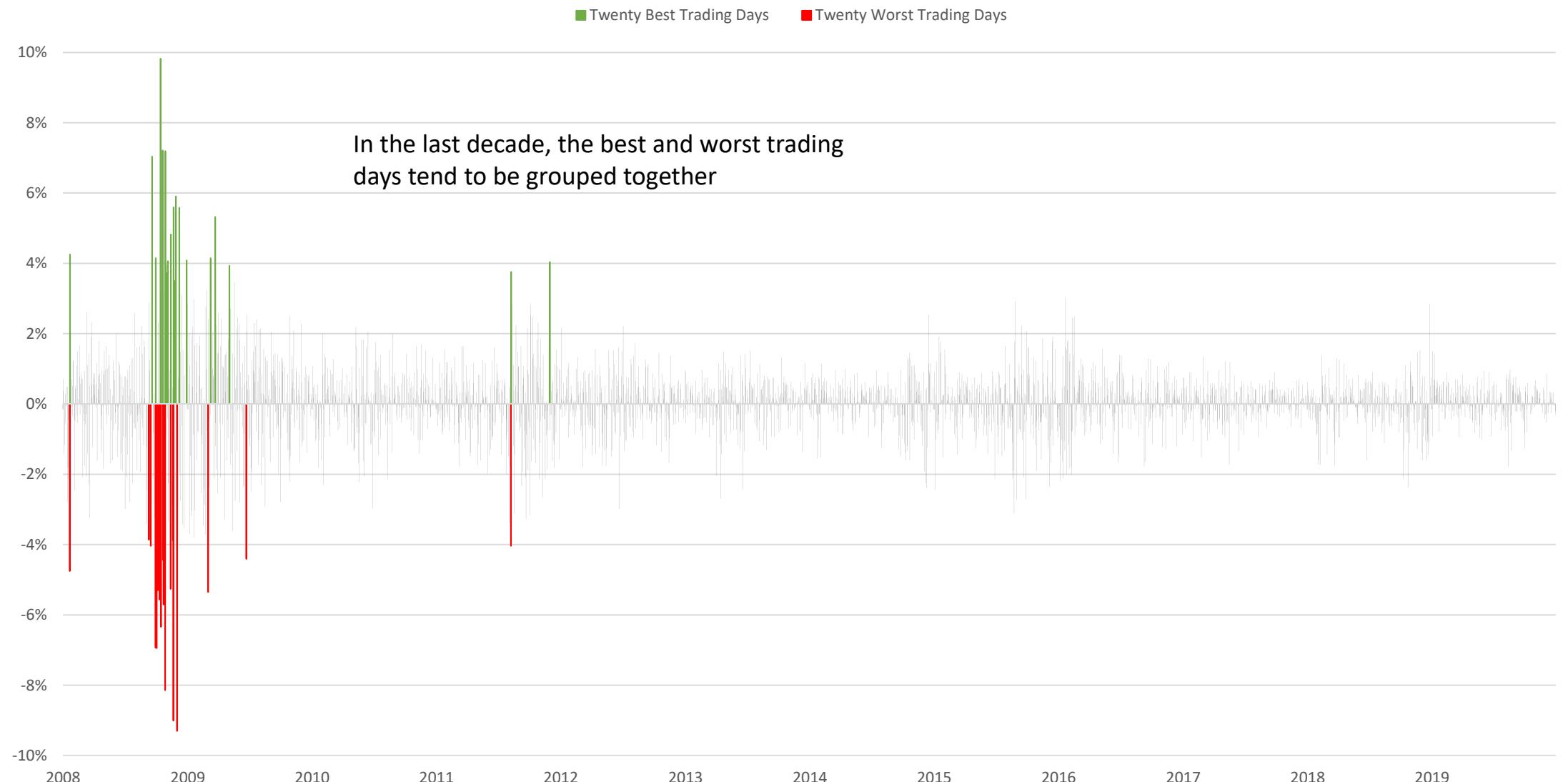
Source: Bloomberg Finance L.P., CI Investments. S&P 500 TR daily returns in USD, January 1, 2008 - December 31, 2019

# The best and worst trading days happen close together: S&P/TSX Composite 1988-2019



Source: Bloomberg Finance L.P., CI Investments. S&P/TSX Composite TR daily returns, January 1, 1988 - December 31, 2019

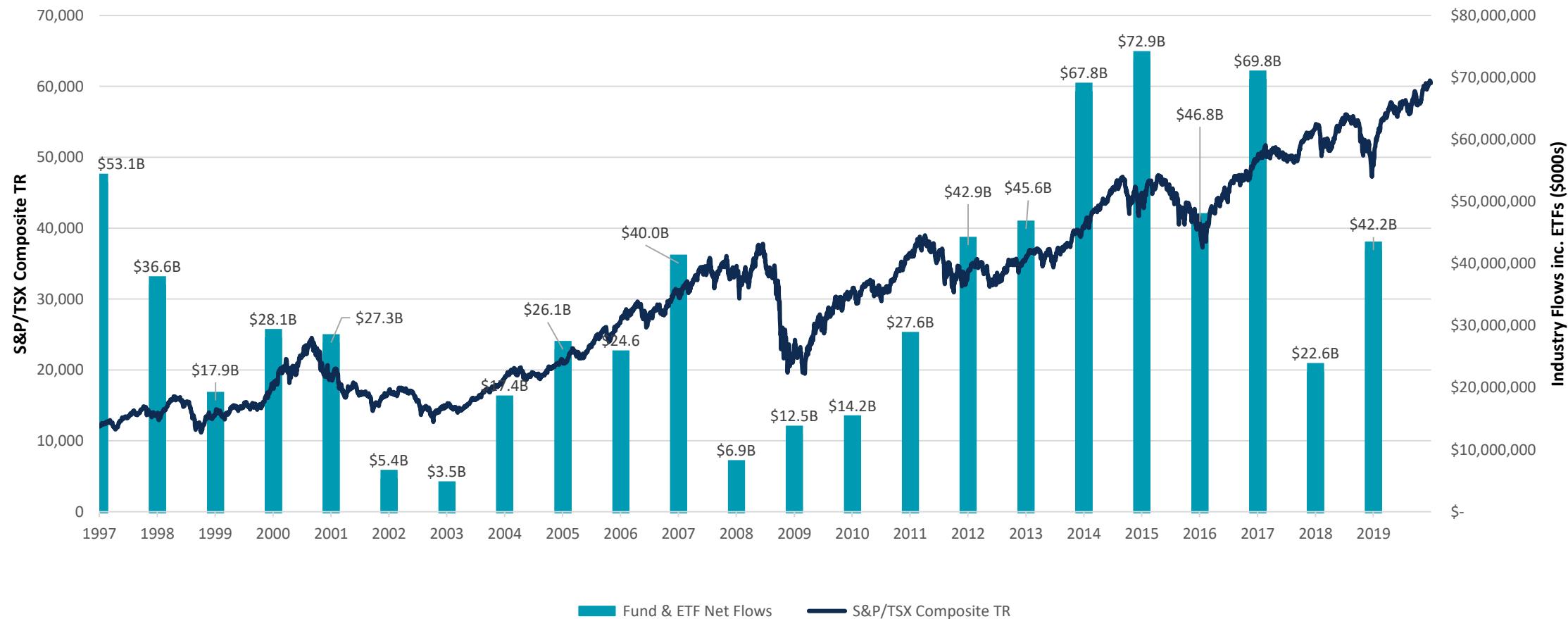
# The best and worst trading days happen close together: S&P/TSX Composite 2008-2019



Source: Bloomberg Finance L.P., CI Investments. S&P/TSX Composite TR daily returns, January 1, 2008 - December 31, 2019

# Buying high and selling low

## S&P/TSX Composite and Industry Flows (Mutual Funds & ETFs)



Source: Strategic Insight, Bloomberg Finance L.P., CI Investments. As of December 31, 2019 using daily index returns.

# Buying high and selling low

## S&P 500 and Industry Flows (Mutual Funds & ETFs)

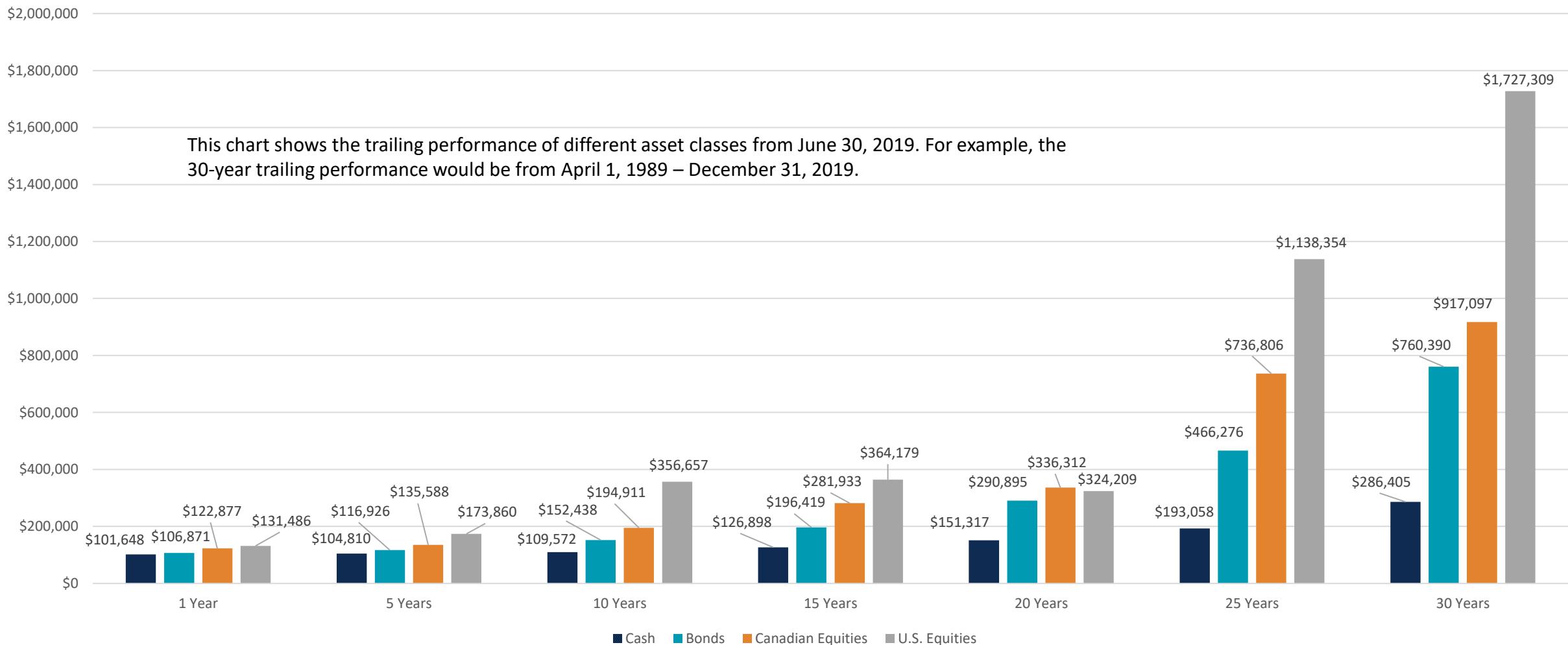


Source: Strategic Insight, Bloomberg Finance L.P., CI Investments. As of December 31, 2019 using daily index returns.



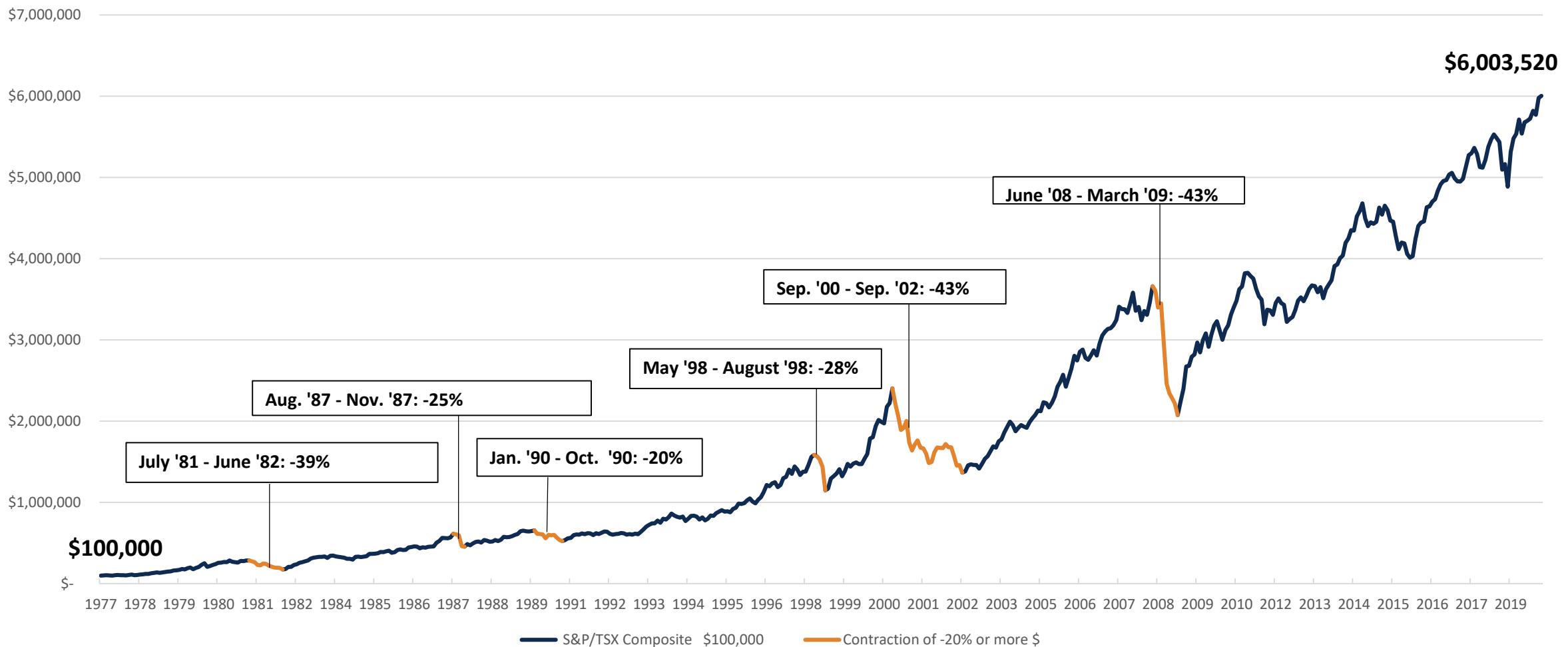
INVESTING FOR THE LONG-TERM

## The power of compounding returns: growth of \$100,000



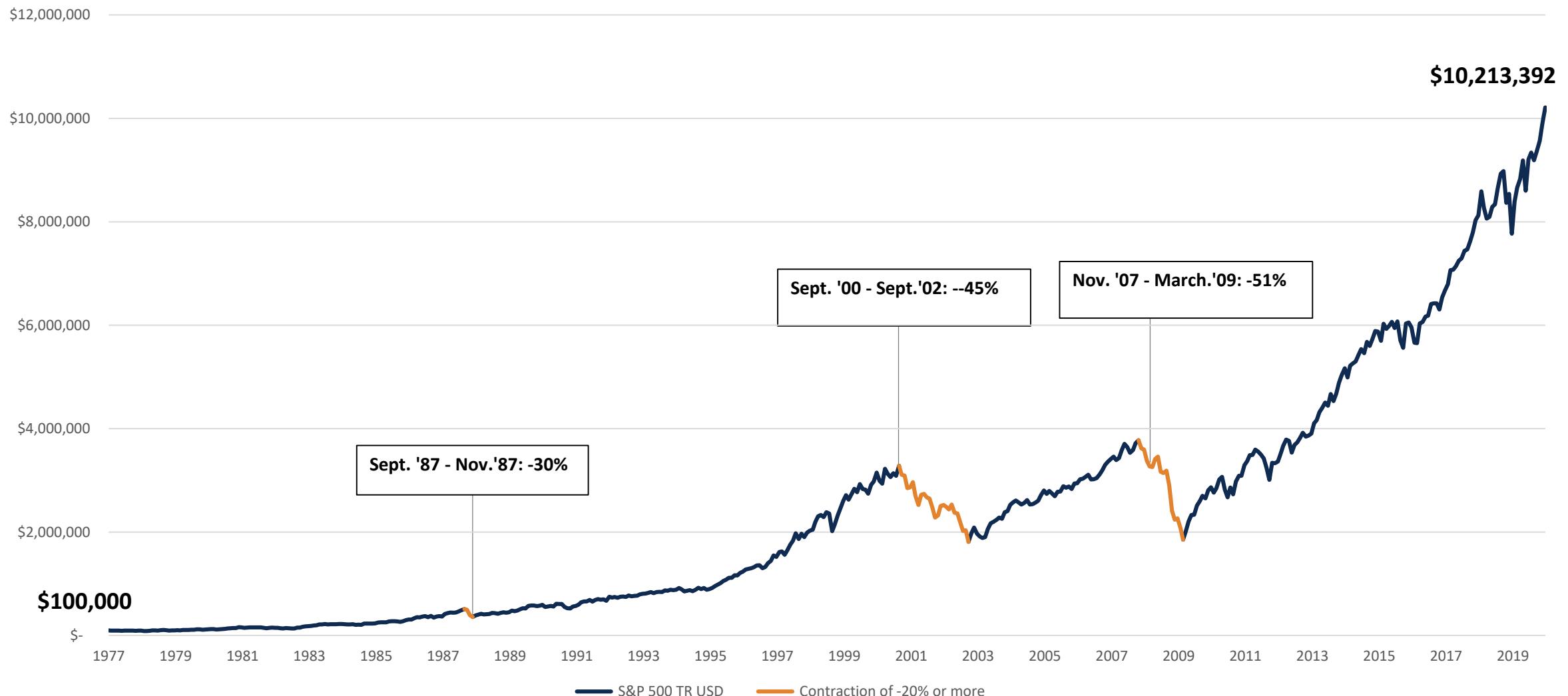
Source: Morningstar as of December 31, 2019. Cash = FTSE Canada 91-day Tbill; Bonds = FTSE Canada Universe Bond; Canadian Equities = S&P/TSX Composite TR; U.S. Equities = S&P 500 TR in USD.

## Growth is not achieved without volatility: S&P/TSX Composite



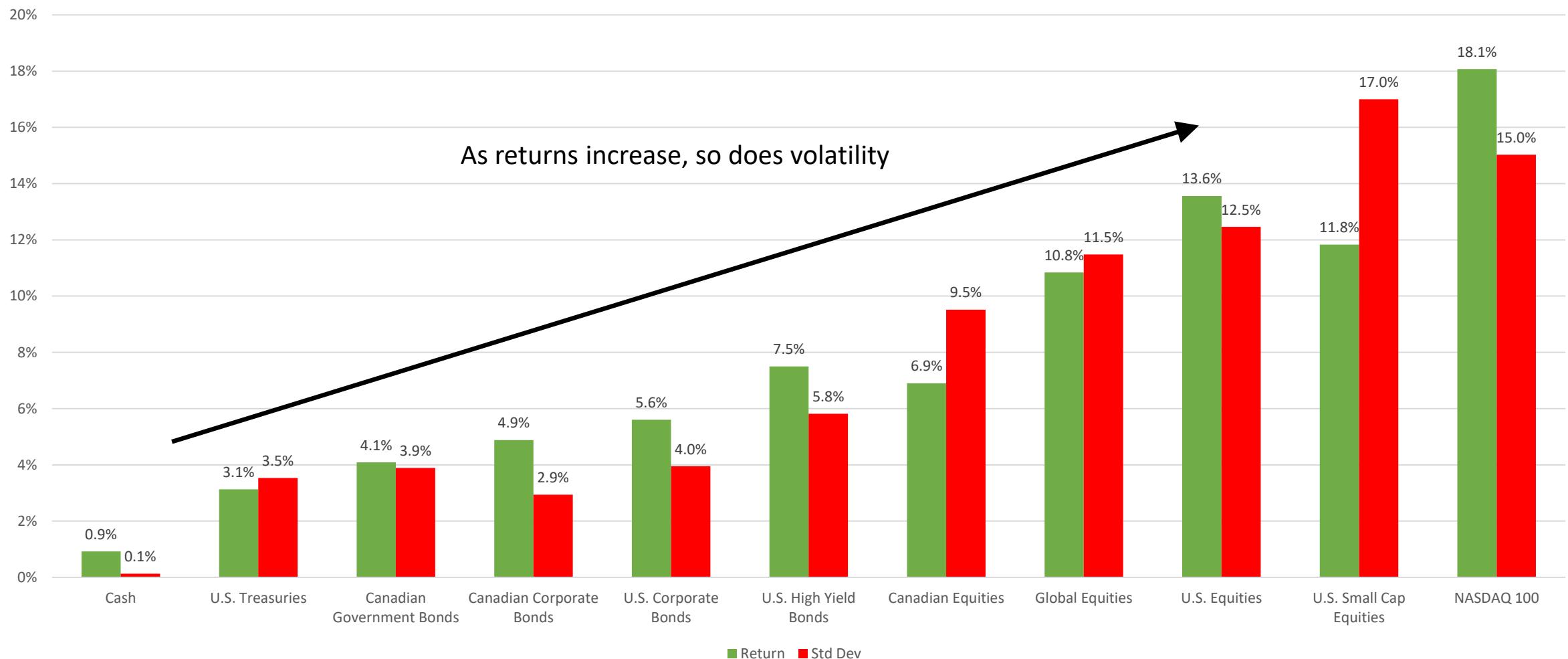
Source: Morningstar, using monthly returns. S&P/TSX Composite TR as of December 31, 2019.

