



American Equity Fund (CI Synergy) CI Investments Inc.

Lead managers(s): Michael Kimmel, David Picton

Performance review date: December 31, 2014

Investment objective: This fund's objective is to obtain long-term appreciation of capital. It invests primarily in equity and equity-related securities of companies that the portfolio advisor believes have good growth potential. These companies are located in countries that have signed the North American Free Trade Agreement (NAFTA).

Investment style: Growth

Annual fund performance (%)

	2010	2011	2012	2013	2014	5 yrs
American Equity Fund (CI Synergy)	10.37	0.29	12.23	43.50	19.87	16.40
S&P 500 Index (Can\$)	9.35	4.41	13.48	41.53	24.00	17.86
Value added (+) / lost (-)	1.02	-4.12	-1.25	1.97	-4.13	-1.46
Quartile ranking ⁽¹⁾	2nd	3rd	3rd	2nd	3rd	3rd

Annualized performance – relative rankings ⁽¹⁾ (ending December 31, 2014)

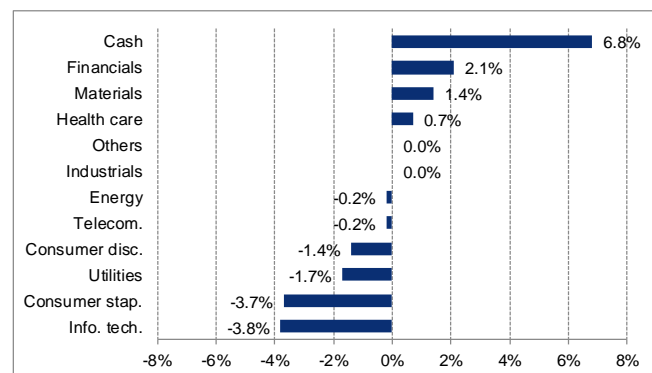
3 years	3rd	quartile
5 years	3rd	quartile
7 years	4th	quartile
10 years	2nd	quartile

Risk characteristics (5 years ending December 31, 2014)

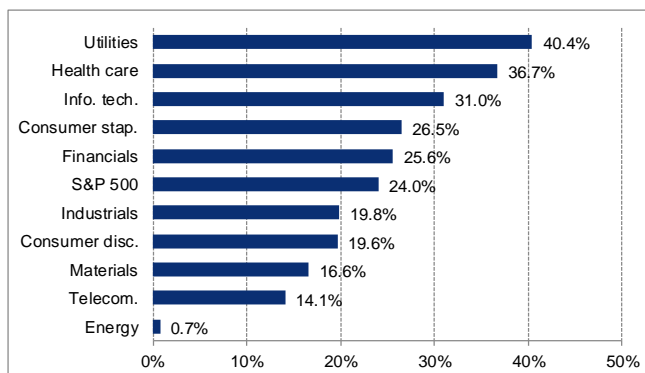
Downside volatility	1.52%	2nd	quartile
Standard deviation	9.97%	2nd	quartile
Tracking error	4.09%	2nd	quartile
Information ratio	-0.39	3rd	quartile
Beta	1.09	2nd	quartile

Portfolio positioning

Fund sector deviations



Year-to-date index sector performance



Short-term performance analysis

- In 2014, the fund underperformed its benchmark and ranks in the third quartile relative to its peers.
- Sector allocation was the main detractor of relative value, primarily due to a large allocation to cash.
- Security selection produced positive results, particularly within the Industrials and Consumer Discretionary sectors.
- Based on the S&P 500 style indices, growth stocks outperformed on average. Given the fund's growth investment bias, its style had a positive impact on short-term performance.

Long-term style analysis

	2010	2011	2012	2013	2014	5 years
Outperforming investment style	value	growth	value	growth	growth	value

Long-term performance analysis

- The fund underperformed its benchmark in three of the past five years and failed to add value on a five-year annualized basis. This long-term performance ranks it in the third quartile when compared to its peers.
- Sector allocation was negative more often than not and was the main detractor of relative value on a five-year annualized basis.
- Security selection produced mixed results over the long term.
- Based on the S&P 500 style indices, value stocks outperformed on average. Given the fund's growth investment bias, its style had a negative impact on long-term performance.

Significant corporate events

Corporate

- There were no significant corporate events over the last five years.

Fund specific

- There were no significant fund specific events over the last five years.

Quality & Choice commentary

- The American Equity Fund (CI Synergy) is a bottom-up, U.S. equity growth mandate where quantitative models and fundamental analysts search for companies experiencing positive changes to their fundamentals (revenue/earnings acceleration, earnings estimate revisions, positive earnings surprises, relative strength, etc.) as they feel it is a key driver of relative share price performance. The fund's investment process is most effective when economic growth is stable, whereas, it will tend to underperform when the economy is in a rapid transition period. This type of a strategy typically needs time for a trend to materialize and become sustainable in order to prosper.
- The fund has failed to add relative value over the long term and ranks in the lower peer-group quartiles. While this can be partly attributed to its particular quantitative investment process, which tends to underperform in very volatile equity markets (with multiple inflection points), we feel that the fund has not performed in line with our expectations as a US equity growth option on the Quality & Choice Investment Platform.
- We also believe the fund Manager has gradually started to shift away from the original growth investment philosophy of the fund.

Conclusion: We now rate this fund as NO LONGER PROMOTED, as the fund has not performed in line with our expectations as a US equity growth option on the Quality & Choice Investment Platform. This rating takes into account that the fund's underperformance over the long term can be partly attributed to its particular quantitative investment process.

Manager outlook

- In 2015 the Manager expects a continuation of strength and resiliency in equity markets as the “Goldilocks” backdrop of reasonable growth and benign inflation continues to gain traction. More specifically, the manager expects the U.S. economy to continue to grow at a reasonable rate and the U.S. Federal Reserve Board to finally hike rates by June 2015. Continued economic sluggishness in Europe, Japan, and China should be enough to offset U.S. inflationary pressures, keeping world growth in a “not too hot and not too cold” range where long-term interest rates do not rise too significantly. The manager continues to favour cyclical sectors in their portfolios, particularly information technology names, and they expect to be underweight energy and interest-rate-sensitive sectors with regulatory risk (utilities, financials, and telecommunications).

⁽¹⁾ Quartile rankings are based on the underlying fund's returns.

This report card is provided by Standard Life as a tool to assist you in the governance of your retirement plan.

Standard Life makes no representation or warranty, express or implied, as to the accuracy or completeness of the information provided. Though Standard Life has taken all reasonable measures to provide you with relevant information and professional opinions, based on reliable sources*, it reserves the right to correct any error or omission.

The opinion of Standard Life expressed in this report card shall not be the only factor to consider for decisions related to your plan's portfolio. Standard Life is not responsible for the outcome of decisions made based on the information and opinion provided in the report card.

* Sources may include, but are not limited to, Mercer MPA, Morningstar, Principia and Thomson Baseline

All rights reserved © 2014 The Standard Life Assurance Company of Canada

Standard Life Assurance Limited