

# US Equity Value Currency Hedged Pool

Management Report of Fund Performance for the period ended June 30, 2020

This semi-annual management report of fund performance contains financial highlights but does not contain the complete semi-annual or annual financial statements of the investment fund. You can get a copy of the semi-annual or annual financial statements at your request, and at no cost, by calling 1-888-664-4784, by writing to us at United Financial, 2 Queen Street East, Twentieth Floor, Toronto, ON, M5C 3G7 or by visiting our website at [www.assante.com](http://www.assante.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

## RESULTS OF OPERATIONS

The Fund's net assets decreased by \$2.1 million to \$18.4 million from December 31, 2019 to June 30, 2020. The Fund had net sales of \$0.5 million for the period. The Fund paid distributions totalling \$0.1 million while the portfolio's performance decreased assets by \$2.5 million. Series E units returned -14.0% after fees and expenses for the six-month period ended June 30, 2020. Over the same time period, the Fund's benchmark returned -3.1%. The benchmark is the S&P 500 Total Return Index (USD) (the Benchmark).

The performance of the Fund's other Series is substantially similar to that of Series E units, except for differences in the structure of fees and expenses. For the returns of the Fund's other Series, please refer to the "Past Performance" section.

The commentary pertains to the results of operations of the U.S. Equity Value Currency Hedged Corporate Class (Underlying Fund).

As the COVID-19 outbreak became a global pandemic, the longest bull market in U.S. history ended abruptly with the fastest onset of a bear market ever. Investors began the period with guarded optimism about the global economy, which appeared to be recovering from a manufacturing slump. Equity markets then crumbled from record highs in February as it became evident the virus was not contained within China and that governments would voluntarily shut down their economies to slow its spread - an unprecedented event.

Central banks provided liquidity while acknowledging that monetary policy had its limits and that fiscal policy needed to be more supportive. The U.S. Federal Reserve (Fed) cut short-term rates to zero and provided other forms of liquidity to keep credit markets functioning. The precipitous drop in stock prices continued unabated, however, until March 23 when the Fed announced unlimited purchases of Treasury bonds while Congress passed a massive \$2 trillion spending bill.

Stocks rebounded from there as investors looked past a steep drop in earnings. Sentiment improved as the rate of COVID-19 infections eventually declined and countries began gradually reopening their economies, although infections in the U.S. picked up again in June.

Security selection was positive primarily in the communication services and financials sector. This factor was offset however by both selection and a less-than-index weight in the information technology sector, which was up 20.7% for the period. A modest allocation to cash in a positive market environment also detracted somewhat from relative results. Currency hedging detracted from performance as the Canadian dollar depreciated against the U.S. dollar.

During the period, we purchased several new companies that fit well with our emphasis on cash generation and optimal capital deployment including Dollar General Corp., Dropbox Inc., Lam Research Corp., Merck & Co., McCormick & Company, Nexstar Media Group, Northrup Grumman, Restaurant Brands International, Thermo Fischer Scientific and Walmart Inc.

Companies sold included Applied Materials, Boeing Company, Charles Schwab Corporation, Huntington Ingalls Industries, Occidental Petroleum Corporation, Pfizer Inc., Raytheon Technologies Corporation, WEC Energy Group and Ventas Inc.

Overall, the Fund underperformed its benchmark.

## RECENT DEVELOPMENTS

A significant takeaway for the period is that growth trounced value and equity factors were very volatile. This should present an opportunity for active managers who focus on stock picking, as the biggest winners year-to-date were speculative growth stocks trading at high valuations.

As a result, we believe it is important to continue to invest in high-quality companies with stronger balance sheets, high returns on invested capital and positive cash generation. Many are now trading at more attractive valuations as a result of the recent market sell-off. Companies that fit this profile will be in a better position to recover quickly when the economic recovery commences.

Effective April 3, 2020, Stuart Hensman resigned as a member of the Independent Review Committee (IRC) of CI Funds and effective April 3, 2020, Donna Toth was appointed as a member of the IRC.