## Growth is not achieved without volatility: S&P 500



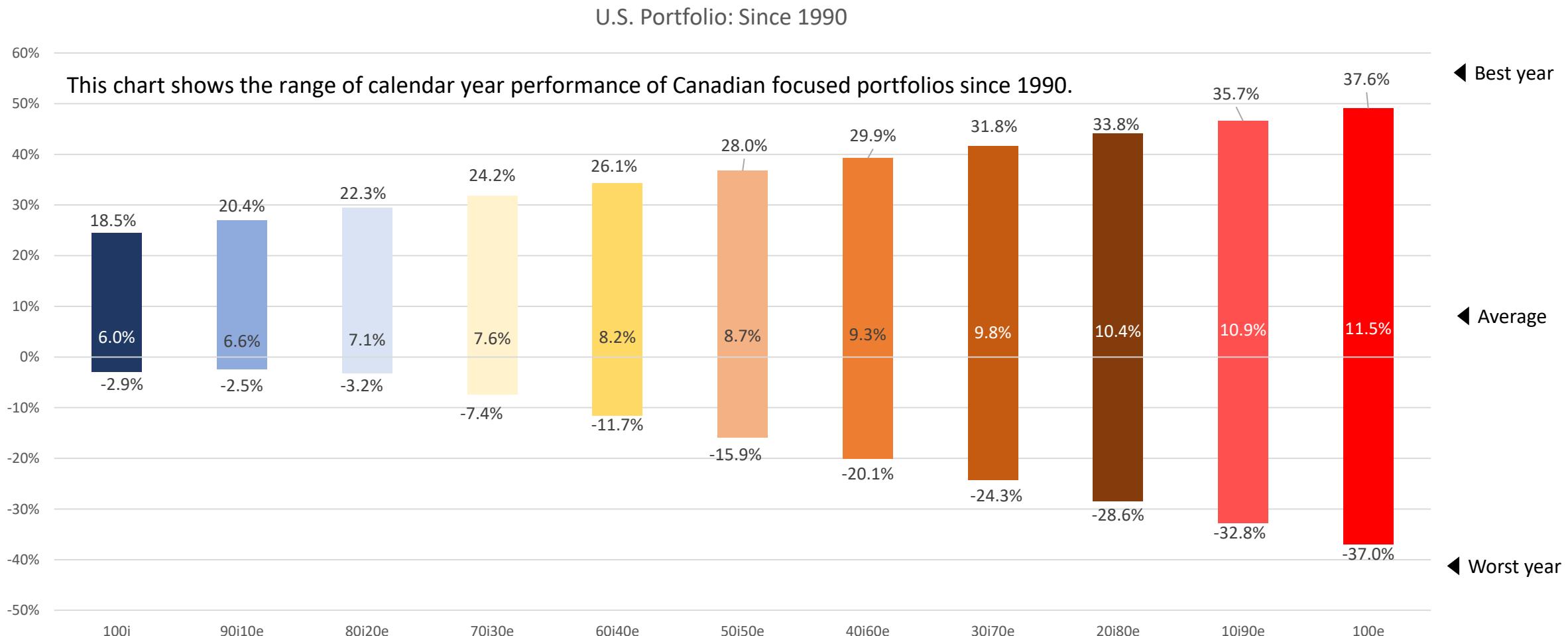
Source: Morningstar, using monthly returns. S&P 500 TR in USD as of December 31, 2019.

## Asset class returns & volatility – Trailing 10 Years



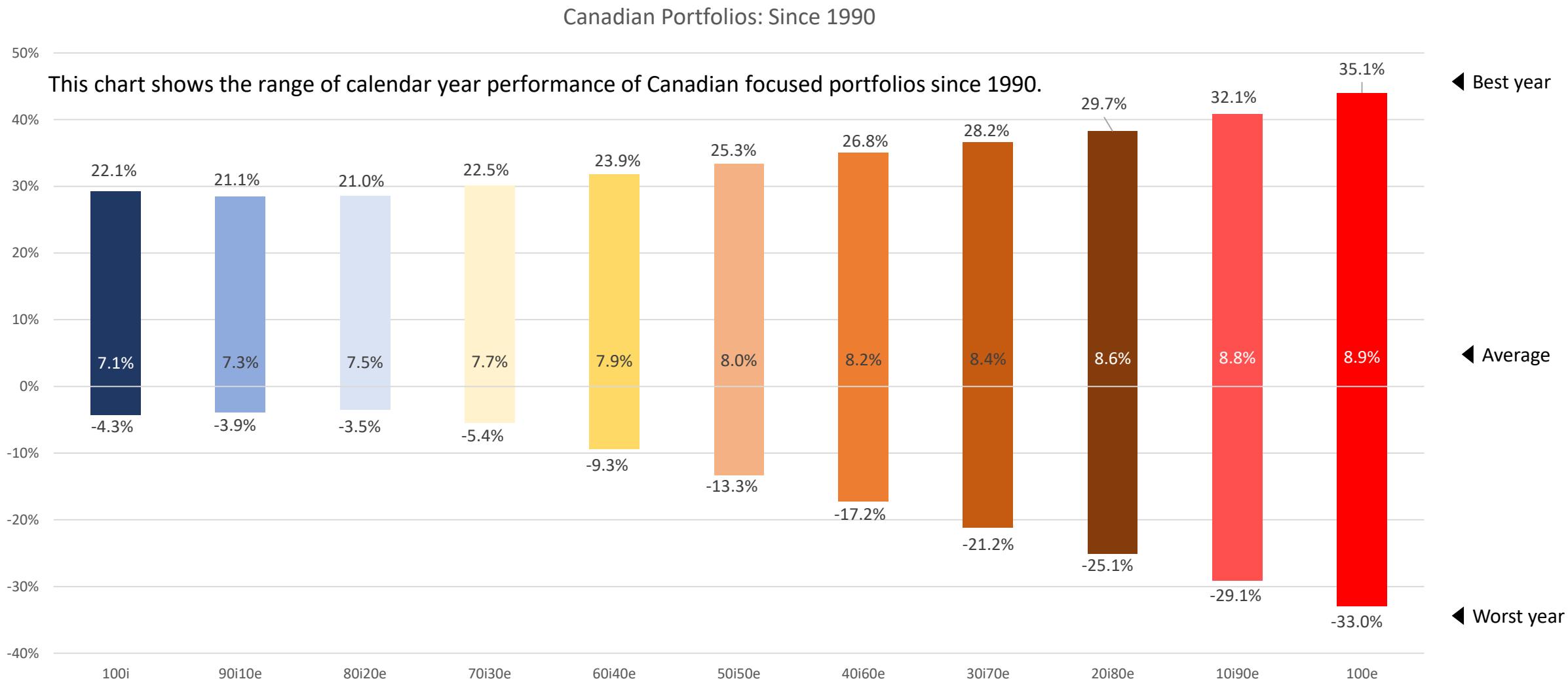
Source: Morningstar, trailing 10 years as of December 31, 2019 using monthly returns. Returns are in base currency. Cash = FTSE Canada 91 Day Tbill; Canadian Corporate Bonds = FTSE Canada All Corp Bond; Canadian Government Bonds = FTSE Canada All Government Bond; US Treasury = Bloomberg Barclays US Treasury TR USD; U.S. High Yield Bonds: ICE Bank of America Merrill Lynch US High Yield TR USD; U.S. Corporate Bonds = ICE Bank of America Merrill Lynch US Corporate TR USD; Canadian Equities = S&P/TSX Composite; Global Equities = MSCI World; U.S. Equities = S&P 500 TR USD; NASDAQ 100 = NASDAQ 100 TR USD; U.S. Small Cap Equities = Russell 2000 TR USD

## Asset allocation and its impact on return variability



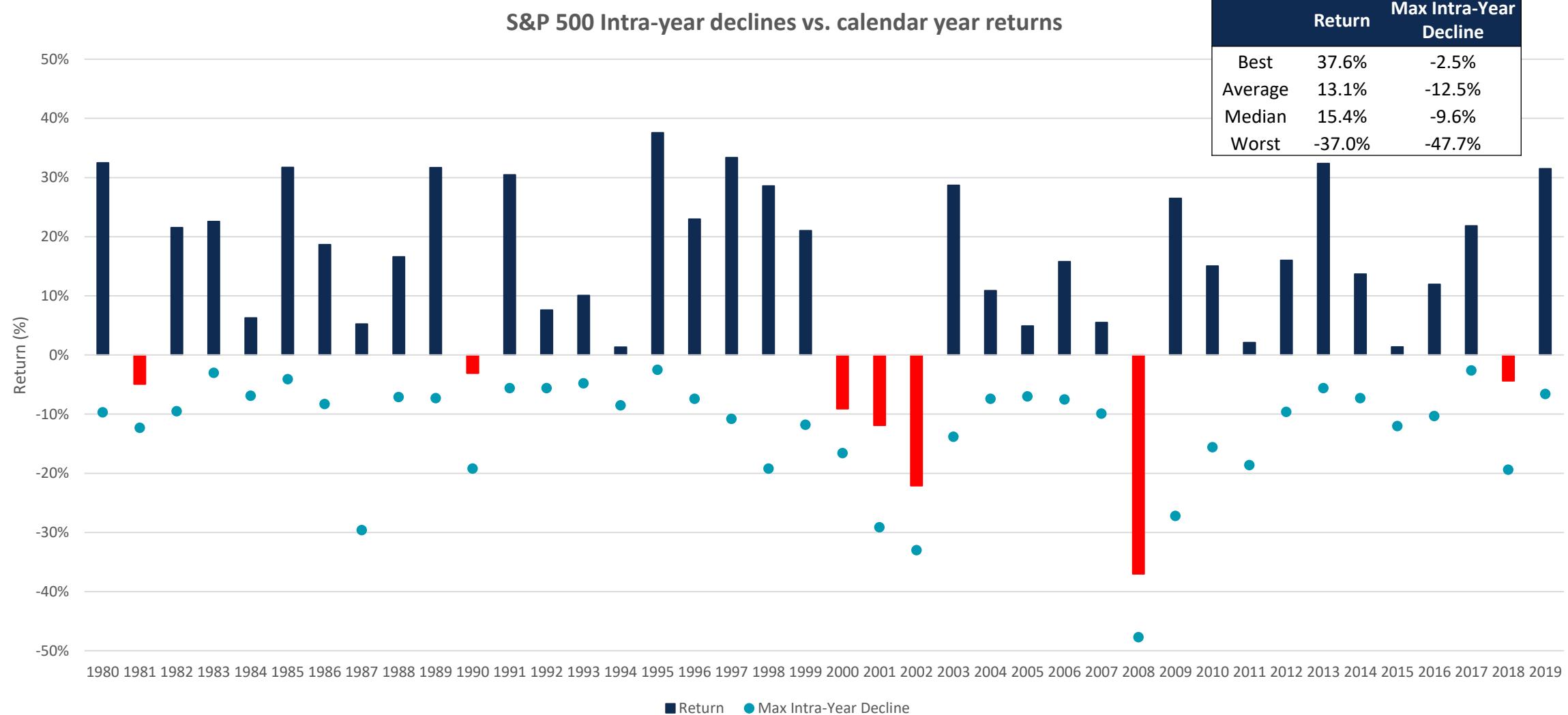
Source: Morningstar, CI Investments. Calendar year returns up to December 31, 2019. X-axis represents a stock and bond portfolio. For example, 90i10e equals a 90% bond and 10% stock portfolio. Stocks are represented by the S&P 500 TR in USD. Fixed-income is represented by the Bloomberg Barclays U.S. Aggregate Bond Index TR in USD. Hypothetical portfolios are rebalanced annually.

# Asset allocation and its impact on return variability



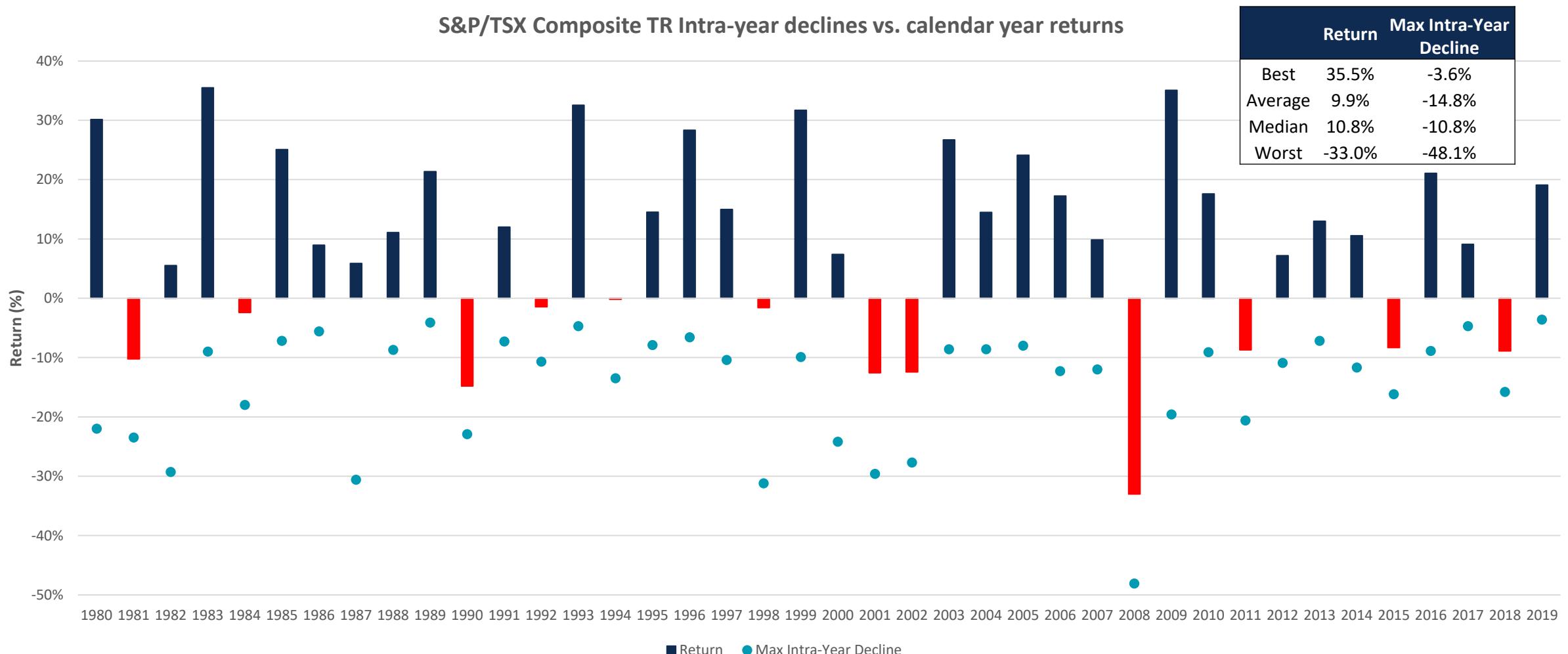
Source: Morningstar, CI Investments. Calendar year returns up to December 31, 2019. X-axis represents a stock and bond portfolio. For example, 90i10e equals a 90% bond and 10% stock portfolio. Stocks are represented by the S&P/TSX Composite TR. Fixed-income is represented by the FTSE Canada Universe Bond. Hypothetical portfolios are rebalanced annually.

# Moderate declines can still result in positive overall results: S&P 500



Source: Morningstar, CI Investments. S&P 500 TR USD. Years 1980-1987 use monthly returns, all years thereafter use daily returns. As of December 31, 2019.

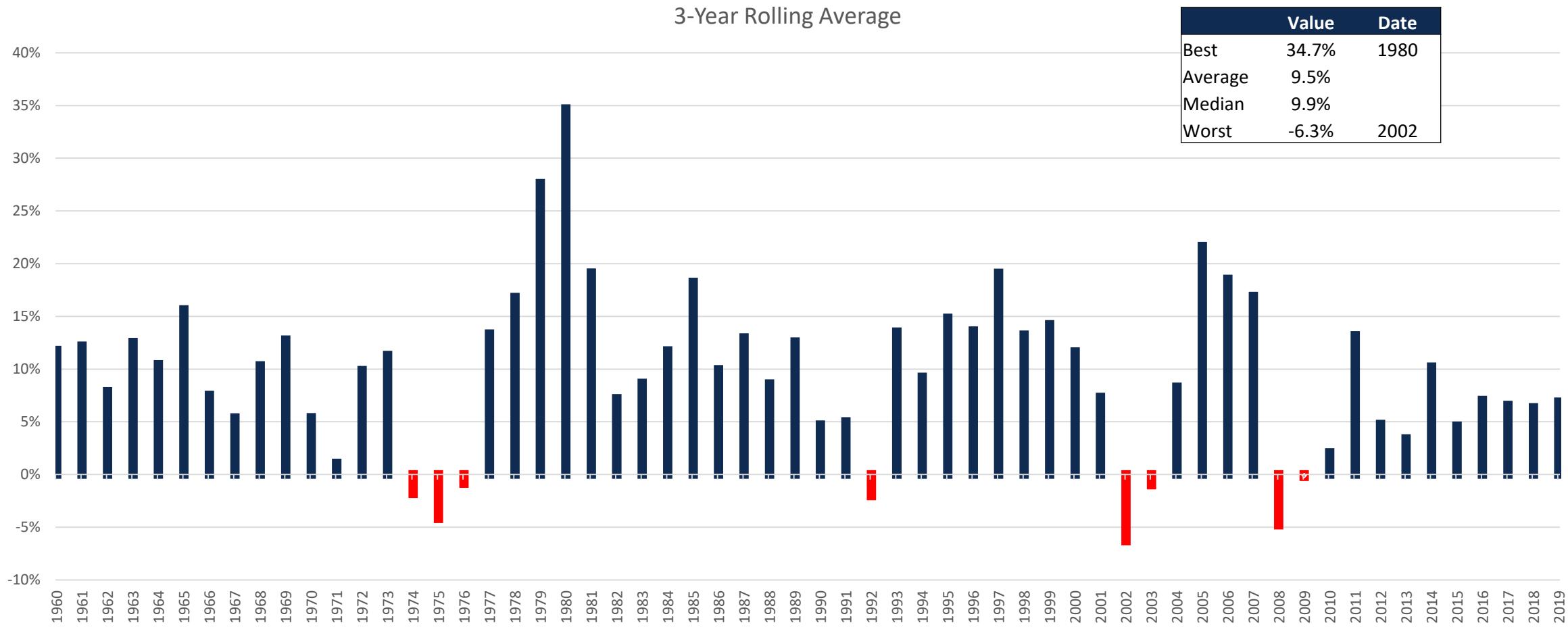
## Moderate declines can still result in positive overall results: S&P/TSX Composite



Source: Morningstar, CI Investments. S&P/TSX Composite TR using daily returns. As of December 31, 2019.

## Patience is rewarded

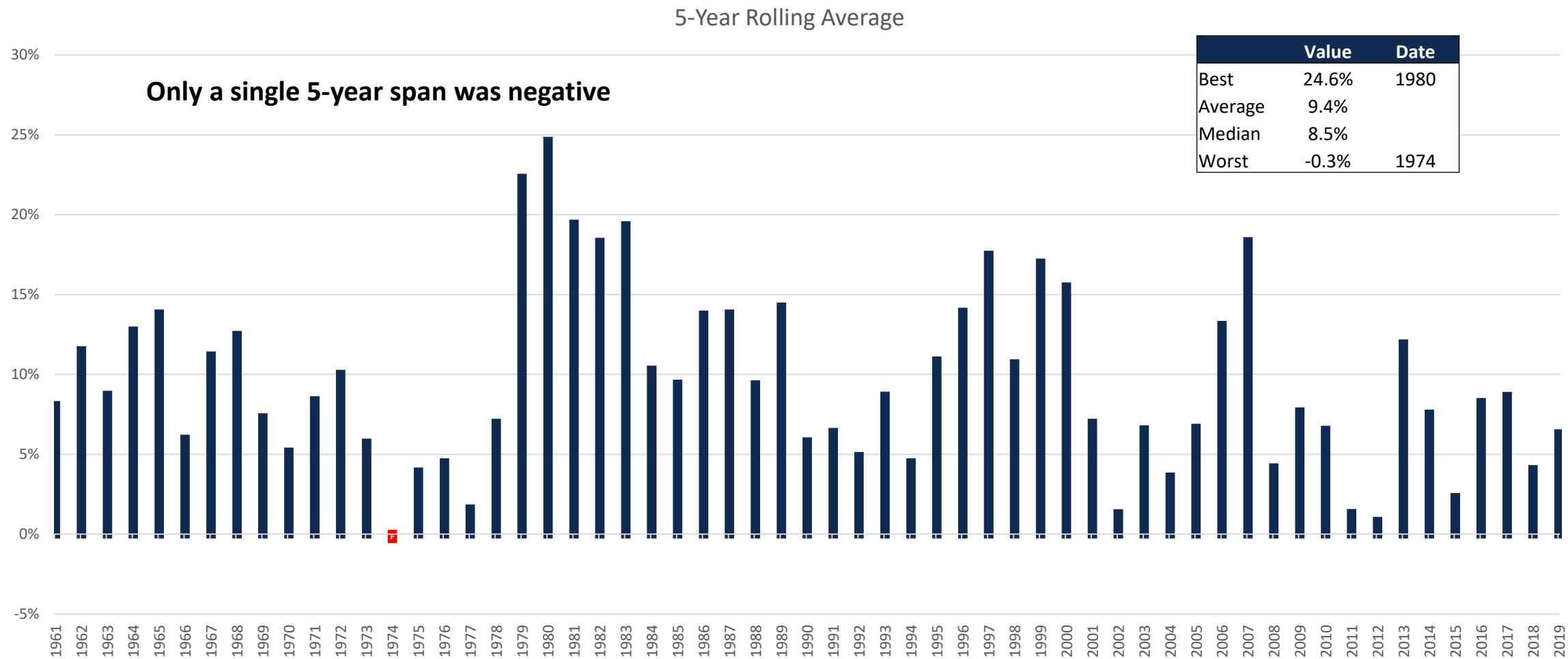
Rolling 3-year average annual compound returns: S&P/TSX Composite



Source: Bloomberg Finance L.P., CI Investments. Calendar year returns of S&P/TSX Composite TR. As of December 31, 2019.

## Patience is rewarded

Rolling 5-year average annual compound returns: S&P/TSX Composite

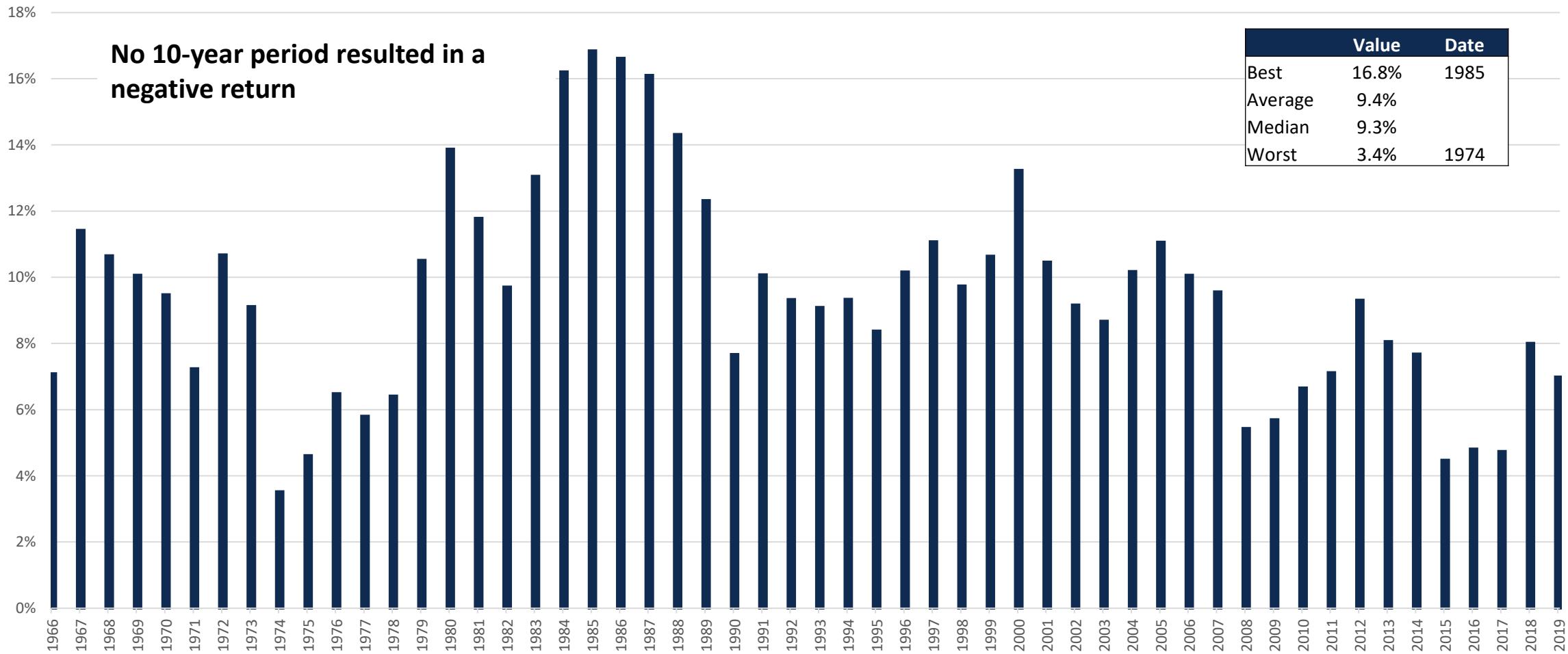


Source: Bloomberg Finance L.P., CI Investments. Calendar year returns of S&P/TSX Composite TR. As of December 31, 2019.

# Patience is rewarded

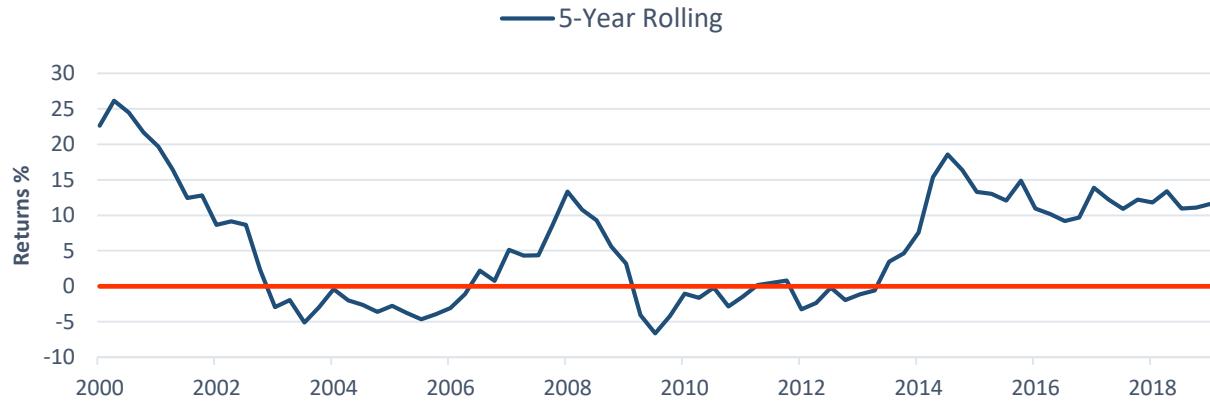
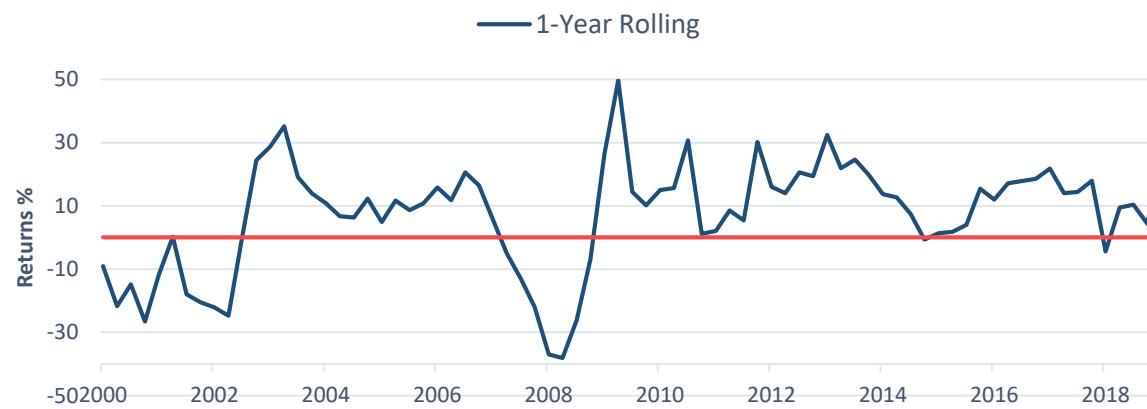
Rolling 10-year average annual compound returns: S&P/TSX Composite

10-Year Rolling Average



Source: Bloomberg Finance L.P., CI Investments. Calendar year returns of S&P/TSX Composite TR. As of December 31, 2019.

## Patience is rewarded: Rolling returns over 1-, 5-, 10- and 15-year average annual compound returns: S&P 500

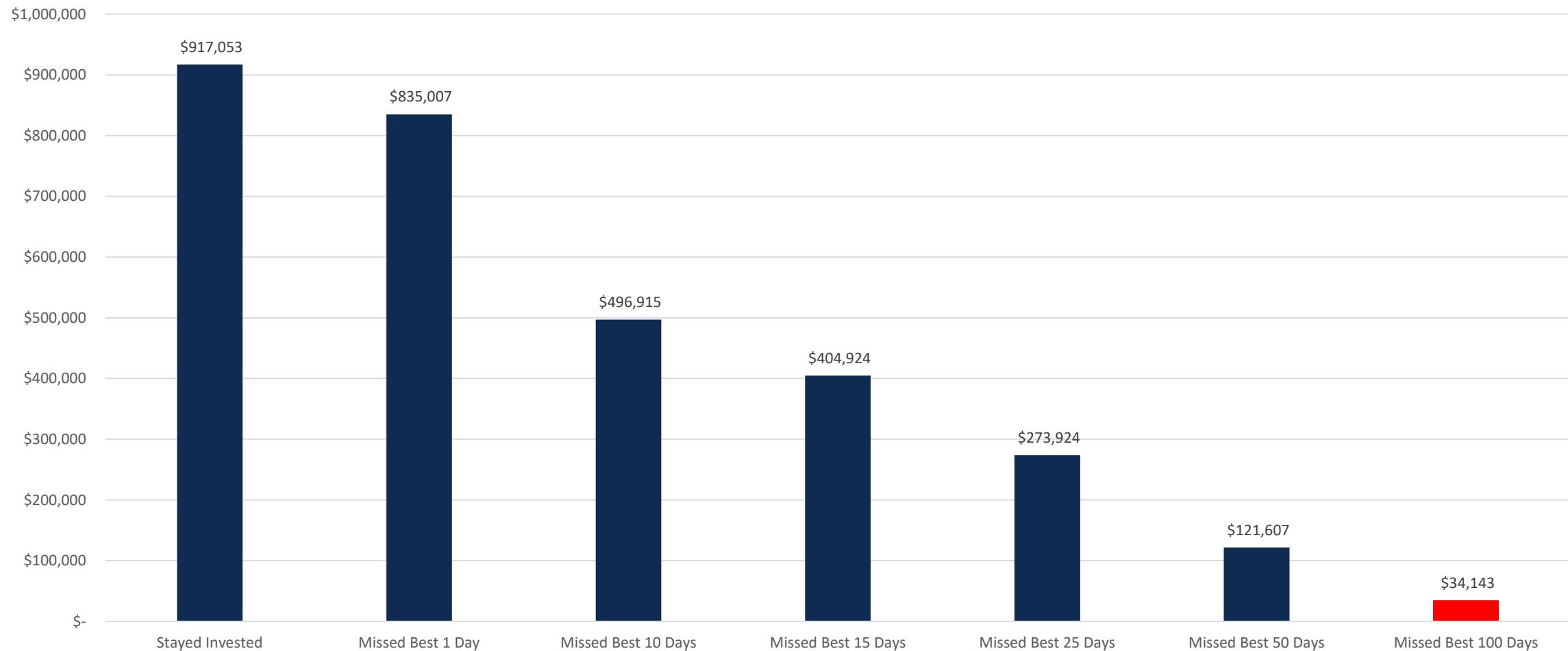


S&P 500 Index	Mothly Returns	3-Year Rolling Returns	5-Year Rolling Returns	10-Year Rolling Returns	15-Year Rolling Returns
Total number of negative returns	84	59	49	24	0
Positive investment periods (%)	65%	76%	80%	90%	100%

The longer the horizon, the lower the possibility of having negative return

## Don't miss the best days

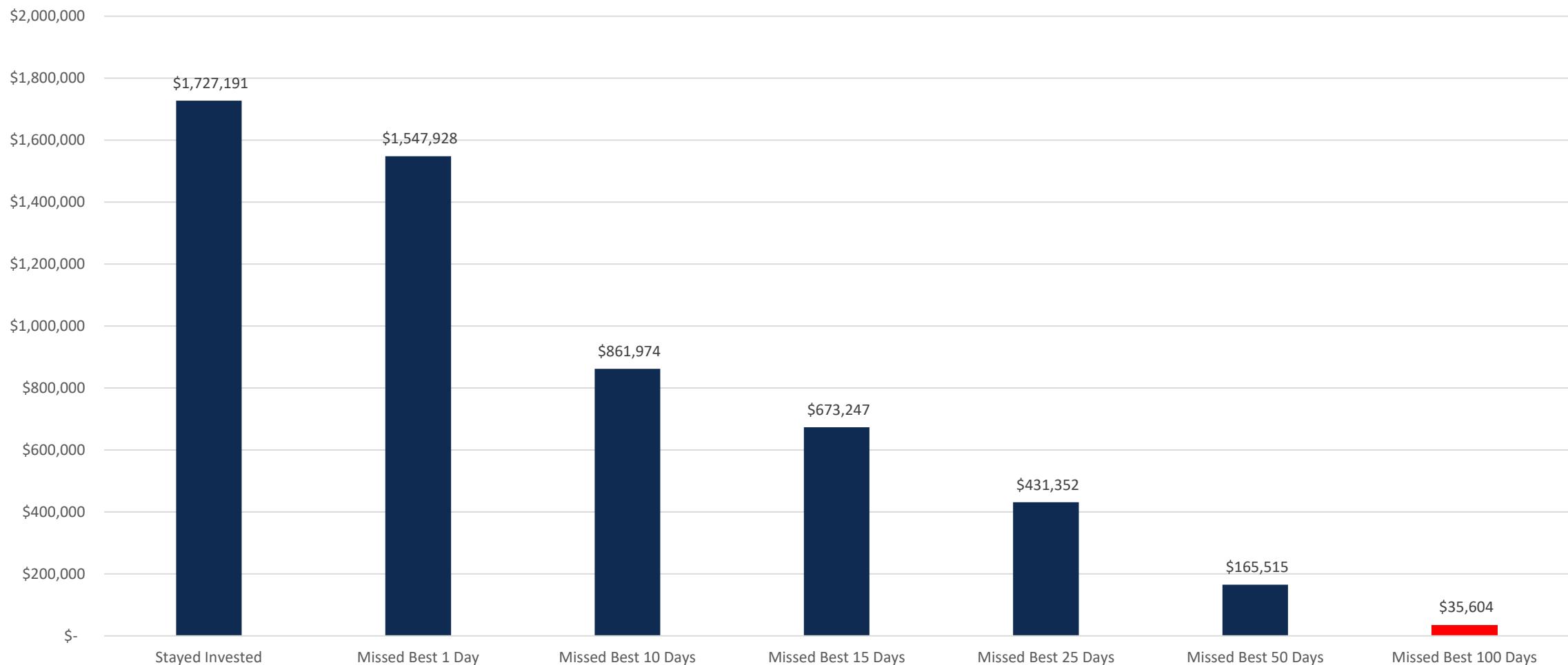
Value of \$100,000 invested in S&P/TSX Composite during prior 30 years:



Source: Morningstar, CI Investments. S&P/TSX Composite TR from January 1, 1990 – December 31, 2019 using daily returns.

## Don't miss the best days

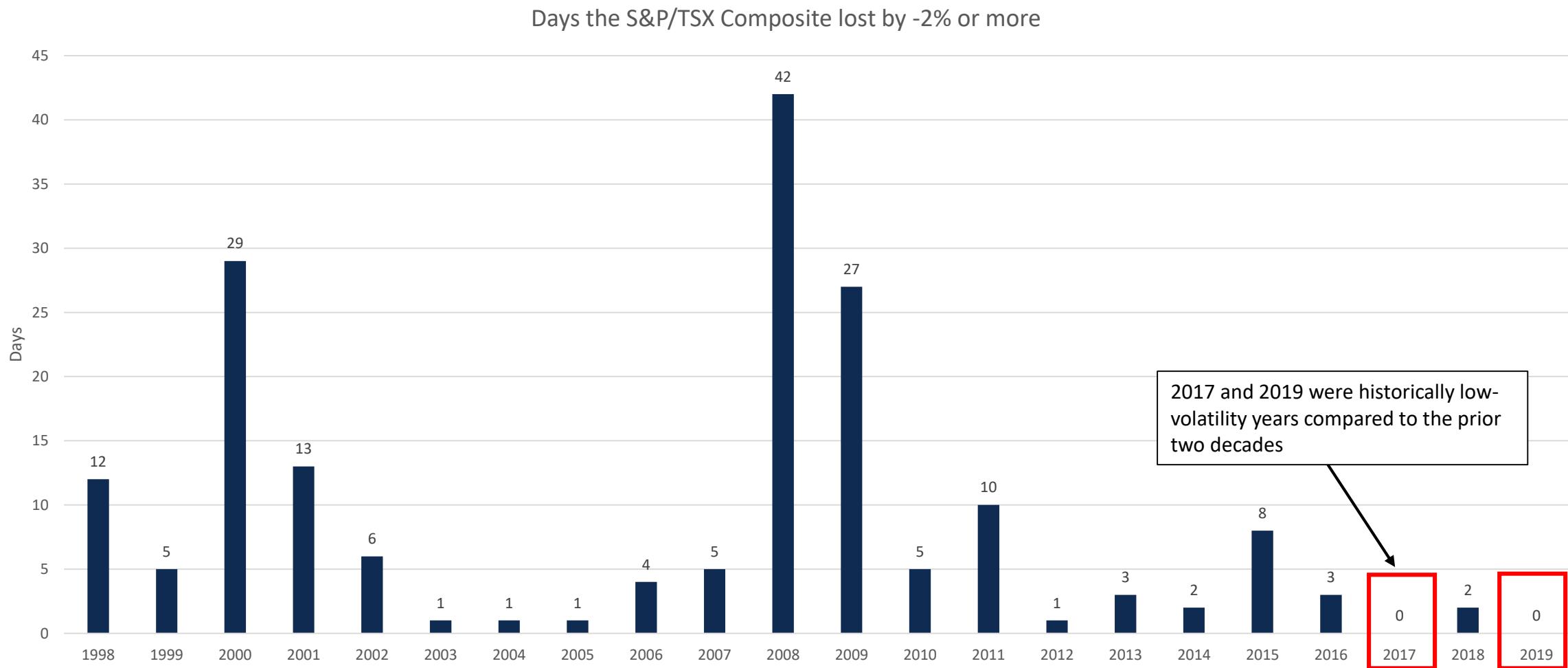
Value of \$100,000 invested in S&P 500 during prior 30 years



Source: Morningstar, CI Investments. S&P 500 TR in USD from January 1, 1990 – December 31, 2019 using daily returns .

## Downside volatility is normal

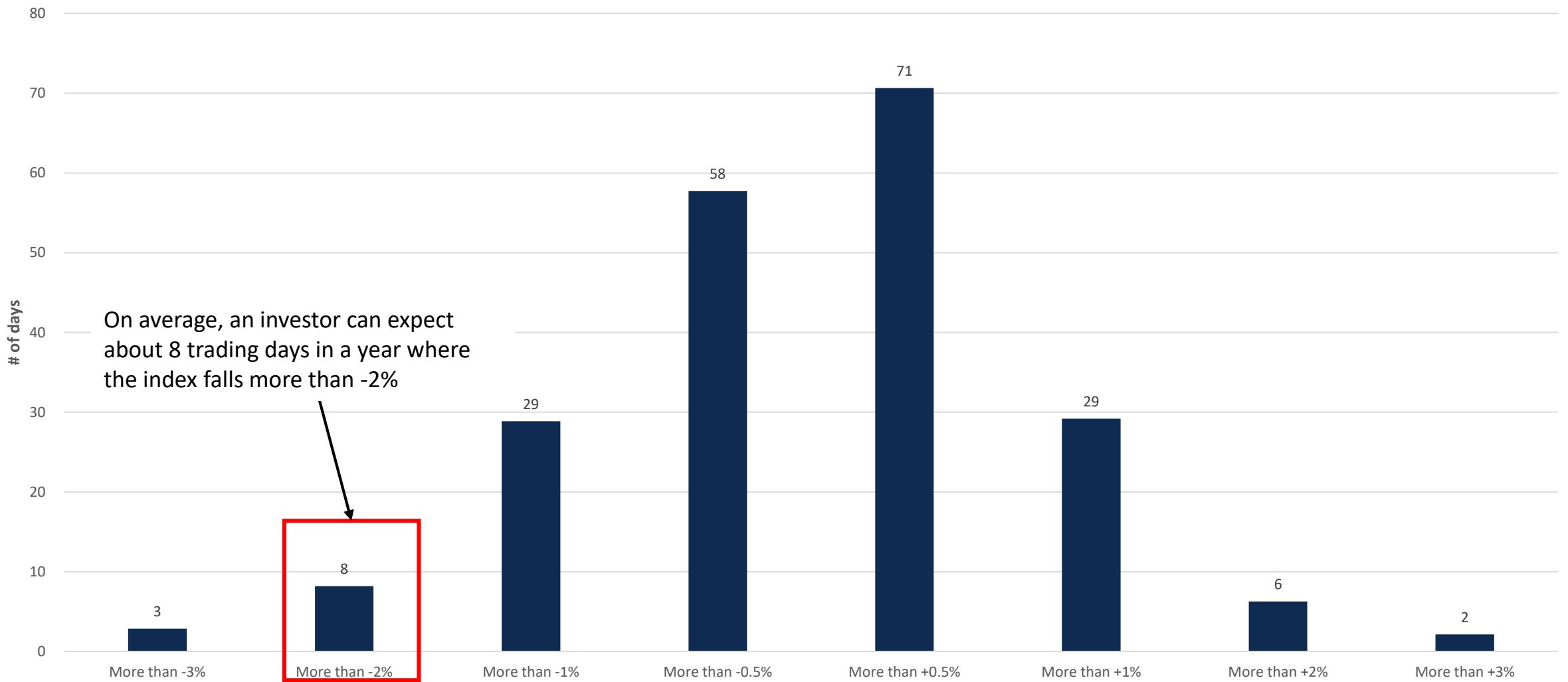
The number of days the S&P/TSX Composite fell by -2% or more



Source: Bloomberg Finance L.P., CI Investments. S&P/TSX Composite TR as of December 31, 2019 using daily returns.

## Upside & downside volatility is normal in a year

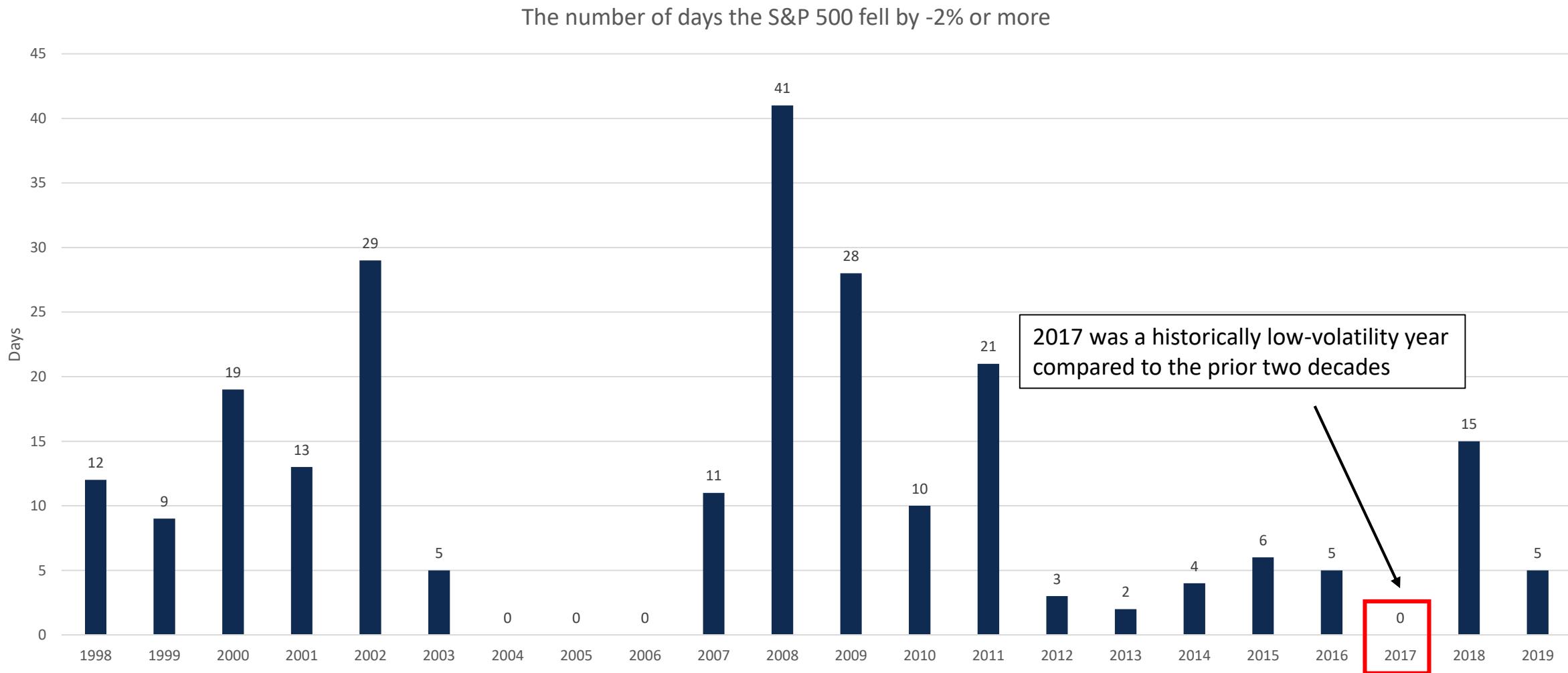
Average daily return distribution of the S&P/TSX Composite: 1998 – 2019



Source: Bloomberg Finance L.P., CI Investments. S&P/TSX Composite TR. January 1, 1998 - December 31, 2019 using daily returns.