Effective on or about July 29, 2020, units that were previously issued as Class A units, Class E units, Class E2 units, Class E3 units, Class E4 units, Class E5 units, Class ET8 units, Class E3T8 units, Class E4T8 units, Class E5T8 units, Class F units, Class F2 units, Class F3 units, Class F4 units, Class F5 units, Class FT8 units, Class F3T8 units, Class F4T8 units, Class F5T8 units, Class I units, Class IT8 units, Class OF units, Class W units and Class WT8 units, as applicable, were renamed as Series A units, Series E units, Series E2 units, Series E3 units, Series E4 units, Series E5 units, Series ET8 units, Series E3T8 units, Series E4T8 units, Series E5T8 units, Series F units, Series F2 units, Series F3 units, Series F4 units, Series F5 units, Series FT8 units, Series F3T8 units, Series F4T8 units, Series F5T8 units, Series I units, Series IT8 units, Series OF units, Series W units and Series WT8 units, respectively.

## RELATED PARTY TRANSACTIONS

### **Manager, Portfolio Advisor, Trustee and Registrar**

CI Investments Inc. is the Manager, Portfolio Advisor, Trustee and Registrar of the Fund. CI Investments Inc. is a subsidiary of CI Financial Corp. The Manager, in consideration for management fees, provides management services required in the day-to-day operations of the Fund. The Manager bears all of the operating expenses of the Fund (other than taxes, borrowing costs and new governmental fees) in return for an administration fee.

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Management fee and administration fee rates as at June 30, 2020, for each of the Series are shown below:

	Annual management fee rate (%)	Annual administration fee rate (%)
Series E	1.900	0.21
Series F	0.900	0.21
Series I	Paid directly by investor	Paid directly by investor

The Manager received \$0.1 million in management fees and \$0.02 million in administration fees for the period.

## Management Fees

Approximately 23% of total management fees were used to pay for sales and trailing commissions. The remaining 77% of management fees were used to pay for investment management and other general administration.

## Related Fund Trading

Related fund trading occurs when a Fund purchases or sells units/shares of another Fund managed by the Manager. During the period ended June 30, 2020, the Fund engaged in related fund trading or held position(s) in related fund(s) at the end of the period.

## Principal Distributor

The Manager has the exclusive right to arrange for the distribution of units of the Fund. Pursuant to a series of agreements, the right to distribute such units has been granted, on a collective basis, to the following dealers, each of which is an affiliate of the Manager.

Assante Capital Management Ltd.

Assante Financial Management Ltd.

## Independent Review Committee

The Fund has standing instructions from the Fund's IRC with respect to the following related party transactions:

- a) trades in securities of CI Financial Corp.; and
- b) purchases or sales of securities of an issuer from or to another investment fund managed by the Manager.

The applicable standing instructions require, amongst others, that related party transactions be conducted in accordance with the Manager's policies and procedures and applicable law and that the Manager advise the IRC of any material breach of such policies. The standing instructions also require that investment decisions in respect of related party transactions (a) are free from any influence by an entity related to the Manager and without taking into account any consideration relevant to an entity related to the Manager; (b) represent the business judgment of the Manager uninfluenced by considerations other than the best interests of the Fund; (c) are made in compliance with the Manager's policies and procedures; and (d) achieve a fair and reasonable result for the Fund. Transactions made by the Manager under the standing instructions are subsequently reviewed by the IRC on a quarterly basis to monitor compliance.

The Fund relied on the IRC's standing instructions regarding related party transactions during this reporting period.

Except as otherwise noted above, the Fund was not a party to any related party transactions during the period ended June 30, 2020.

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## FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past periods.