## Downside volatility is normal

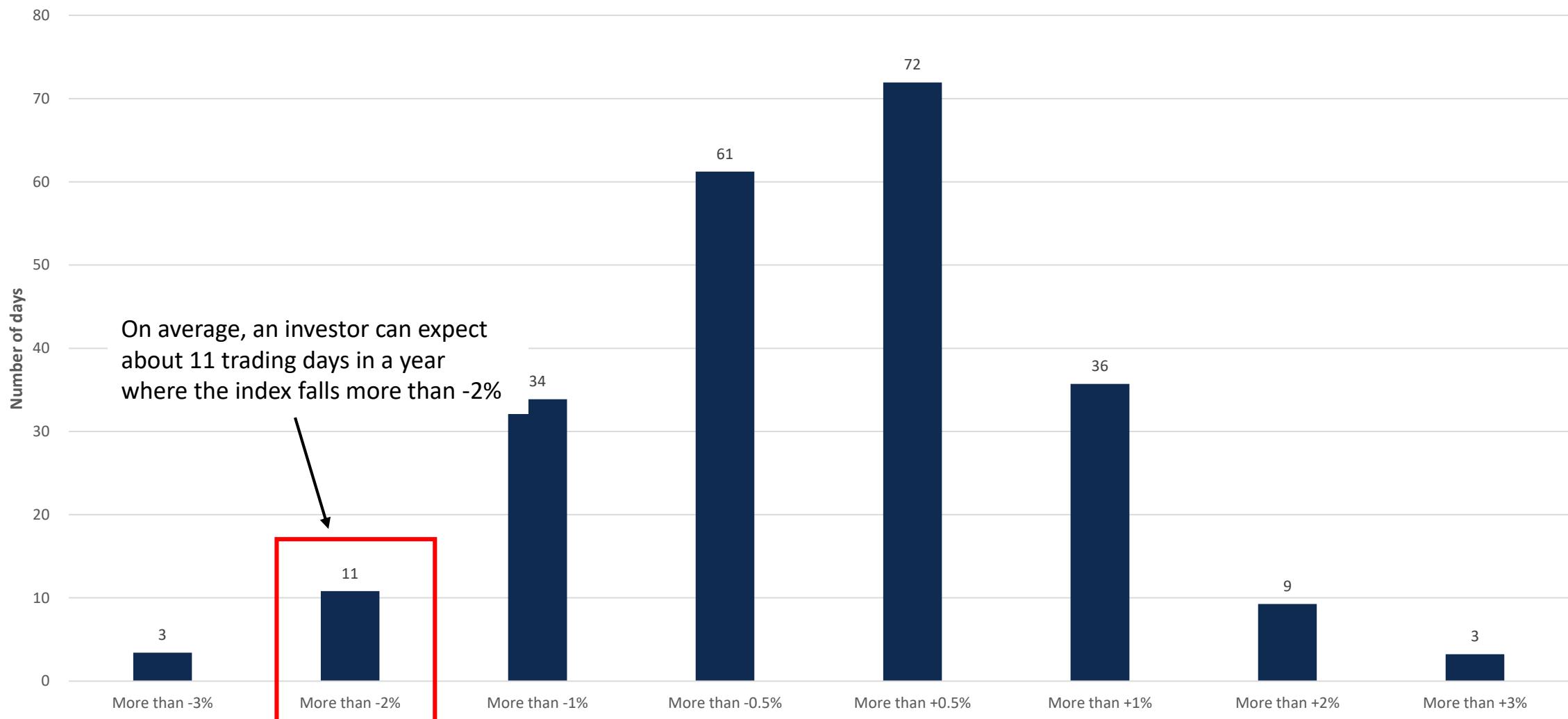
The number of days the S&P 500 fell by -2% or more



Source: Bloomberg Finance L.P., CI Investments. S&P 500 TR USD as of December 31, 2019 using daily returns

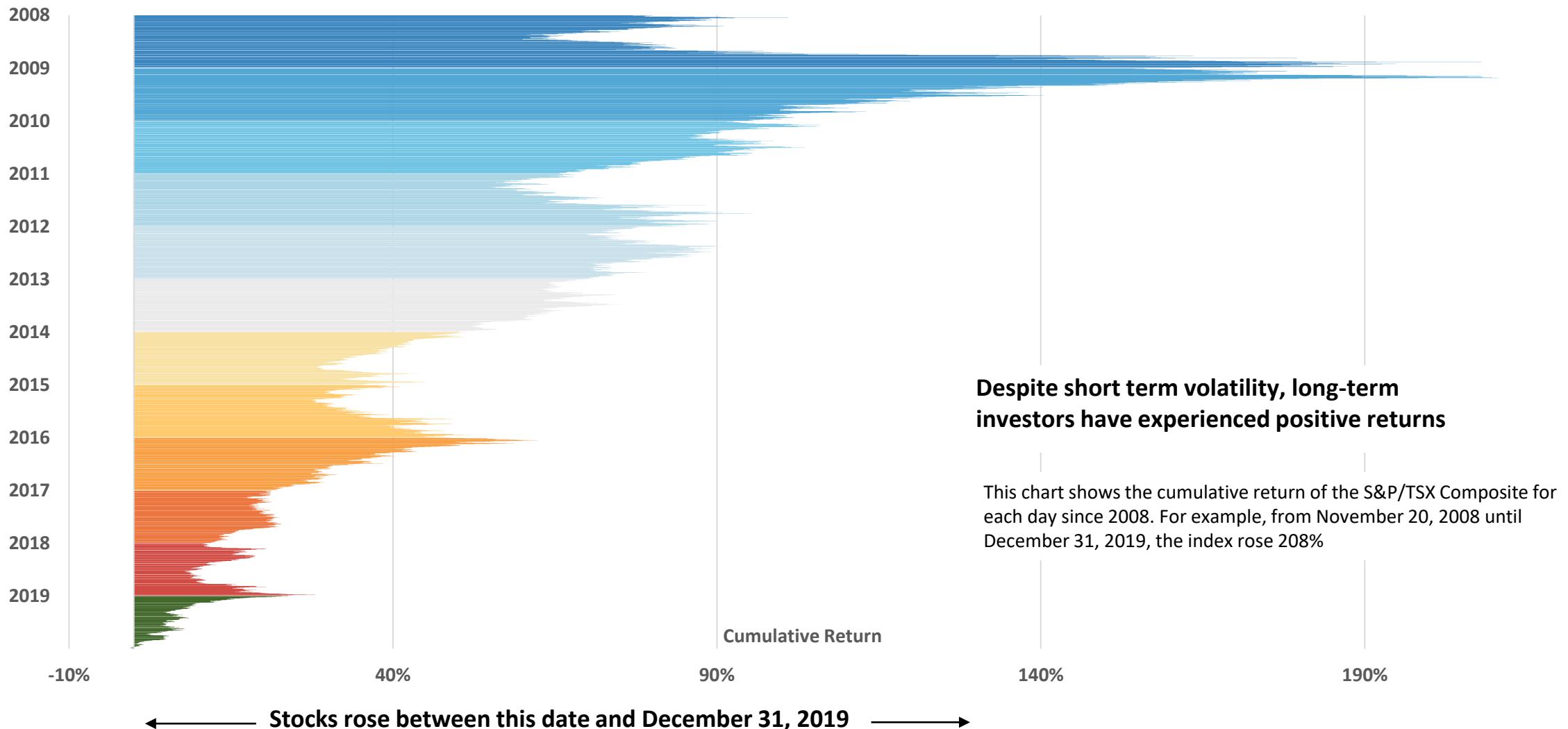
## Upside & downside volatility is normal in a year

Average daily return distribution of the S&P 500: 1998 – 2019



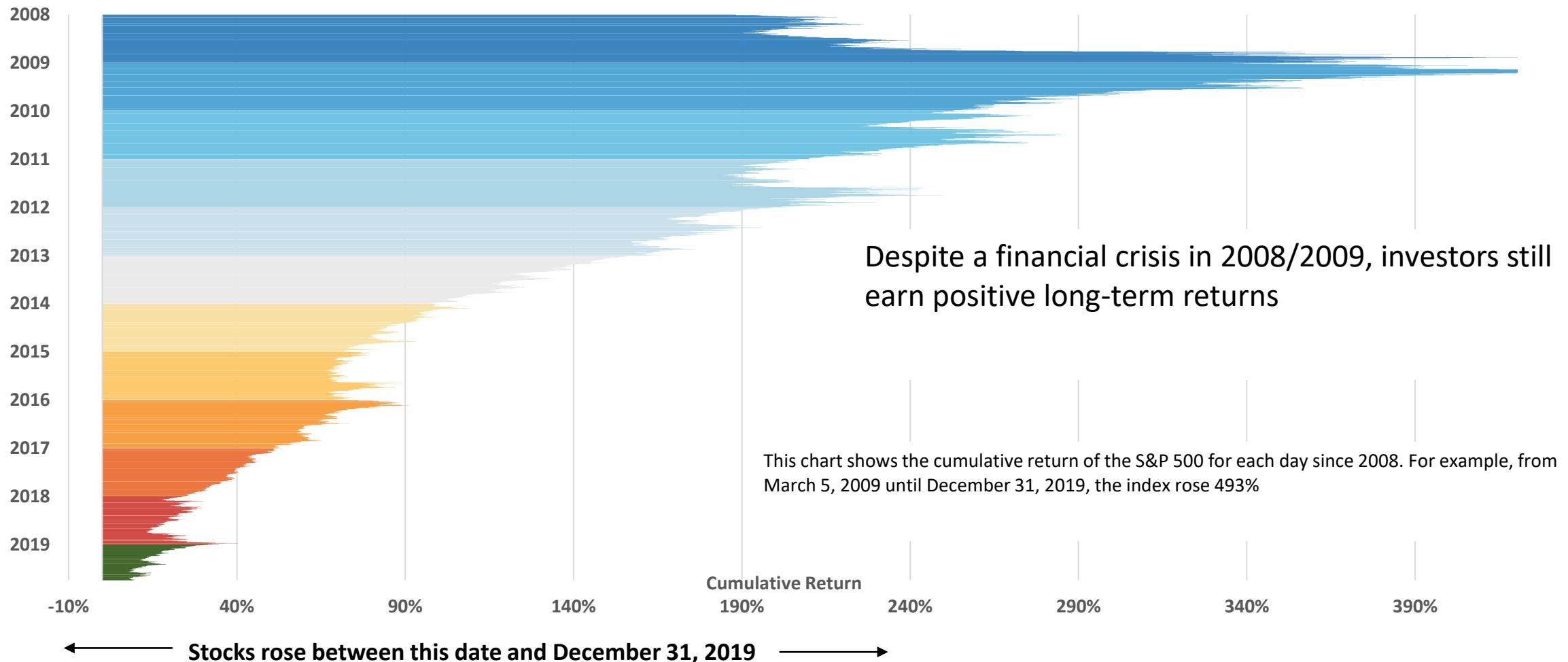
Source: Bloomberg Finance L.P., CI Investments. S&P 500 TR USD as of December 31, 2019 using daily returns.

## Change in S&P/TSX Composite from each date to the present



Source: Bloomberg Finance L.P., CI Investments. S&P/TSX Composite TR as of December 31, 2019 using daily returns.

### Change in S&P 500 from each date to the present



Source: Bloomberg Finance L.P., CI Investments. S&P 500 TR USD as of December 31, 2019 using daily returns.

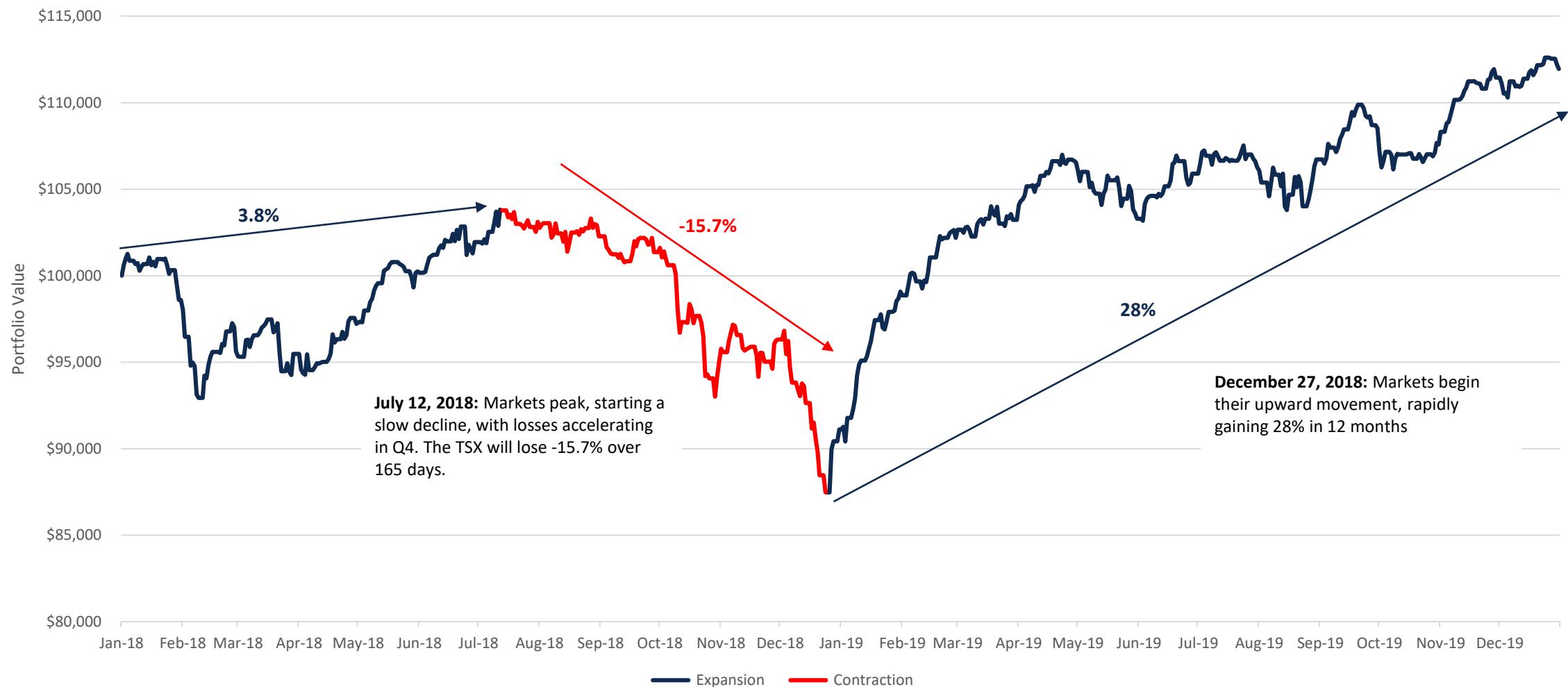
# Market Volatility – It's Normal

Dramatic loses can sting, but it's important to keep a long-term perspective



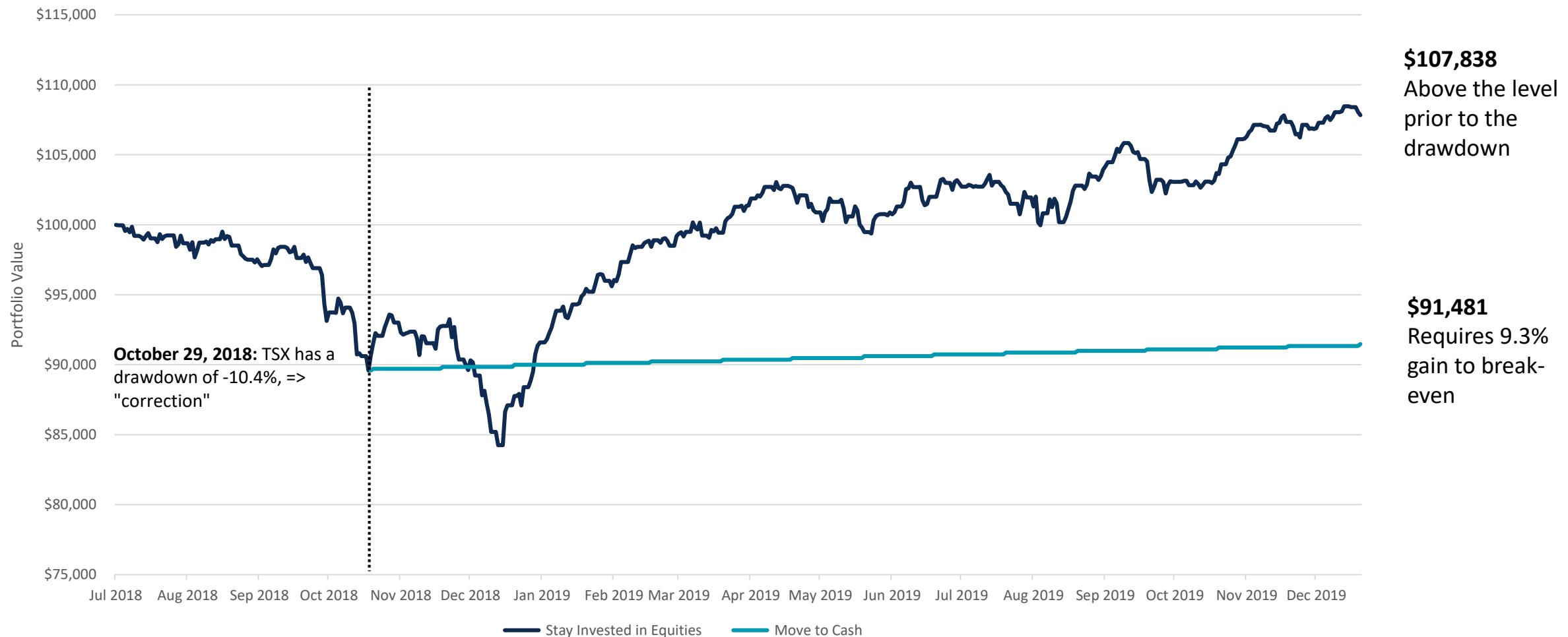
Source: Bloomberg Finance L.P., CI Investments. As of December 31, 2019 using daily returns.

## Market Volatility – It's Normal: S&P/TSX Composite Q4 2018 in Review



Source: Morningstar, CI Investments. June 30, 2019. January 1, 2018 – December 31, 2019. S&P/TSX Composite TR using daily returns. Produced December 2019.

# Market Volatility – It's Normal: S&P/TSX Composite Q4 2018 in Review

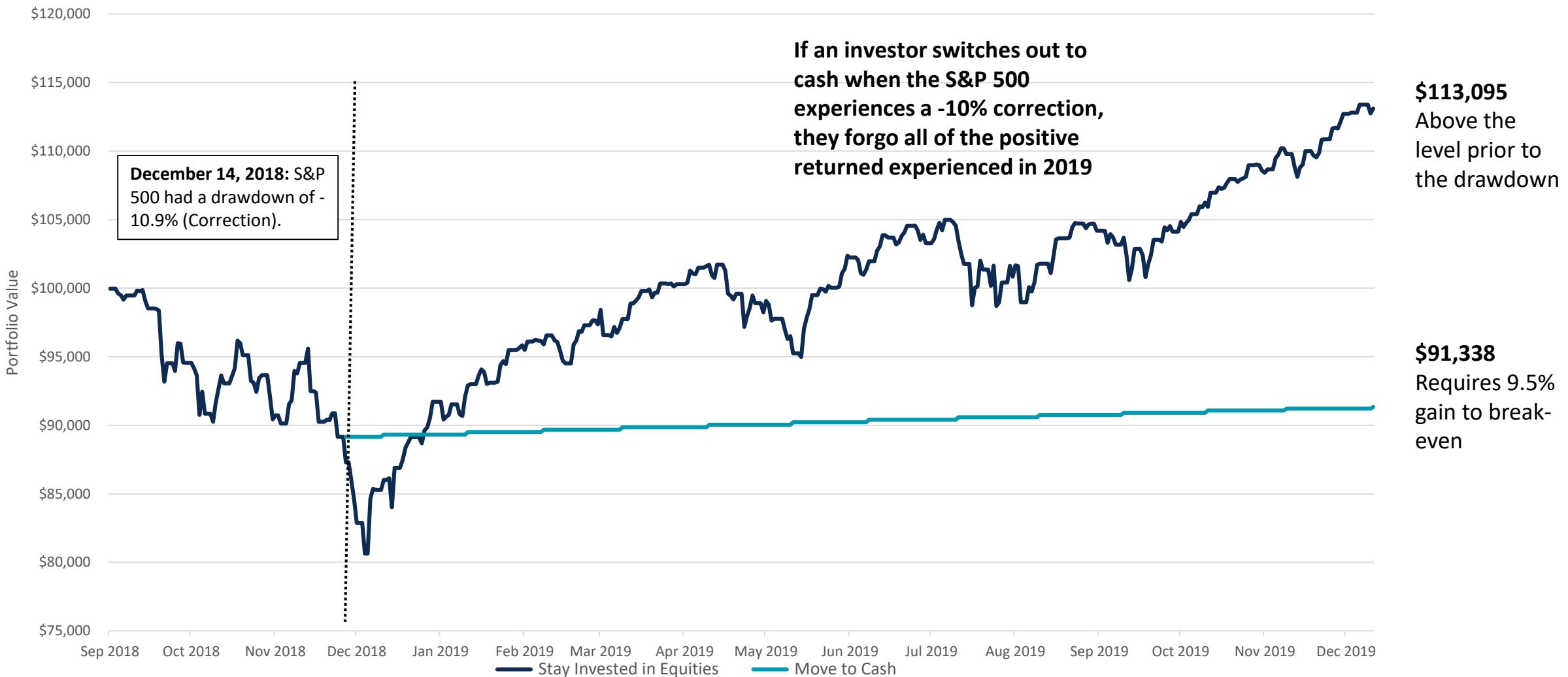


Source: Morningstar, CI Investments as of December 31, 2019 using daily returns. July 13, 2018 – December 31, 2019. Stay Invested in Equities = S&P/TSX Composite TR; Move to Cash = FTSE Canada 91 Day TBill.

## Market Volatility – It's Normal: S&P 500 TR USD Q4 2018 in Review



# Market Volatility – It's Normal: S&P 500 TR USD Q4 2018 in Review



Source: Morningstar, CI Investments. (Daily returns) September 21, 2018 – December 31, 2019. Stay Invested in Equities = S&P 500 TR USD; Move to Cash = U.S. Treasury 90 Day Tbill.