Net Assets per Unit (\$) <sup>(1)(2)(4)</sup>	Increase (decrease) from operations:					Distributions:					Net assets at the end of the period shown <sup>(2)</sup>	
	Net assets at the beginning of period <sup>(2)</sup>	Total revenue	Total expenses (excluding distributions)	Realized gains (losses) for the period	Unrealized gains (losses) for the period	Total increase (decrease) from operations <sup>(2)</sup>	From net investment income (excluding dividends)	From dividends	From capital gains	Return of capital		Total distributions <sup>(2)(3)</sup>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Series E</b>												
Commencement of operations January 31, 2019												
Jun. 30, 2020	11.96	0.13	(0.12)	-	(1.44)	(1.43)	-	(0.06)	-	-	(0.06)	10.20
Dec. 31, 2019	10.00	0.01	(0.27)	1.32	1.02	2.08	-	-	-	-	-	11.96
Dec. 31, 2018	10.00	-	-	-	-	-	-	-	-	-	-	10.00
<b>Series F</b>												
Commencement of operations January 31, 2019												
Jun. 30, 2020	11.97	0.15	(0.06)	-	(1.55)	(1.46)	-	(0.08)	-	-	(0.08)	10.25
Dec. 31, 2019	10.00	0.04	(0.07)	0.79	1.12	1.88	-	-	-	-	-	11.97
Dec. 31, 2018	10.00	-	-	-	-	-	-	-	-	-	-	10.00
<b>Series I</b>												
Commencement of operations January 31, 2019												
Jun. 30, 2020	11.98	0.13	-	-	(1.29)	(1.16)	-	(0.10)	-	-	(0.10)	10.30
Dec. 31, 2019	10.00	0.01	-	1.31	1.04	2.36	-	-	-	-	-	11.98
Dec. 31, 2018	10.00	-	-	-	-	-	-	-	-	-	-	10.00

(1) This information is derived from the Fund's semi-annual and annual financial statements.

(2) Net assets per unit and distributions per unit are based on the actual number of units outstanding for the relevant Series at the relevant time. The increase (decrease) in net assets from operations per unit is based on the weighted average number of units outstanding for the relevant Series over the fiscal period.

(3) Distributions are automatically reinvested in additional units of the Fund.

(4) This information is provided for the period ended June 30, 2020 and the years ended December 31.

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## FINANCIAL HIGHLIGHTS (cont'd)

### Ratios and Supplemental Data <sup>(1)(5)</sup>

	Total net assets <sup>(5)</sup> \$000's	Number of units outstanding <sup>(5)</sup> 000's	Management expense ratio before taxes <sup>(2)</sup> %	Harmonized sales tax <sup>(2)</sup> %	Management expense ratio after taxes <sup>(2)</sup> %	Effective HST rate for the period <sup>(2)</sup> %	Trading expense ratio <sup>(3)</sup> %	Portfolio turnover rate <sup>(4)</sup> %
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#### Series E

Commencement of operations January 31, 2019

Jun. 30, 2020	14,117	1,384	2.10	0.27	2.37	13.00	-	10.47
Dec. 31, 2019	15,716	1,314	2.11	0.27	2.38	13.00	-	25.83
Dec. 31, 2018	17	2	-	-	-	-	-	-

#### Series F

Commencement of operations January 31, 2019

Jun. 30, 2020	263	26	1.11	0.14	1.25	13.00	-	10.47
Dec. 31, 2019	382	32	1.09	0.15	1.24	13.00	-	25.83
Dec. 31, 2018	17	2	-	-	-	-	-	-

#### Series I

Commencement of operations January 31, 2019

Jun. 30, 2020	4,007	389	-	-	-	-	-	10.47
Dec. 31, 2019	4,354	363	-	-	-	-	-	25.83
Dec. 31, 2018	17	2	-	-	-	-	-	-

(1) This information is derived from the Fund's semi-annual and annual financial statements.

(2) Management expense ratio is calculated based on expenses charged to the Fund (excluding commissions and other portfolio transaction costs) and is expressed as an annualized percentage of daily average net assets for the period, including the Fund's proportionate share of any underlying fund(s) expenses, if applicable. The Effective HST tax rate is calculated using the attribution percentage for each province based on unitholder residency and can be different from 13%.

(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period, including the Fund's proportionate share of such expenses of any underlying fund(s), if applicable.

(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the fiscal period. The higher a Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a higher turnover rate and the performance of a Fund. Portfolio turnover rate is calculated by dividing the lesser of the cost of purchases and the proceeds of sales of portfolio securities for the period, and excluding cash and short-term investments maturing in less than one year, and before assets acquired from a merger, if applicable, by the average of the monthly fair value of investments during the period.