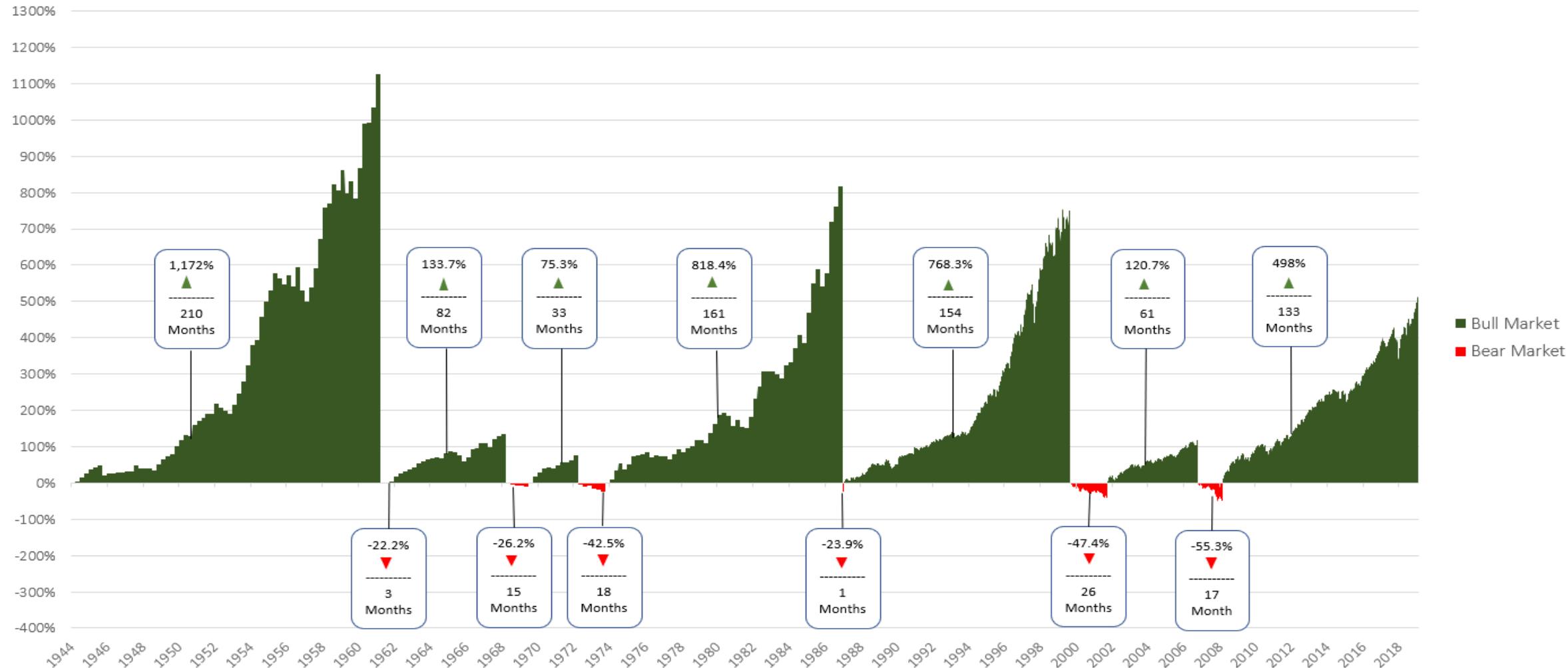
# HISTORICAL RECESSIONS, CRISES & BEAR MARKETS

# 75 Years of Bull Markets Versus Bear Markets (S&P 500 Index)

Bear market is defined as 20% decline or more.

Over the past 75 years, bull markets have lasted longer (119 months on average) than bear markets (13 months on average) and have more than made up for the periodic market decline.

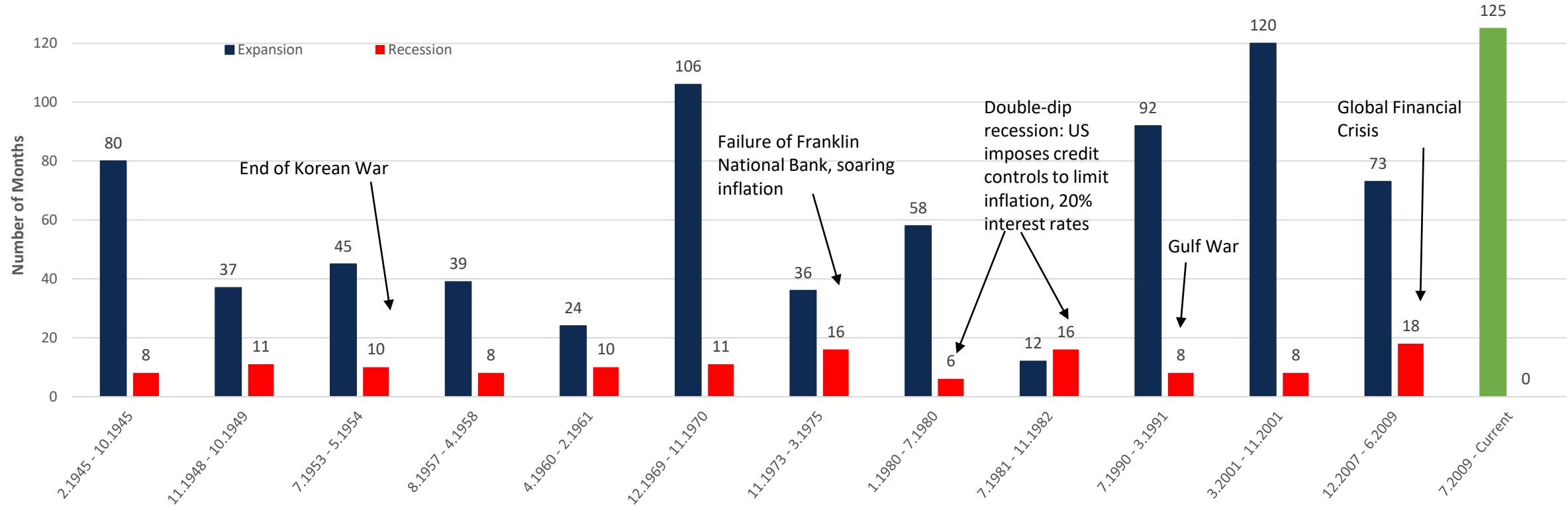
The best strategy is to commit and stay invested over a long term period to capture the market upside fully. Timing the market exposes investors to missing most of market rallies over the long term.



Source: Morningstar, CI Investments. S&P 500 TR USD as of December 31, 2019.

# The shortness of recessions leads to difficulty in market timing

Expansions vs. Recessions in the US



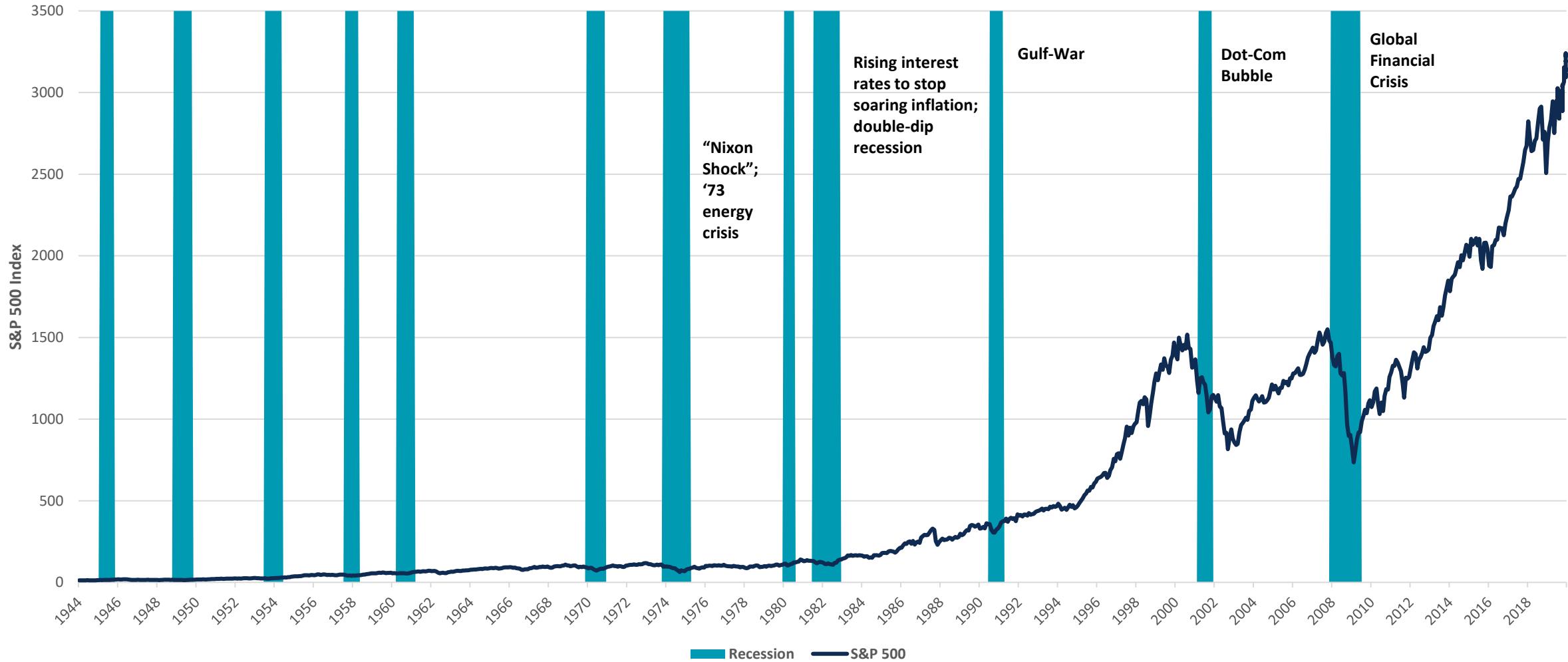
Average Business Cycle (in months)		
Period	Expansion	Recession
1945-2009 (12 cycles)	60	11
1945-1979 (7 cycles)	52	11
<b>1980-2009 (5 cycles)</b>	<b>71</b>	<b>11</b>

**Recession:** the number of months from peak to trough

**Expansion:** the number of months from the previous trough to latest peak. The expansion immediately prior to the recession period noted.

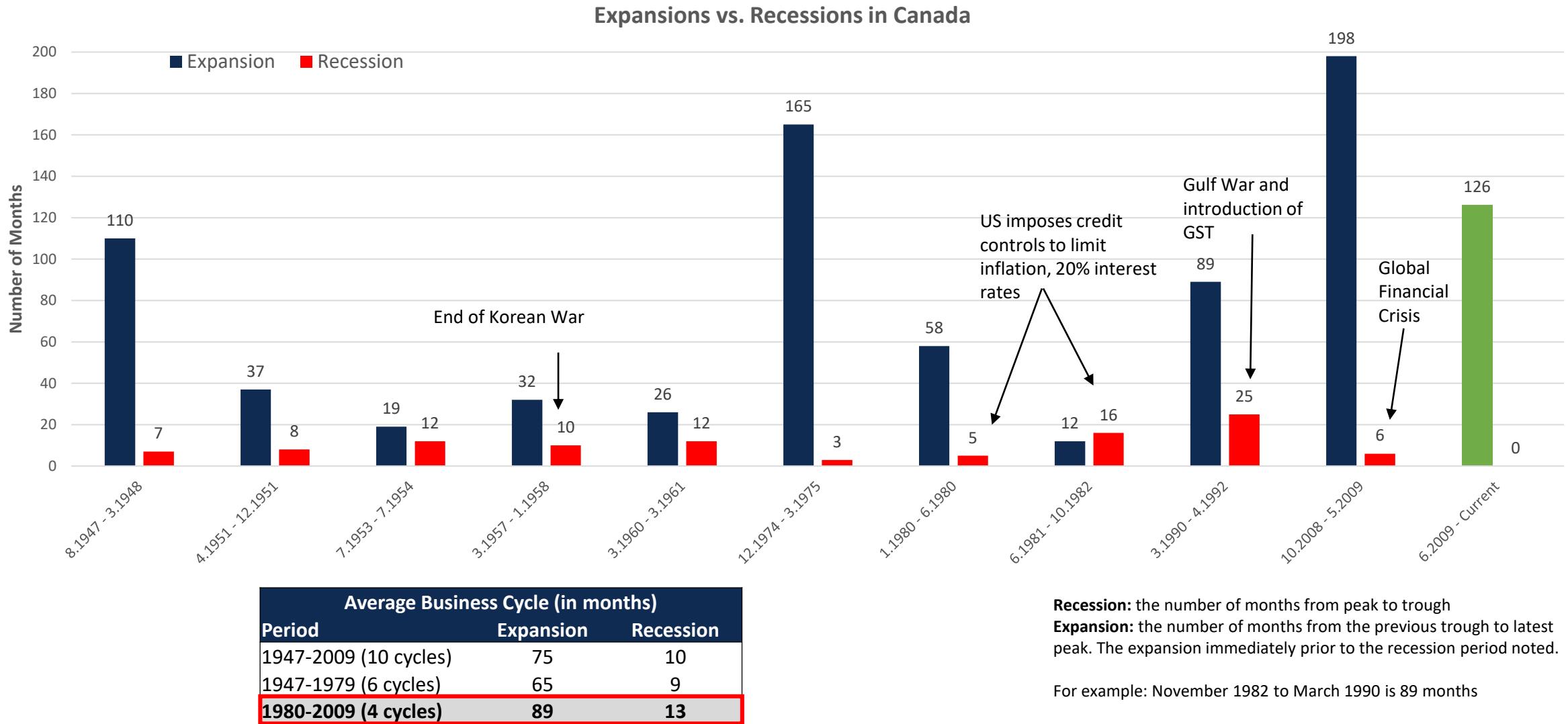
For example: December 2001 – December 2007 is 73 months

## Despite recessions, U.S. equity markets continue to reach new highs

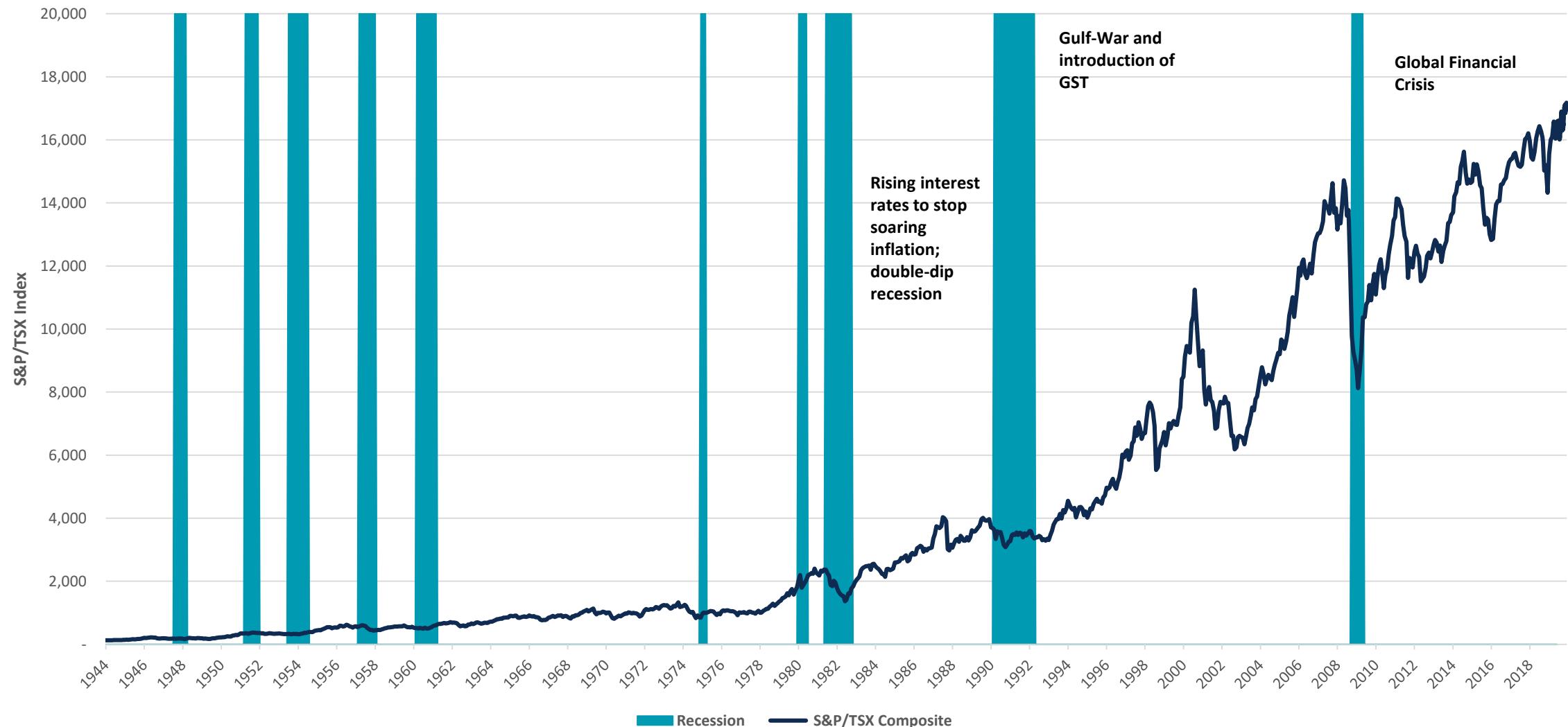


Source: Bloomberg Finance L.P.. S&P 500 PR in USD as of December 31, 2019. Recession data from the National Bureau of Economic Research (NBER).

## The shortness of recessions leads to difficulty in market timing

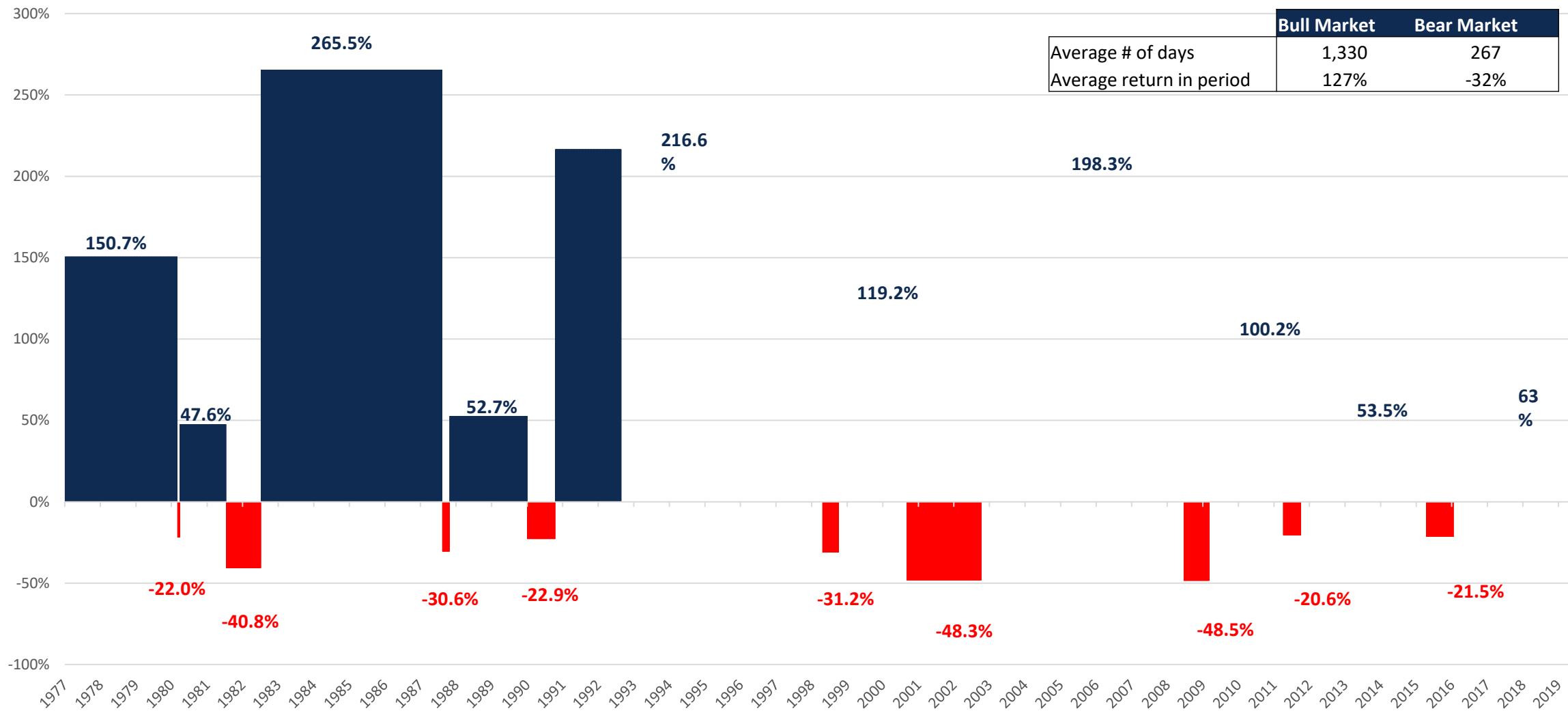


## Despite recessions, Canadian equity markets continue to reach new highs



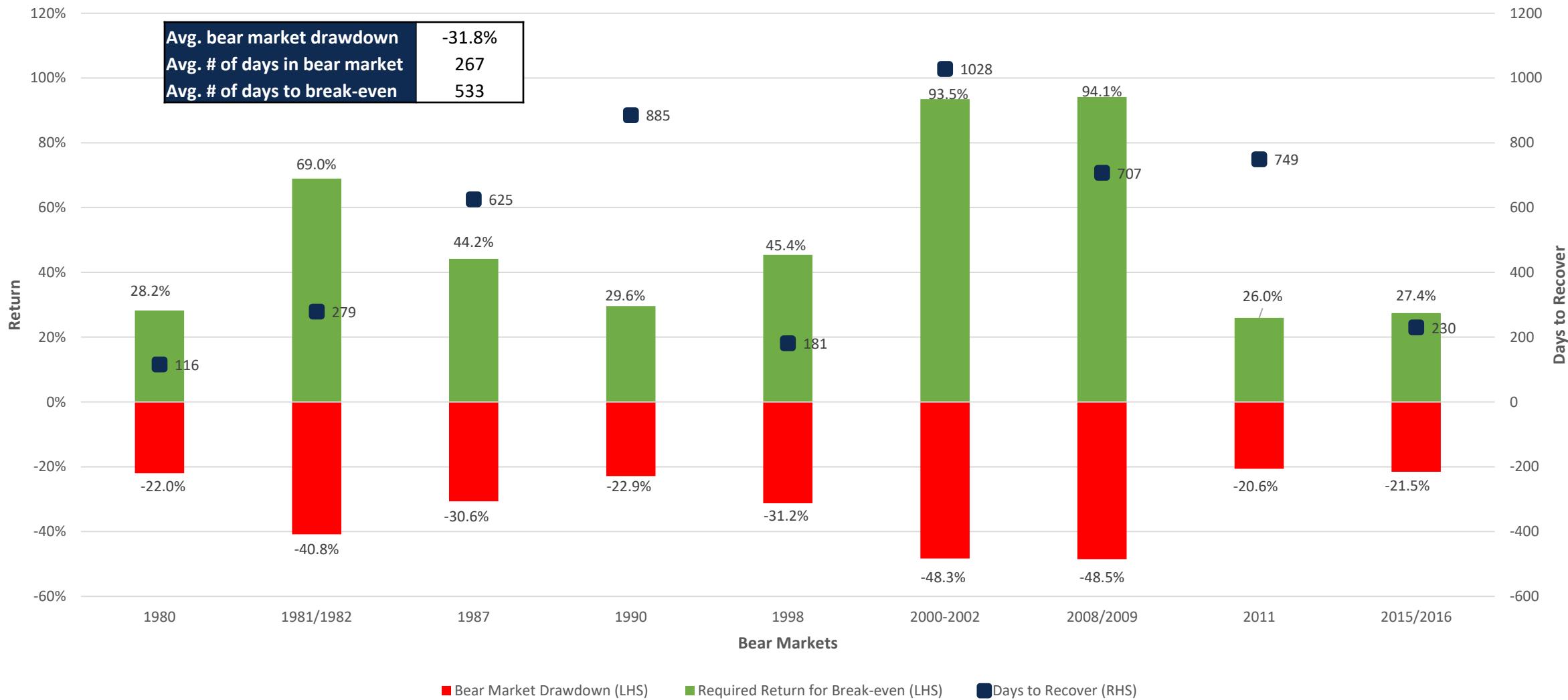
Source: Bloomberg Finance L.P.. S&P/TSX PR in CAD as of December 31, 2019. Recession data from the CD Howe Institute Business Cycle Council

## Historical Bull and Bear markets: S&P/TSX Composite TR



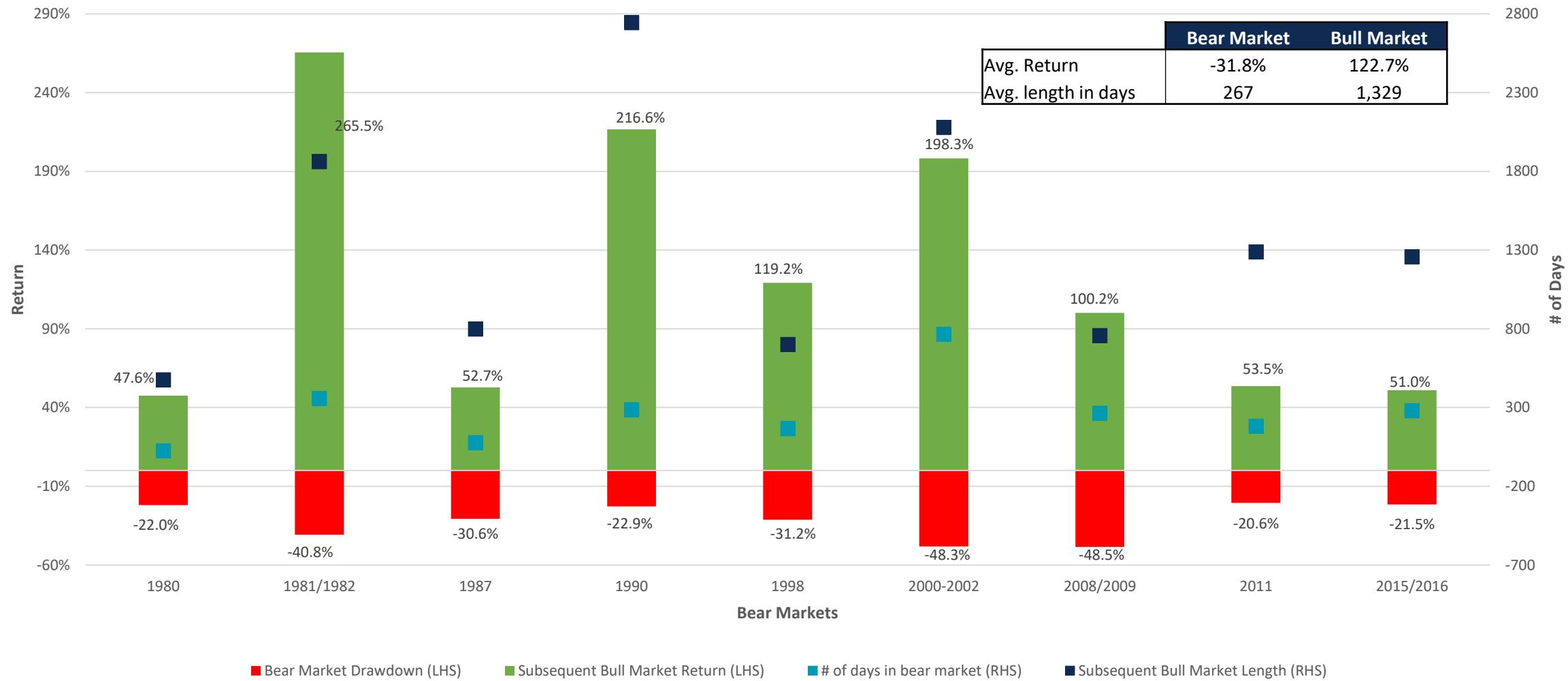
Source: Morningstar, CI Investments. June 2019. January 1, 1977 – December 31, 2019. This chart shows the periods in which the S&P/TSX Composite TR incurred a drawdown of -20% or more, and the subsequent bull markets.

## Historical bear markets and required return to break-even: S&P/TSX Composite TR



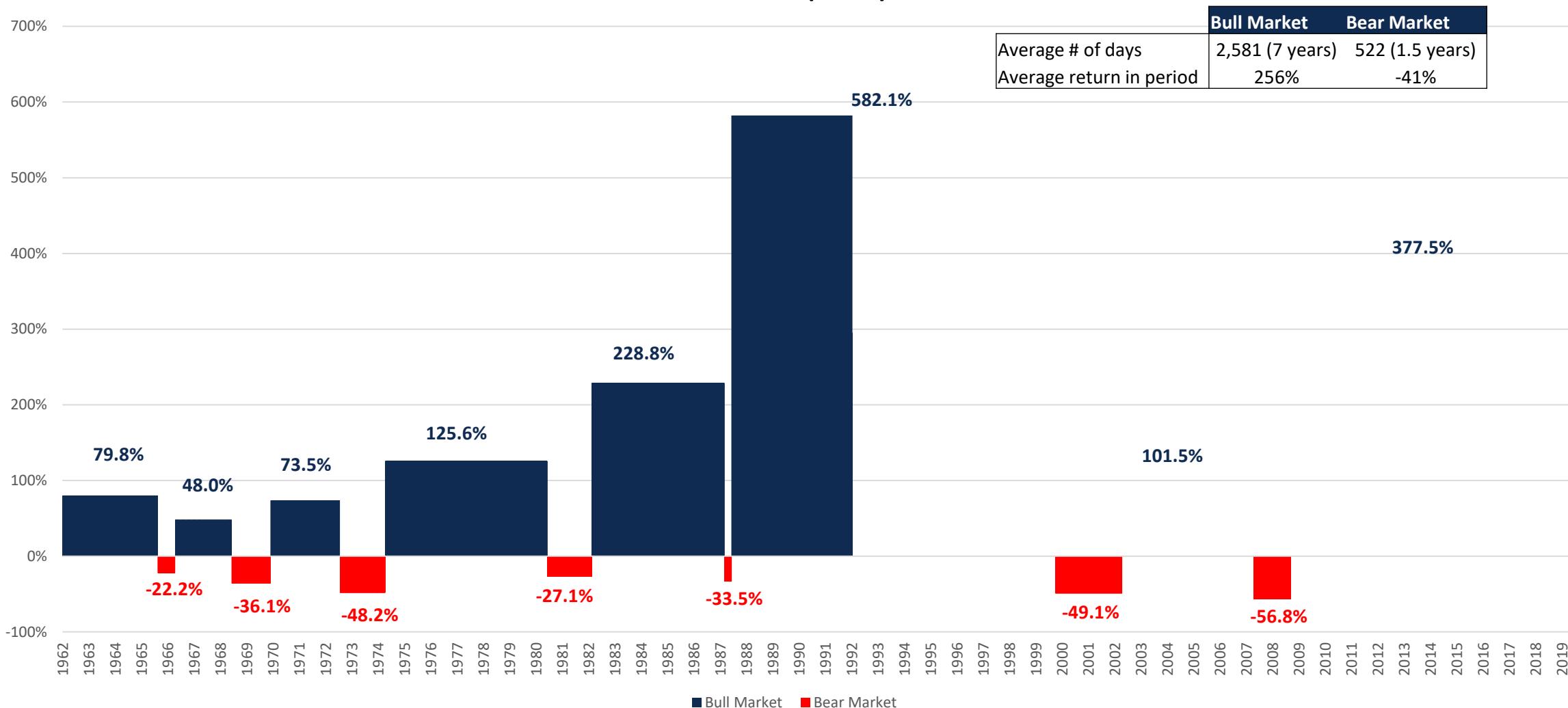
Source: Morningstar, CI Investments. S&P/TSX Composite TR using daily returns. March 3, 1980 – December 31, 2019.  
 Bear markets are defined as drawdowns of at least -20% from peak to trough.

## Historical bear and bull markets summary: S&P/TSX Composite TR



Source: Morningstar, CI Investments. S&P/TSX Composite TR using daily returns. March 3, 1980 – December 31, 2019.  
 Bear markets are defined as drawdowns of at least -20% from peak to trough.

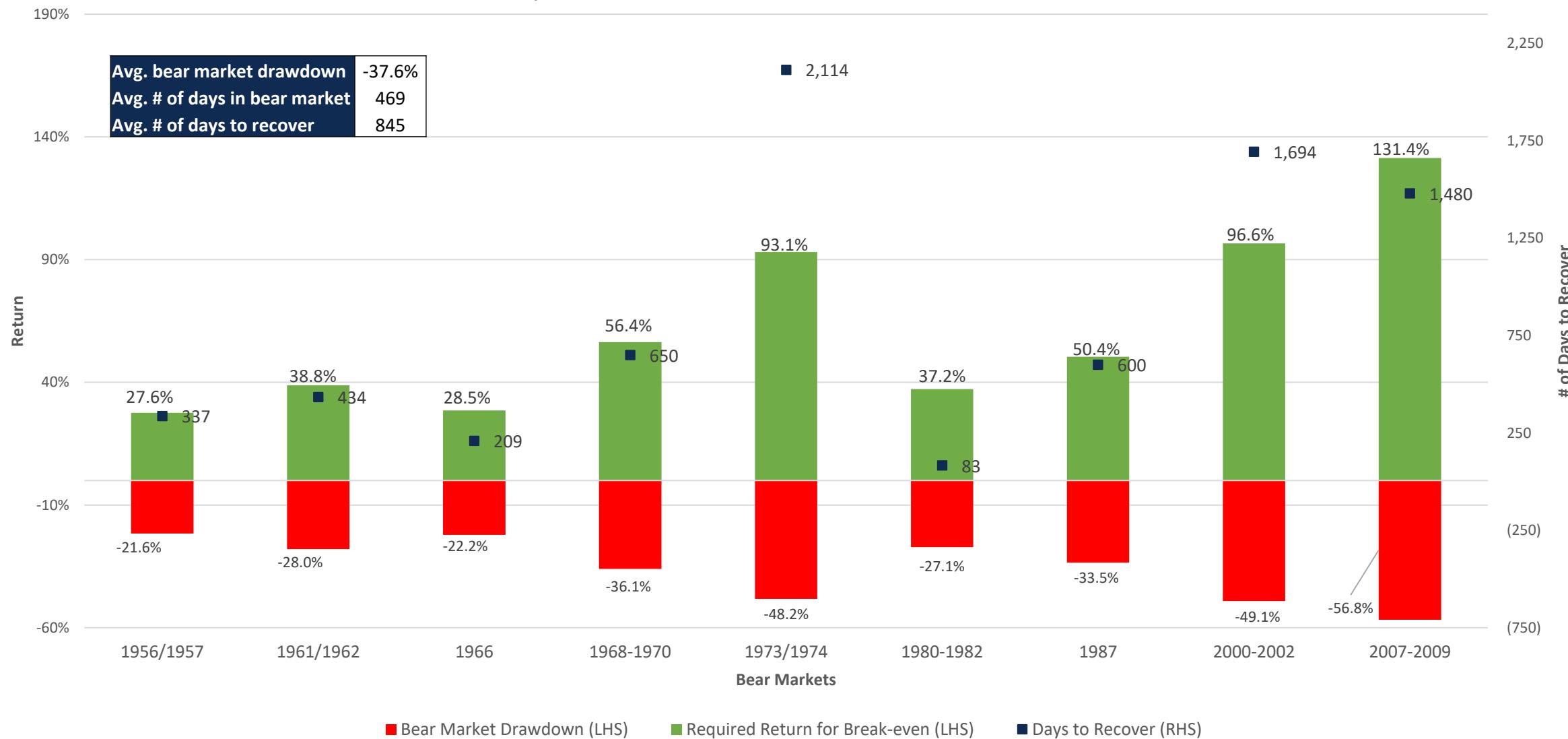
## Historical Bull and Bear markets: S&P 500 PR (SPX)



Source: Morningstar, CI Investments. June 2019. June 27, 1962 – December 31, 2019.

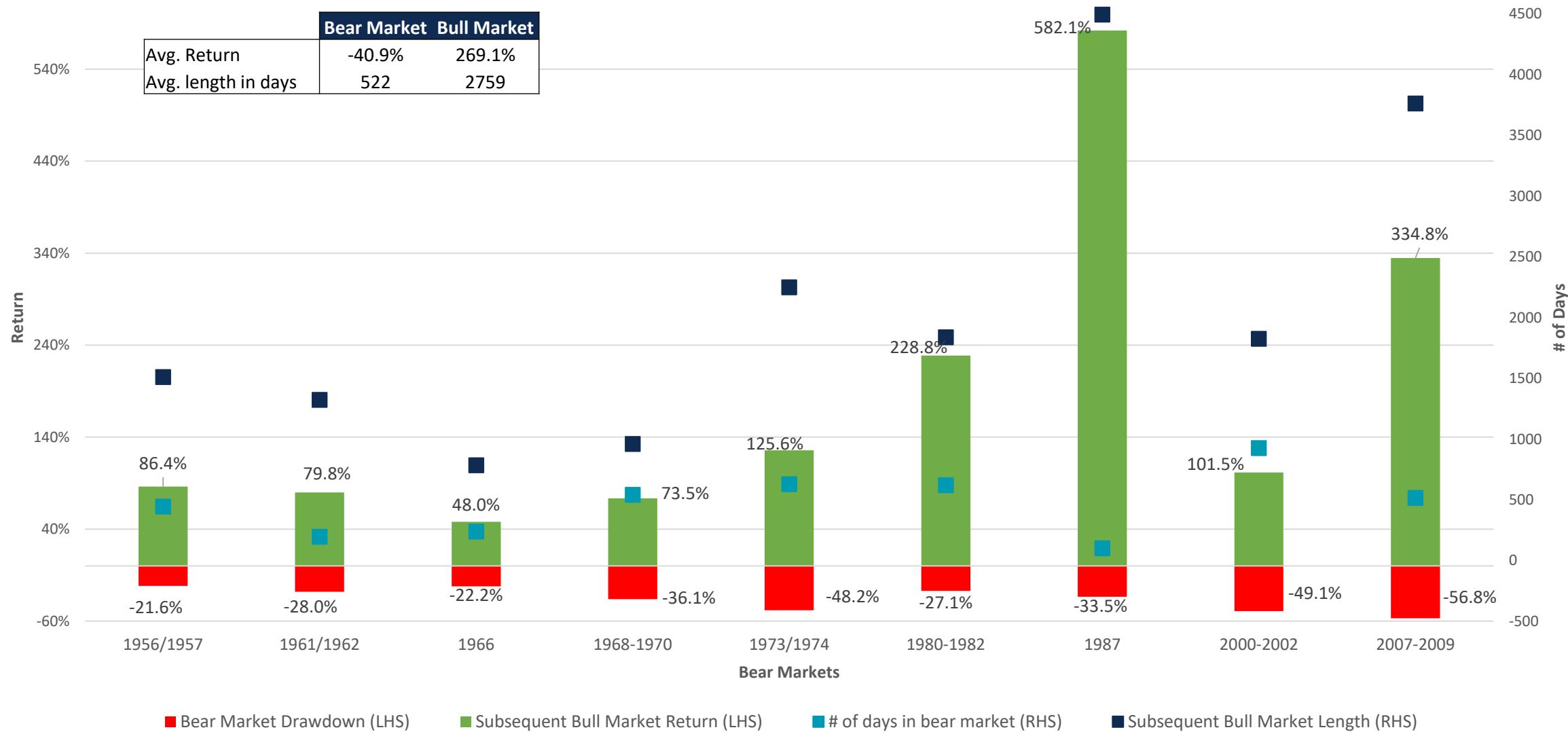
This chart shows the periods in which the S&P 500 PR incurred a drawdown of -20% or more, and the subsequent bull markets.

## Historical bear markets and required return to break-even: S&P 500 PR (SPX)



Source: Morningstar, CI Investments. S&P 500 PR using daily returns. August 3, 1956 – December 31, 2019.  
 Bear markets are defined as drawdowns of at least -20% from peak to trough.

## Historical bear and bull markets summary: S&P 500 PR (SPX)



## Staying invested in U.S. equities through world crisis events leads to better results

Crisis	Approximate Start of Crisis	Headline	Staying Invested (USD returns)			Leaving market for one year, then reinvesting		
			1 Year	3 Years	5 Years	1 Year	3 Years	5 Years
Korean War	June 25, 1950	North Korea invades South Korea	33.6%	77.4%	185.3%	0.0%	32.8%	113.5%
Cuban Missile Crisis	October 16, 1962	U-2 planes take pictures of Cuban missile bases	31.7%	75.6%	101.8%	0.0%	33.4%	53.3%
JFK Assassinated	November 22, 1963	JFK Assassinated	21.1%	17.4%	67.8%	0.0%	-3.0%	38.7%
Oil Crisis	October 16, 1973	OPEC Raises the posted price of oil by 70%	-38.9%	10.0%	18.2%	0.0%	80.2%	93.6%
Iranian Revolution leads to Energy Crisis	January 28, 1979	Shah leaves Iran in exile; the Ayatollah becomes the new leader	18.6%	49.4%	122.6%	0.0%	26.0%	87.7%
Black Monday	October 19, 1987	DJIA falls 22.6% in one day	-9.9%	5.8%	52.0%	0.0%	17.4%	68.6%
Gulf War	August 2, 1990	US invasion of Kuwait	12.8%	38.5%	82.9%	0.0%	22.9%	62.2%
Dissolution of the Soviet Union	December 26, 1991	Gorbachev resigns, declares office extinct, and grants self-governing independence to the Republics of the Soviet Union. Power is handed over to Yeltsin.	13.5%	25.5%	115.0%	0.0%	10.6%	89.5%
Asian Financial Crisis	July 1, 1997	Thailand free-floats the Baht, starting a chain reaction of events culminating into a region-wide crisis	30.2%	71.4%	19.7%	0.0%	31.7%	-8.0%
9/11 Terrorist Attacks	September 11, 2001	Terrorists hijack 4 airliners, destroy World Trade Centers	-15.5%	8.2%	29.8%	0.0%	28.1%	53.6%
Enron Bankruptcy	December 2, 2001	Enron files for Chapter 11 bankruptcy	-16.5%	10.1%	34.0%	0.0%	31.9%	60.5%
WorldCom Bankruptcy	July 21, 2002	WorldCom files for Chapter 11 bankruptcy	19.3%	53.7%	98.1%	0.0%	28.8%	66.1%
Dot-Com Bubble Low	October 9, 2002	NASDAQ reaches its trough from its March 2000 peak	31.8%	58.0%	112.9%	0.0%	19.8%	61.5%
Invasion of Iraq	March 19, 2003	US invasion of Iraq	31.8%	59.2%	68.4%	0.0%	20.8%	27.7%
Global Financial Crisis	September 15, 2008	Lehman Brothers files for bankruptcy	-13.9%	1.5%	50.8%	0.0%	17.9%	75.1%

3 Years	5 Years
Average Outperform of Staying Invested over Leaving market	10.8% 14.4%
Average Return of crises' that outperform leaving market	30.2% 38.2%

Source: Morningstar, CI Investments December 2019. Returns are cumulative, are in USD and represent the S&P 500 TR Index