(5) This information is provided for the period ended June 30, 2020 and the years ended December 31.

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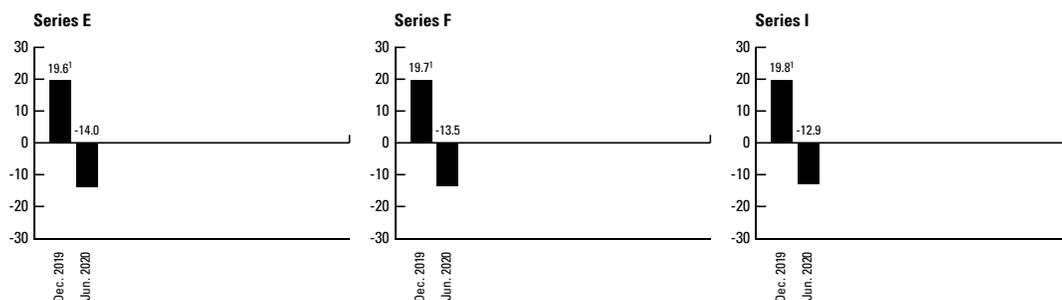
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## PAST PERFORMANCE

This section describes how the Fund has performed in the past. Remember, past returns do not indicate how the Fund will perform in the future. The information shown assumes that distributions made by the Fund in the periods shown were reinvested in additional units of the relevant Series of the Fund. In addition, the information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance.

### Year-by-Year Returns

The following charts show the Fund's semi-annual and annual performance for each of the periods shown and illustrate how the Fund's performance has changed from period to period. In percentage terms, the charts show how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period, except where noted.



<sup>1</sup> 2019 return is for the period from January 31, 2019 to December 31, 2019.

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## SUMMARY OF INVESTMENT PORTFOLIO as at June 30, 2020

Category*	% of Net Assets	Category*	% of Net Assets	Top 25 Holdings*	% of Net Assets
<b>Country allocation</b>		<b>Sector allocation</b>			
U.S.A. ....	92.8	Information Technology .....	22.5	Microsoft Corp. ....	8.6
Ireland .....	4.0	Health Care .....	17.3	Facebook Inc. ....	4.5
Canada .....	1.2	Communication Services .....	16.8	Alphabet Inc., Class C .....	4.3
Cash & Cash Equivalents .....	1.1	Financials .....	13.6	Broadcom Inc. ....	3.1
Foreign Currency Forward Contract(s) .....	0.9	Consumer Discretionary .....	9.7	UnitedHealth Group Inc. ....	2.9
Other Net Assets (Liabilities) .....	0.0	Industrials .....	8.0	Electronic Arts Inc. ....	2.9
		Consumer Staples .....	6.2	Charter Communications Inc. ....	2.4
		Materials .....	3.0	Danaher Corp. ....	2.4
		Cash & Cash Equivalents .....	1.1	Dollar Tree Inc. ....	2.2
		Real Estate .....	0.9	Centene Corp. ....	2.2
		Foreign Currency Forward Contract(s) .....	0.9	Agilent Technologies Inc. ....	2.1
		Other Net Assets (Liabilities) .....	0.0	Walmart Inc. ....	1.8
				Home Depot Inc. ....	1.8
				Visa Inc., Class A .....	1.8
				Merck & Co., Inc. ....	1.8
				Micron Technology Inc. ....	1.8
				Charles River Laboratories International Inc. ....	1.8
				Thermo Fisher Scientific Inc. ....	1.7
				Lam Research Corp. ....	1.7
				Universal Display Corp. ....	1.7
				Morgan Stanley .....	1.7
				KKR & Co., Inc. ....	1.7
				Bank of America Corp. ....	1.7
				McCormick & Co., Inc. ....	1.6
				TJX Co., Inc. ....	1.5
				<b>Total Net Assets (in \$000's)</b>	<b>\$18,387</b>

\*These are holdings and the breakdown of the underlying fund.

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund and updates will be available on a quarterly basis.

## A NOTE ON FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective," and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any

forward-looking statement made by the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchanges rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.