# THE CASE FOR DIVERSIFICATION

## Annual ranking of core asset classes since 2000

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Global Real Estate 17.8%	High Yield Bonds 11.0%	Global Bonds 15.3%	Canadian Small Cap Eq. 34.4%	Global Real Estate 27.9%	Emerg. Mkts. Equities 31.2%	Global Real Estate 41.8%	Emerg. Mkts. Equities 18.5%	Global Bonds 31.1%	Canadian Small Cap Eq. 62.4%	Canadian Small Cap Eq. 35.1%	Canadian Bonds 9.7%	Global Real Estate 25.8%	U.S. Small Cap Equities 48.1%	Global Real Estate 26.3%	U.S. Equities 21.6%	Canadian Small Cap Eq. 38.5%	Emerg. Mkts. Equities 28.7%	Global Bonds 7.7%	U.S. Equities 24.9%
Canadian Bonds 10.2%	U.S. Small Cap Equities 8.9%	Canadian Bonds 8.7%	Emerg. Mkts. Equities 27.8%	Emerg. Mkts. Equities 16.8%	Canadian Equities 24.1%	Emerg. Mkts. Equities 32.1%	Canadian Equities 9.8%	Canadian Bonds 6.4%	Emerg. Mkts. Equities 52.0%	U.S. Small Cap Equities 20.2%	Global Bonds 8.3%	Emerg. Mkts. Equities 16.0%	U.S. Equities 41.3%	U.S. Equities 23.9%	Global Real Estate 20.0%	Canadian Equities 21.1%	International Equities 17.4%	High Yield Bonds 6.5%	Canadian Equities 22.9%
Canadian Equities 7.4%	Canadian Bonds 8.1%	5-year GIC 3.91%	Canadian Equities 26.7%	Canadian Equities 14.5%	Global Real Estate 12.5%	International Equities 26.4%	Canadian Bonds 3.7%	5-year GIC 3.00%	Canadian Equities 35.1%	Canadian Equities 17.6%	High Yield Bonds 7.0%	International Equities 15.3%	International Equities 31.6%	U.S. Small Cap Equities 14.3%	International Equities 19.5%	U.S. Small Cap Equities 17.1%	U.S. Equities 13.8%	U.S. Equities 4.2%	U.S. Small Cap Equities 19.2%
Global Bonds 6.8%	Global Bonds 7.9%	Canadian Inflation 3.80%	U.S. Small Cap Equities 20.5%	International Equities 11.9%	International Equities 11.2%	U.S. Small Cap Equities 17.9%	5-year GIC 3.30%	Canadian Inflation 1.2%	High Yield Bonds 33.8%	Global Real Estate 14.1%	U.S. Equities 4.6%	U.S. Small Cap Equities 13.8%	Balanced Portfolio 18.5%	Balanced Portfolio 12.1%	Global Bonds 16.1%	High Yield Bonds 13.4%	Canadian Equities 9.1%	Global Real Estate 3.8%	Global Real Estate 16.8%
5-year GIC 5.34%	Canadian Small Cap Eq. 4.2%	Global Real Estate 1.8%	Global Real Estate 15.1%	U.S. Small Cap Equities 9.7%	Canadian Small Cap Eq. 10.6%	Canadian Equities 17.3%	Canadian Inflation 2.4%	High Yield Bonds -7.9%	Global Real Estate 17.4%	Emerg. Mkts. Equities 13.0%	Canadian Inflation 2.3%	U.S. Equities 13.4%	High Yield Bonds 14.6%	High Yield Bonds 11.7%	U.S. Small Cap Equities 14.6%	U.S. Equities 8.1%	Balanced Portfolio 8.5%	Canadian Inflation 2.0%	International Equities 16.5%
Canadian Small Cap Eq. 4.7%	5-year GIC 4.05%	High Yield Bonds -2.9%	International Equities 13.8%	Balanced Portfolio 8.9%	Balanced Portfolio 8.8%	Balanced Portfolio 15.9%	Canadian Small Cap Eq. 0.9%	Balanced Portfolio -15.4%	Balanced Portfolio 16.4%	Balanced Portfolio 9.7%	5-year GIC 1.87%	High Yield Bonds 13.0%	Canadian Equities 13.0%	High Yield Bonds 10.6%	Balanced Portfolio 14.4%	Balanced Portfolio 8.0%	U.S. Small Cap Equities 7.1%	5-year GIC 1.7%	Canadian Small Cap Eq. 15.9%
Canadian Inflation 3.2%	Emerg. Mkts. Equities 3.8%	Canadian Small Cap Eq. -3.5%	Balanced Portfolio 11.8%	Canadian Bonds 7.1%	Canadian Bonds 6.5%	U.S. Equities 15.4%	Balanced Portfolio -3.1%	U.S. Small Cap Equities -17.2%	International Equities 12.5%	High Yield Bonds 9.2%	Balanced Portfolio -0.2%	Balanced Portfolio 10.0%	Global Real Estate 11.4%	Global Bonds 9.7%	Balanced Portfolio 9.8%	Emerg. Mkts. Equities 7.7%	Global Real Estate 4.1%	Canadian Bonds 1.4%	Balanced Portfolio 15.5%
Balanced Portfolio 1.3%	Global Real Estate 2.2%	Emerg. Mkts. Equities -7.0%	Canadian Bonds 6.7%	Canadian Small Cap Eq. 6.5%	5-year GIC 2.70%	Canadian Small Cap Eq. 11.6%	International Equities -5.3%	U.S. Equities -21.2%	U.S. Small Cap Equities 8.0%	U.S. Equities 9.1%	U.S. Small Cap Equities -1.8%	Canadian Equities 7.2%	Canadian Small Cap Eq. 7.6%	Canadian Bonds 8.8%	Canadian Bonds 3.5%	Canadian Bonds 1.7%	Canadian Small Cap Eq. 2.8%	Balanced Portfolio -0.8%	Emerg. Mkts. Equities 12.9%
U.S. Small Cap Equities 0.4%	Canadian Inflation 0.72%	Balanced Portfolio -7.1%	U.S. Equities 5.3%	5-year GIC 2.92%	U.S. Equities 2.3%	High Yield Bonds 11.3%	Global Bonds -7.0%	International Equities -28.8%	U.S. Equities 7.4%	Canadian Bonds 6.7%	Global Real Estate -3.5%	Canadian Bonds 3.6%	Emerg. Mkts. Equities 4.3%	Emerg. Mkts. Equities 7.0%	Emerg. Mkts. Equities 2.4%	Canadian Inflation 1.5%	Canadian Bonds 2.5%	U.S. Small Cap Equities -3.0%	High Yield Bonds 8.6%
High Yield Bonds -1.8%	Balanced Portfolio -2.4%	Canadian Equities -12.4%	High Yield Bonds 4.8%	U.S. Equities 2.8%	Canadian Inflation 2.1%	Global Bonds 6.2%	U.S. Equities -10.5%	Canadian Equities -33.0%	Canadian Bonds 5.4%	International Equities 2.6%	Canadian Equities -8.7%	Global Bonds 2.0%	Global Bonds 3.9%	International Equities 4.1%	Canadian Inflation 1.6%	5-year GIC 1.42%	Canadian Inflation 1.9%	International Equities -5.6%	Canadian Bonds 6.9%
U.S. Equities -5.9%	U.S. Equities -6.4%	International Equities -16.5%	5-year GIC 3.13%	High Yield Bonds 2.8%	U.S. Small Cap Equities 1.9%	Canadian Bonds 4.1%	High Yield Bonds -13.3%	Global Real Estate -34.6%	5-year GIC 1.95%	Canadian Inflation 2.4%	International Equities -9.5%	5-year GIC 1.65%	5-year GIC 1.63%	5-year GIC 1.92%	5-year GIC 1.43%	Global Real Estate 1.4%	5-year GIC 1.39%	Emerg. Mkts. Equities -6.5%	Canadian Inflation 2.3%
International Equities -11.0%	Canadian Equities -12.6%	U.S. Small Cap Equities -21.3%	Canadian Inflation 2.1%	Canadian Inflation 2.1%	High Yield Bonds 0.2%	5-year GIC 3.16%	U.S. Small Cap Equities -16.5%	Emerg. Mkts. Equities -41.4%	Canadian Inflation 1.3%	5-year GIC 1.96%	Emerg. Mkts. Equities -16.1%	Canadian Inflation 0.8%	Canadian Inflation 1.2%	Canadian Inflation 1.5%	Canadian Equities -8.3%	Global Bonds -1.4%	High Yield Bonds 0.4%	Canadian Equities -8.9%	5-year GIC 2.1%
Emerg. Mkts. Equities -28.2%	International Equities -16.3%	U.S. Equities -22.9%	Global Bonds -8.0%	Global Bonds 1.3%	Global Bonds -6.9%	Canadian Inflation 1.7%	Global Real Estate -21.1%	Canadian Small Cap Eq. -45.5%	Global Bonds -9.2%	Global Bonds 0.0%	Canadian Small Cap Eq. -16.4%	Canadian Small Cap Eq. -2.2%	Canadian Bonds -1.2%	Canadian Small Cap Eq. -2.3%	Canadian Small Cap Eq. -13.3%	International Equities -2.0%	Global Bonds 0.3%	Canadian Small Cap Eq. -18.2%	Global Bonds 1.4%

Source: CI Investments, Morningstar in CAD, as of December 31, 2019. Canadian Equity Large Cap = S&P/TSX Composite TR; Canadian Equity Small Cap = S&P/TSX Small Cap TR; U.S. Equity Large Cap = S&P 500 TR CAD; U.S. Equity Small Cap = Russell 2000 TR CAD; International Equity = MSCI EAFE GR CAD; Emerging markets Equity = MSCI EM GR CAD; Global Real Estate = FTSE EPRA NAREIT Developed TR CAD; Canadian Fixed Income = FTSE Canada Universe Bond; Global Fixed Income = Bloomberg Barclays Global Aggregate TR CAD; High-Yield Fixed Income = ICE BofA U.S. High Yield TR CAD; Global Balanced Portfolio = 18.5% S&P/TSX Composite TR, 2.5% S&P/TSX Small Cap TR, 17.9% S&P 500 TR CAD, 3.1% Russell 2000 TR CAD, 2% MSCI EM GR CAD, 16% MSCI EAFE GR CAD, 8% ICE BofA U.S. High Yield TR USD, 18% FTSE TMX Canada Universe Bond, 5% FTSE EPRA/NAREIT Developed TR, and 9% BBgBarc Global Aggregate TR CAD.

## Annual ranking of S&P 500 sectors since 2006

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Real Estate 41.5%	Energy 34.4%	Cons. Staples -15.4%	IT 61.7%	Real Estate 32.3%	Utilities 19.9%	Financials 28.8%	Cons. Disc. 43.1%	Real Estate 30.2%	Cons. Disc. 10.1%	Energy 27.4%	IT 38.8%	Health Care 6.5%	IT 50.3%
Comm. Serv. 36.8%	Materials 22.5%	Health Care -22.8%	Materials 48.6%	Cons. Disc. 27.7%	Cons. Staples 14.0%	Cons. Disc. 23.9%	Health Care 41.5%	Utilities 29.0%	Health Care 6.9%	Comm. Serv. 23.5%	Materials 23.8%	Utilities 4.1%	Comm. Serv. 32.7%
Energy 24.2%	Utilities 19.4%	Utilities -29.0%	Cons. Disc. 41.3%	Industrials 26.7%	Health Care 12.7%	Real Estate 19.7%	Industrials 40.7%	Health Care 25.3%	Cons. Staples 6.6%	Financials 22.8%	Cons. Disc. 23.0%	Cons. Disc. 0.8%	Financials 32.1%
Utilities 21.0%	IT 16.3%	Comm. Serv. -30.5%	Real Estate 27.1%	Materials 22.2%	Real Estate 11.4%	Comm. Serv. 18.3%	Financials 35.6%	IT 20.1%	IT 5.9%	Industrials 18.9%	Financials 22.2%	IT -0.3%	S&P 500 31.5%
Financials 19.2%	Cons. Staples 14.2%	Cons. Disc. -33.5%	S&P 500 26.5%	Energy 20.5%	Comm. Serv. 6.3%	Health Care 17.9%	S&P 500 32.4%	Cons. Staples 16.0%	Real Estate 4.7%	Materials 16.7%	Health Care 22.1%	Real Estate -2.2%	Industrials 29.4%
Cons. Disc. 18.6%	Industrials 12.0%	Energy -34.9%	Industrials 20.9%	Comm. Serv. 19.0%	Cons. Disc. 6.1%	S&P 500 16.0%	IT 28.4%	Financials 15.2%	Comm. Serv. 3.4%	Utilities 16.3%	S&P 500 21.8%	S&P 500 -4.4%	Real Estate 29.0%
Materials 18.6%	Comm. Serv. 11.9%	S&P 500 -37.0%	Health Care 19.7%	S&P 500 15.1%	Energy 4.7%	Industrials 15.3%	Cons. Staples 26.1%	S&P 500 13.7%	S&P 500 1.4%	IT 13.8%	Industrials 21.0%	Cons. Staples -8.4%	Cons. Disc. 27.9%
S&P 500 15.8%	Health Care 7.2%	Industrials -39.9%	Financials 17.2%	Cons. Staples 14.1%	IT 2.4%	Materials 15.0%	Materials 25.6%	Industrials 9.8%	Financials -1.5%	S&P 500 12.0%	Cons. Staples 13.5%	Comm. Serv. -12.5%	Cons. Staples 27.6%
Cons. Staples 14.4%	S&P 500 5.5%	IT -43.1%	Cons. Staples 14.9%	Financials 12.1%	S&P 500 2.1%	IT 14.8%	Energy 25.1%	Cons. Disc. 9.7%	Industrials -2.5%	Cons. Disc. 6.0%	Utilities 12.1%	Financials -13.0%	Utilities 26.4%
Industrials 13.3%	Cons. Disc. -13.2%	Real Estate -42.3%	Energy 13.8%	IT 10.2%	Industrials -0.6%	Cons. Staples 10.8%	Utilities 13.2%	Materials 6.9%	Utilities -4.8%	Cons. Staples 5.4%	Real Estate 10.8%	Industrials -13.3%	Materials 24.6%
IT 8.4%	Real Estate -17.9%	Materials -45.7%	Utilities 11.9%	Utilities 5.5%	Materials -9.8%	Energy 4.6%	Comm. Serv. 11.5%	Comm. Serv. 3.0%	Materials -8.4%	Real Estate 3.4%	Energy -1.0%	Materials -14.7%	Health Care 20.8%
Health Care 7.5%	Financials -18.6%	Financials -55.3%	Comm. Serv. 8.9%	Health Care 2.9%	Financials -17.1%	Utilities 1.3%	Real Estate 1.6%	Energy -7.8%	Energy -21.1%	Health Care -2.7%	Comm. Serv. -1.3%	Energy -18.1%	Energy 11.8%

Source: Morningstar, CI Investments as of December 31, 2019 in USD. The S&P 500 is composed of 11 sectors, as defined by the Global Industry Classification Standard (GICS). They are energy, materials, industrials, consumer discretionary, consumer staples, health care, financials, information technology, communication services, utilities and real estate.

## Annual ranking of countries since 2006

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Canada 7.4%	Korea 58.0%	Korea 7.5%	Brazil 75.9%	Mexico 37.5%	Korea 54.0%	China 82.2%	Brazil 52.7%	Japan -11.3%	Brazil 94.1%	Mexico 21.0%	U.S. 4.6%	Germany 29.2%	Germany 41.3%	India 35.0%	Japan 31.8%	Brazil 61.0%	China 44.2%	Brazil 8.8%	Netherlands 26.0%
Italy 2.6%	Mexico 26.0%	India 7.3%	China 53.4%	Brazil 26.5%	Brazil 53.1%	India 50.4%	India 46.8%	U.S. -21.2%	India 72.2%	Korea 20.5%	U.K. -0.1%	U.S. 26.2%	U.S. 41.3%	U.S. 23.9%	Italy 23.5%	Canada 21.1%	Korea 38.1%	U.S. 4.2%	U.S. 24.8%
Netherlands -0.3%	Australia 9.1%	Australia -1.3%	India 45.9%	Italy 24.2%	Mexico 45.4%	Spain 49.6%	China 41.0%	Spain -25.0%	Australia 50.1%	Canada 17.6%	Australia -8.6%	India 23.2%	Spain 41.2%	China 18.0%	Netherlands 22.0%	U.S. 8.1%	India 29.6%	India 1.0%	Canada 22.9%
France -0.7%	Spain -5.4%	Italy -7.3%	Germany 34.8%	Australia 22.3%	India 34.1%	Brazil 45.2%	Germany 15.3%	France -28.3%	Korea 46.1%	India 14.6%	Canada -8.7%	China 20.4%	Netherlands 40.6%	Canada 10.6%	U.S. 21.6%	Australia 7.8%	Netherlands 24.0%	Australia -3.9%	Italy 22.2%
Australia -5.9%	U.S. -6.4%	Japan -11.0%	Spain 30.2%	Spain 20.1%	Canada 24.1%	Mexico 40.9%	Korea 12.4%	Mexico -28.6%	China 38.1%	Japan 9.6%	Spain -9.0%	France 20.1%	Netherlands 36.2%	France 5.5%	France 20.9%	Korea 5.5%	France 21.4%	France -4.0%	France 20.5%
U.S. -5.9%	U.K. -8.7%	Canada -12.4%	Canada 26.7%	Canada 14.5%	Japan 22.5%	Germany 36.3%	Australia 10.1%	Germany -31.8%	Canada 35.1%	U.S. 9.1%	Netherlands -9.5%	Australia 19.6%	Japan 35.9%	Australia 5.5%	Germany 18.4%	France 2.4%	Italy 21.0%	Japan -4.7%	Brazil 20.3%
Brazil -8.3%	Brazil -11.8%	Mexico -14.2%	Australia 23.8%	Korea 13.9%	China 16.8%	France 34.9%	Canada 9.8%	Canada -33.0%	Mexico 33.0%	Australia 8.7%	Korea -9.6%	Korea 18.8%	Italy 29.5%	Japan 5.0%	India 12.6%	Netherlands 1.6%	Germany 20.1%	Netherlands -4.9%	China 17.4%
U.K. -8.4%	Canada -12.6%	China -14.9%	France 15.4%	U.K. 10.9%	Australia 14.6%	Italy 33.6%	Spain 5.7%	Netherlands -34.8%	Spain 23.2%	Germany 3.6%	Mexico -9.9%	Netherlands 18.5%	U.K. 28.8%	Spain 4.3%	Korea 12.4%	Germany -0.1%	Spain 19.3%	U.K. -6.4%	Australia 16.9%
Germany -12.3%	India -14.4%	Spain -15.8%	Italy 13.7%	France 10.5%	Netherlands 12.1%	Australia 32.0%	Netherlands 2.7%	U.K. -35.4%	U.K. 21.8%	U.K. 3.1%	Japan -12.1%	U.S. 13.4%	Canada 13.0%	U.K. 3.2%	U.K. 10.9%	Japan -0.8%	Brazil 16.3%	Mexico -7.7%	Germany 15.5%
Spain -12.6%	Netherlands -16.7%	U.K. -16.1%	Japan 11.4%	India 10.4%	France 7.8%	Netherlands 31.9%	France -3.3%	Italy -36.5%	Netherlands 21.5%	Brazil 1.2%	France -13.9%	U.K. 12.7%	Australia 11.3%	France -0.8%	China 10.8%	China -2.4%	Japan 16.2%	Spain -8.1%	U.K. 15.0%
Mexico -17.7%	Germany -17.1%	Netherlands -21.1%	Korea 11.2%	Germany 8.2%	Germany 7.8%	U.K. 30.2%	Mexico -4.9%	Australia -37.4%	France 13.2%	China -0.6%	Germany -15.4%	Italy 10.9%	Korea 11.2%	Italy -0.8%	Australia 8.2%	U.K. -3.5%	U.K. 14.3%	Canada -8.9%	Japan 14.0%
India -19.0%	France -17.2%	France -21.7%	Mexico 8.6%	Japan 7.5%	U.K. 4.7%	Canada 17.3%	U.K. -8.1%	China -38.5%	Italy 8.7%	Netherlands -3.2%	China -16.2%	Canada 7.2%	China 10.9%	Mexico -1.1%	Mexico 2.9%	Spain -3.9%	Italy 13.8%	U.S. -9.5%	Korea 7.4%
Japan -25.6%	China -20.0%	U.S. -22.9%	U.K. 8.0%	Netherlands 5.0%	2.3%	15.4%	U.S. -9.0%	Korea -43.8%	Germany 7.5%	France -8.3%	Brazil -19.6%	Japan 6.0%	Mexico 6.9%	Germany -1.6%	Spain 1.5%	India -4.8%	Australia 12.3%	China -11.4%	Spain 7.0%
China -28.1%	Italy -21.5%	Brazil -31.4%	Netherlands 5.8%	U.S. 2.8%	U.S. 2.3%	12.8%	U.S. -10.5%	Brazil -45.0%	U.S. 7.4%	Italy -18.6%	Italy -20.3%	Spain 2.4%	India 2.6%	Korea -2.7%	Canada -8.3%	Mexico -12.1%	Canada 9.1%	Korea -13.3%	Mexico 6.1%
Korea -47.9%	Japan -24.8%	Germany -33.6%	U.S. 5.3%	China -5.5%	Italy 0.5%	Japan 5.9%	Japan -18.7%	India -55.8%	India -9.7%	Japan -25.2%	India -35.6%	Spain -1.9%	Brazil -10.1%	Brazil -6.0%	Brazil -29.5%	Italy -12.6%	Mexico 8.6%	Germany -14.6%	India 2.1%

Source: Morningstar, CI Investments in CAD as of December 31, 2019. Each country return, except for Canada and the U.S.A., is represented by the MSCI country index, which covers approximately 85% of each country's equity universe. For example, Germany is represented by the MSCI Germany Index, which covers approximately 85% of the equity universe in Germany. Canada is represented by the S&P/TSX Composite Total Return Index. U.S.A. is represented by the S&P 500 Total Return Index (CAD).

## Annual ranking of market capitalization styles since 2006

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
20.2% Global Broad Market	11.1% Canadian Large Cap	-17.2% U.S. Small Cap	62.4% Canadian Small Cap	35.1% Canadian Small Cap	5.0% U.S. Large Cap	15.5% Global Small Cap	48.1% U.S. Small Cap	23.9% U.S. Broad Market	21.8% U.S. Large Cap	38.5% Canadian Small Cap	15.1% Global Small Cap	4.8% U.S. Large Cap	25.2% U.S. Large Cap
20.0% Global Large Cap	9.8% Cdn. Broad Mkt.	-20.0% U.S. Large Cap	35.1% Cdn. Broad Mkt.	20.2% U.S. Small Cap	4.6% U.S. Broad Market	14.0% Global Broad Market	41.8% Global Small Cap	23.9% U.S. Large Cap	21.6% U.S. Broad Market	21.4% Canadian Large Cap	15.0% Global Broad Market	4.2% U.S. Broad Market	24.8% U.S. Broad Market
19.2% Canadian Large Cap	0.9% Canadian Small Cap	-21.2% U.S. Broad Market	31.9% Canadian Large Cap	20.0% Global Small Cap	-1.8% U.S. Small Cap	13.9% Global Large Cap	41.3% U.S. Broad Market	15.0% Global Broad Market	20.1% Global Small Cap	21.1% Cdn. Broad Mkt.	14.8% Global Large Cap	1.1% Global Large Cap	22.9% Cdn. Broad Mkt.
17.9% U.S. Small Cap	-6.3% Global Large Cap	-24.6% Global Large Cap	22.9% Global Small Cap	17.6% Cdn. Broad Mkt.	-2.2% Global Large Cap	13.8% U.S. Small Cap	40.9% U.S. Large Cap	15.0% Global Large Cap	19.5% Global Broad Market	17.1% U.S. Small Cap	14.3% U.S. Large Cap	0.1% Global Broad Market	22.0% Global Large Cap
17.3% Cdn. Broad Mkt.	-7.1% Global Broad Market	-25.4% Global Broad Market	11.1% Global Broad Market	13.8% Canadian Large Cap	-2.7% Global Broad Market	13.6% U.S. Large Cap	35.9% Global Broad Market	14.3% U.S. Small Cap	19.5% Global Large Cap	9.3% Global Small Cap	13.8% U.S. Broad Market	-3.0% U.S. Small Cap	21.9% Canadian Large Cap
17.1% Global Small Cap	-9.8% U.S. Large Cap	-27.0% Global Small Cap	9.9% Global Large Cap	9.1% U.S. Broad Market	-6.4% Global Small Cap	13.4% U.S. Broad Market	35.7% Global Large Cap	12.3% Canadian Large Cap	14.6% U.S. Small Cap	8.1% U.S. Broad Market	9.8% Canadian Large Cap	-5.7% Global Small Cap	21.9% Global Broad Market
15.7% U.S. Large Cap	-10.5% U.S. Broad Market	-31.2% Canadian Large Cap	8.0% U.S. Small Cap	8.0% U.S. Large Cap	-8.7% Cdn. Broad Mkt.	8.1% Canadian Large Cap	13.3% Canadian Large Cap	11.5% Global Small Cap	-7.8% Canadian Large Cap	7.7% U.S. Large Cap	9.1% Cdn. Broad Mkt.	-7.6% Canadian Large Cap	20.4% Global Small Cap
15.4% U.S. Broad Market	-14.2% Global Small Cap	-33.0% Cdn. Broad Mkt.	7.4% U.S. Broad Market	6.5% Global Broad Market	-9.1% Canadian Large Cap	7.2% Cdn. Broad Mkt.	13.0% Cdn. Broad Mkt.	10.6% Cdn. Broad Mkt.	-8.3% Cdn. Broad Mkt.	4.4% Global Large Cap	7.1% U.S. Small Cap	-8.9% Cdn. Broad Mkt.	19.2% U.S. Small Cap
11.6% Canadian Small Cap	-16.5% U.S. Small Cap	-45.5% Canadian Small Cap	6.6% U.S. Large Cap	4.9% Global Large Cap	-16.4% Canadian Small Cap	-2.2% Canadian Small Cap	7.6% Canadian Small Cap	-2.3% Canadian Small Cap	-13.3% Canadian Small Cap	4.4% Global Broad Market	2.8% Canadian Small Cap	-18.2% Canadian Small Cap	15.8% Canadian Small Cap

Source: Morningstar, CI Investments in CAD as of December 31, 2019. Canadian Large Cap = S&P/TSX 60 TR; Canadian Small Cap = S&P/TSX SmallCap TR; Canadian Broad = S&P/TSX Composite TR. U.S. Large Cap = MSCI USA Large Cap CAD; U.S. Broad Market = S&P 500 Total Return CAD, U.S. Small Cap = Russell 2000; Global Large Cap = MSCI World Large CAD; Global Small Cap = MSCI World Small Cap CAD; Global Broad = MSCI World CAD

## Annual ranking of investment styles since 2009

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cdn. Dividend 54.3%	Cdn Momentum 27.9%	U.S. Low Vol. 17.6%	U.S. Dividend 14.4%	U.S. Momentum 43.8%	U.S. Low Vol. 28.1%	U.S. Momentum 31.1%	Cdn. Dividend 21.8%	U.S. Momentum 28.8%	U.S. Low Vol. 9.3%	Cdn Momentum 29.1%
Cdn Core 35.1%	Cdn Low Vol. 19.6%	Cdn Low Vol. 13.2%	World Growth 14.0%	U.S. Core 41.3%	U.S. Risk Weighted 26.4%	U.S. Low Vol. 25.1%	Cdn Core 21.1%	World Growth 20.0%	U.S. Momentum 7.2%	World Growth 27.4%
Cdn Risk Weighted 30.1%	Cdn Risk Weighted 19.5%	U.S. Dividend 11.0%	World Core 14.0%	U.S. Dividend 41.1%	U.S. Dividend 26.2%	World Growth 24.1%	Cdn Risk Weighted 18.9%	World Core 15.0%	U.S. Dividend 6.0%	Cdn. Dividend 26.2%
Cdn Momentum 29.5%	Cdn. Dividend 17.8%	U.S. Risk Weighted 8.9%	Cdn Low Vol. 13.9%	U.S. Risk Weighted 40.4%	U.S. Momentum 25.0%	U.S. Core 21.6%	Cdn Low Vol. 15.8%	World Risk Weighted 14.5%	U.S. Core 4.2%	U.S. Core 24.8%
Cdn Low Vol. 19.2%	Cdn Core 17.6%	U.S. Momentum 8.7%	World Value 13.8%	World Value 36.1%	U.S. Core 23.9%	U.S. Dividend 21.0%	U.S. Risk Weighted 9.6%	U.S. Core 13.8%	U.S. Risk Weighted 3.3%	U.S. Risk Weighted 23.2%
World Growth 13.7%	U.S. Dividend 13.1%	Cdn. Dividend 7.4%	U.S. Core 13.4%	World Core 35.9%	Cdn Low Vol. 16.6%	U.S. Risk Weighted 20.5%	World Value 9.3%	U.S. Dividend 13.7%	World Growth 2.0%	Cdn Low Vol. 23.0%
World Risk Weighted 12.7%	U.S. Risk Weighted 12.8%	U.S. Core 4.6%	U.S. Momentum 12.5%	World Growth 35.7%	World Risk Weighted 16.3%	World Risk Weighted 19.9%	Cdn Momentum 9.2%	U.S. Risk Weighted 11.2%	World Core 0.1%	Cdn Core 22.9%
U.S. Risk Weighted 11.5%	U.S. Momentum 12.0%	Cdn Risk Weighted 0.9%	U.S. Risk Weighted 12.5%	World Risk Weighted 32.2%	World Growth 16.2%	World Core 19.5%	U.S. Core 8.1%	Cdn Low Vol. 10.6%	World Risk Weighted -0.7%	World Core 21.9%
World Core 11.1%	World Risk Weighted 10.3%	World Risk Weighted -0.5%	World Risk Weighted 11.7%	U.S. Low Vol. 31.9%	Cdn Momentum 15.6%	World Value 15.0%	U.S. Dividend 8.0%	Cdn Momentum 10.2%	World Value -2.0%	U.S. Low Vol. 21.8%
World Value 8.4%	U.S. Core 9.1%	World Value -2.6%	Cdn. Dividend 9.5%	Cdn Momentum 17.8%	World Core 15.0%	Cdn Momentum 3.1%	U.S. Low Vol. 6.6%	World Value 10.2%	Cdn Low Vol. -6.5%	U.S. Momentum 21.6%
U.S. Dividend 7.5%	World Growth 8.9%	World Core -2.7%	Cdn Risk Weighted 8.9%	Cdn Risk Weighted 17.2%	Cdn. Dividend 13.9%	Cdn Low Vol. 0.6%	World Risk Weighted 4.9%	U.S. Low Vol. 9.7%	Cdn Risk Weighted -7.5%	U.S. Dividend 21.5%
U.S. Core 7.4%	U.S. Low Vol. 7.4%	World Growth -2.8%	Cdn Momentum 8.9%	Cdn. Dividend 14.5%	World Value 13.8%	Cdn Risk Weighted -5.3%	World Core 4.4%	Cdn Core 9.1%	Cdn. Dividend -8.3%	Cdn Risk Weighted 21.0%
U.S. Low Vol. 1.2%	World Core 6.5%	Cdn Momentum -4.6%	U.S. Low Vol. 7.9%	Cdn Core 13.0%	Cdn Risk Weighted 13.7%	Cdn Core -8.3%	U.S. Momentum 1.5%	Cdn Risk Weighted 9.0%	Cdn Core -8.9%	World Risk Weighted 18.2%
U.S. Momentum -0.1%	World Value 4.0%	Cdn Core -8.7%	Cdn Core 7.2%	Cdn Low Vol. 12.3%	Cdn Core 10.6%	Cdn. Dividend -10.8%	World Growth -0.4%	Cdn. Dividend 5.9%	Cdn Momentum -9.3%	World Value 16.5%

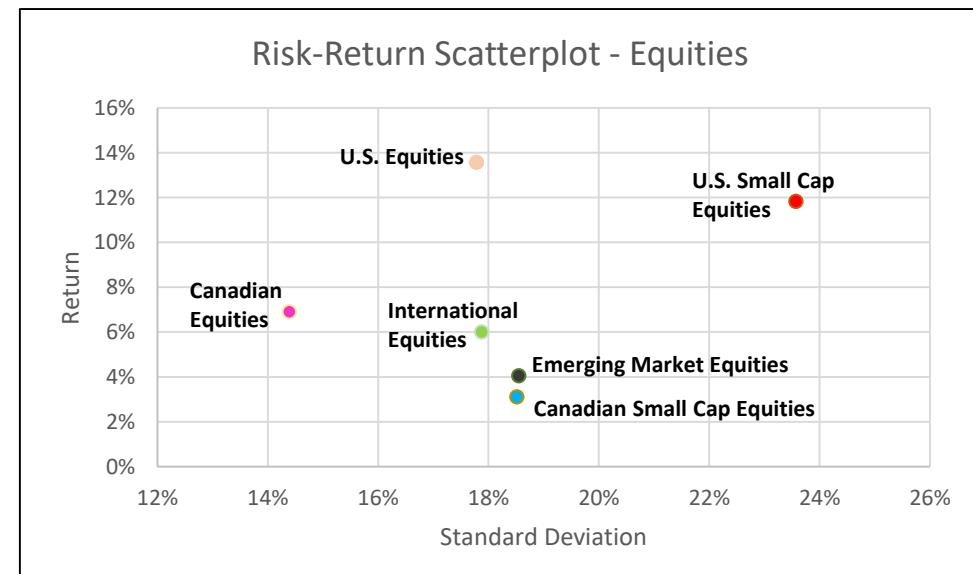
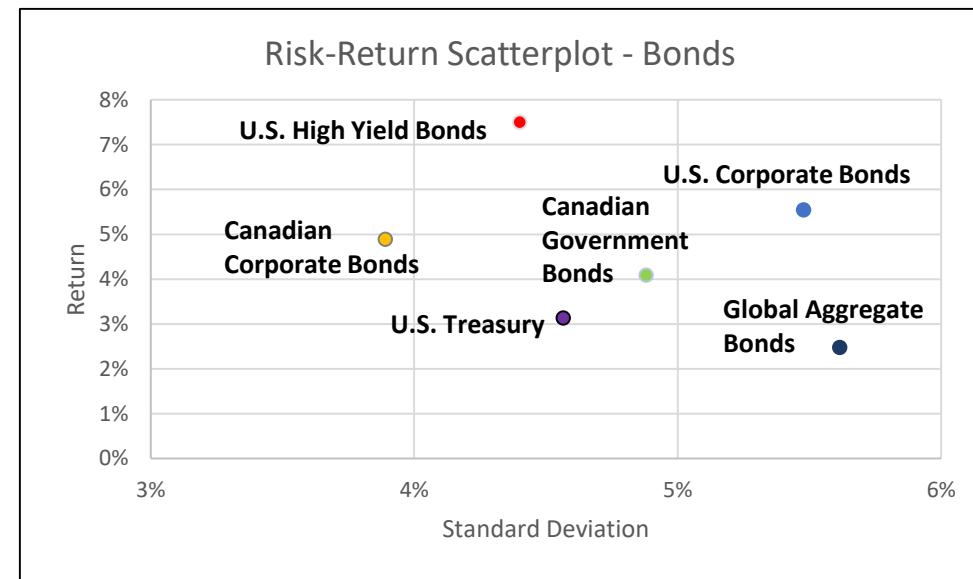
Source: Morningstar, CI Investments in CAD as of December 2019. Canadian Dividend = S&P/TSX Canadian Dividend Aristocrats; Canadian Core = S&P/TSX Composite; Canadian Risk Weighted = MSCI Canada Risk Weighted; Canadian Momentum = MSCI Canada Momentum; Canadian Equity Low Volatility = S&P/TSX Composite Low Volatility; World Growth = MSCI World Growth CAD; World Core = MSCI World CAD; World Value = MSCI World Value CAD; World Risk Weighted = MSCI World Risk Weighted CAD; U.S. Risk Weighted = MSCI USA Risk Weighted CAD; U.S. Dividend = S&P 500 Dividend Aristocrats CAD; U.S. Core = S&P 500 CAD; U.S. Low Volatility = S&P 500 Low Volatility CAD; U.S. Momentum = MSCI USA Momentum

## 10 Year Correlation and Risk-Reward of core asset classes

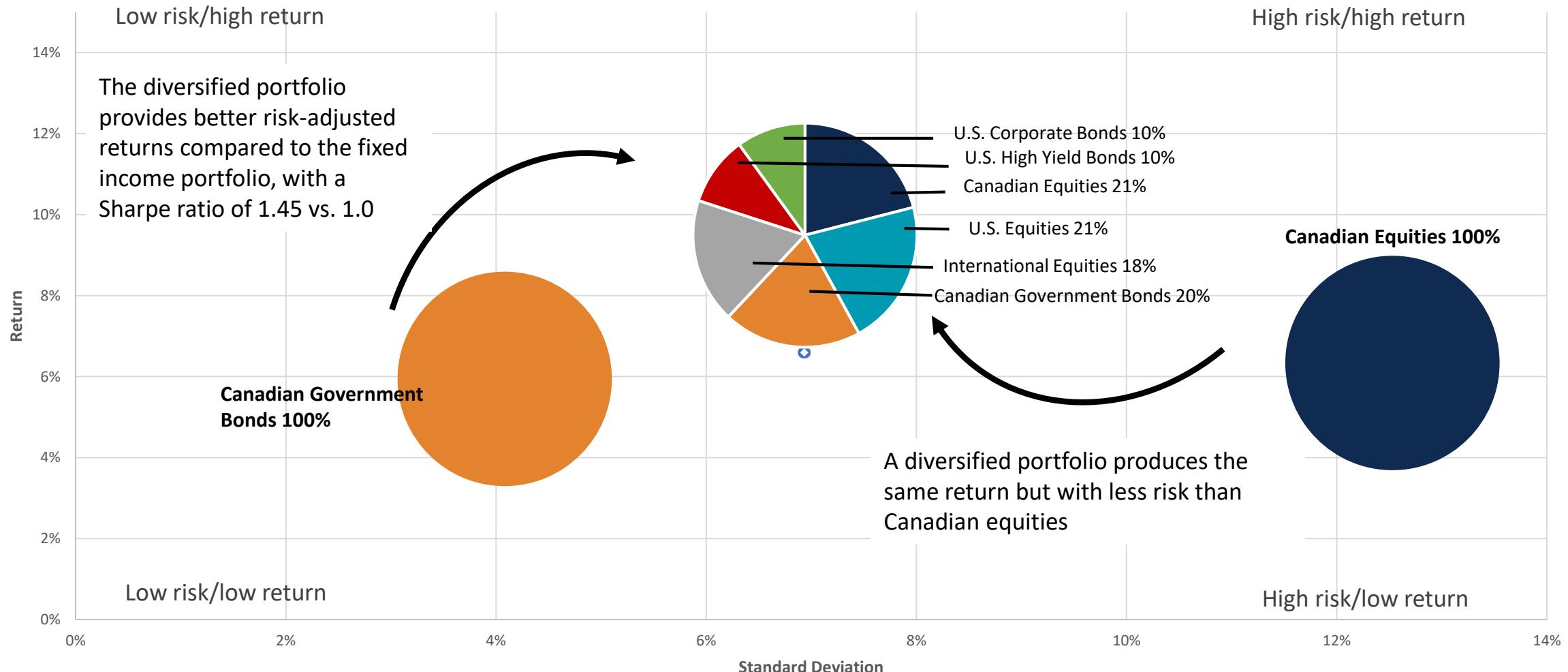
Investment	1	2	3	4	5	6	7	8	9	10	11	12
1 Canadian Government Bonds	1.00											
2 Canadian Corporate Bonds	0.92	1.00										
3 U.S. Treasury	0.03	0.04	1.00									
4 U.S. Corporate Bonds	0.02	0.03	0.93	1.00								
5 U.S. High Yield Bonds	0.01	0.01	-0.19	0.07	1.00							
6 Global Bonds	0.03	0.04	0.51	0.52	0.04	1.00						
7 Canadian Equities	0.02	0.01	-0.33	-0.22	0.44	-0.03	1.00					
8 Canadian Small Cap Equities	0.02	0.01	-0.19	-0.10	0.40	0.10	0.82	1.00				
9 U.S. Equities	0.00	0.00	-0.43	-0.32	0.42	-0.08	0.74	0.57	1.00			
10 U.S. Small Cap Equities	0.01	0.01	-0.42	-0.32	0.36	-0.09	0.71	0.58	0.91	1.00		
11 International Equities	0.02	0.01	-0.29	-0.11	0.60	0.25	0.55	0.48	0.56	0.50	1.00	
12 Emerging Market Equities	0.01	0.01	-0.25	-0.06	0.60	0.12	0.51	0.47	0.47	0.43	0.76	1.00

Source: Morningstar using daily returns in index base currency. Trailing 10 years as of December 31, 2019.

Canadian Government Bonds = FTSE TMX Canada All Government Bond; Canadian Corporate Bonds = FTSE TMX Canada All Corporate Bond, U.S. Treasury = Bloomberg Barclays U.S. Treasury TR USD; U.S. Corporate Bonds = Bloomberg Barclays U.S. Corporate Bond TR USD; U.S. High Yield Bonds = ICE BofA U.S. High Yield TR USD; Global Bonds = Bloomberg Barclays Global Aggregate TR USD; Canadian Equities = S&P/TSX Composite TR; Canadian Small Cap Equities = S&P/TSX Small Cap TR; U.S. Equities = S&P 500 TR USD; U.S. Small Cap Equities = Russell 2000 TR USD; International Equities = MSCI EAFE GR USD; Emerging Market Equities = MSCI Emerging Market GR USD

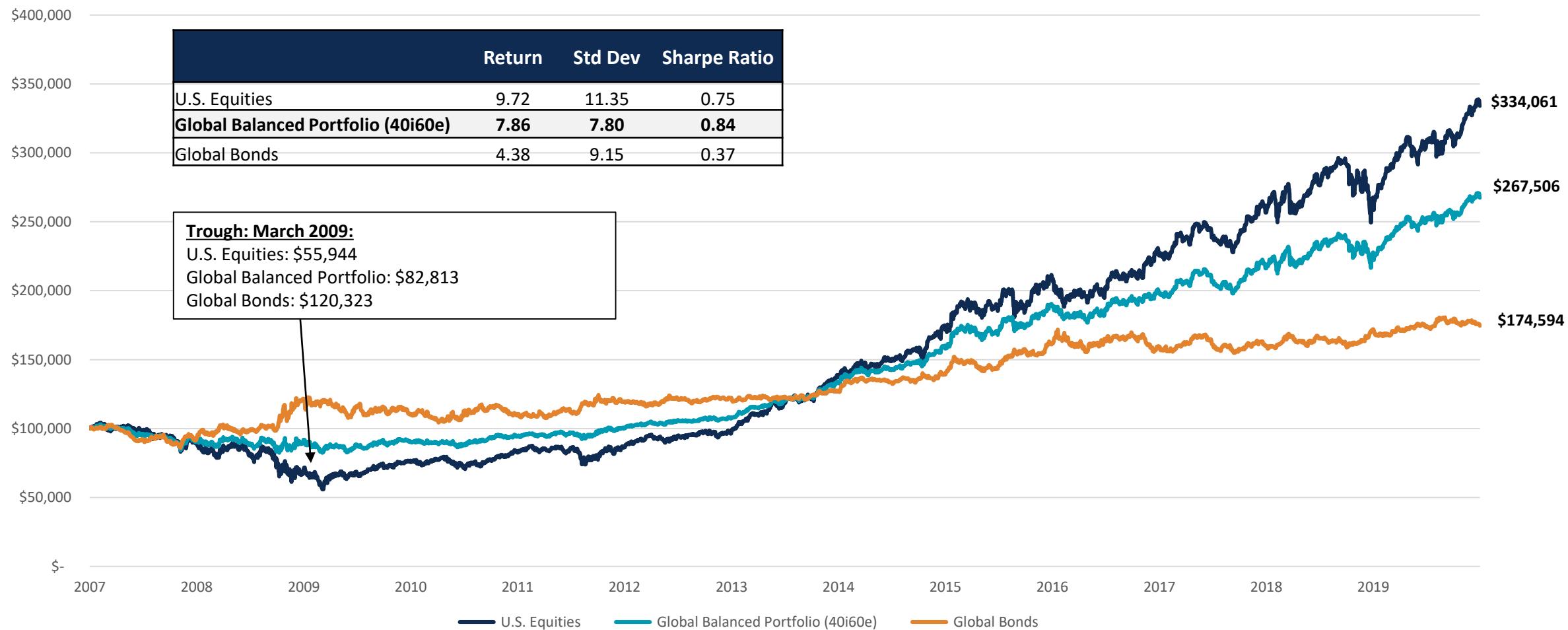


## Diversification provides better risk-adjusted returns



Source: Morningstar, CI Investments using monthly returns in CAD. Trailing 10-year returns as of December 31, 2019. Globally diversified portfolio = S&P 500 TR CAD (21%), S&P/TSX Composite TR (21%), FTSE Canada All Government Bond (20%), MSCI EAFE GR CAD (18%), ICE BofA US Corporate TR CAD (10%), ICE BofA US High Yield TR CAD (10%); Canadian Equities = S&P/TSX Composite TR; Canadian Bonds = FTSE Canada Universe Bond

## A global balanced portfolio produces a smoother ride



Source: Morningstar using daily returns in CAD. As of December 31, 2019. U.S. Equities = S&P 500 TR CAD; Global Balanced Portfolio = S&P 500 TR CAD (60%) + Bloomberg Barclays Global Aggregate Bond TR CAD (40%); Global Bonds = Bloomberg Barclays Global Aggregate Bond TR CAD

## Glossary of Terms

**Correlation:** A statistical measure of how two securities move in relation to one another. Positive correlation indicates similar movements, up or down, while negative correlation indicates opposite movements (when one rises, the other falls). Historically speaking, Canadian stocks and Canadian government bonds have been negatively correlated, while Canadian stocks and U.S. stocks have been positively correlated.

**Drawdown:** Measures the peak-to-trough decline of an investment or, in other words, the difference between the highest and lowest price over a given timeframe.

**Sharpe Ratio:** The Sharpe Ratio is a risk-adjusted return measure developed by Nobel Laureate William Sharpe. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the portfolio's historical risk-adjusted performance.

**Standard Deviation:** Standard deviation is widely used to measure risk in terms of the volatility of returns. It represents the historical level of volatility in returns over set periods. A lower standard deviation means the returns have historically been less volatile and vice-versa. Historical volatility may not be indicative of future volatility. There are other types of risks associated with the investments presented. Please read each fund's prospectus for further information on the specific risks related to the fund.

**Volatility:** Measures how much the price of a security, derivative, or index fluctuates. The most commonly used measure of volatility when it comes to investment funds is standard deviation.

# Disclaimer

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