

American Equity Fund (CI Synergy) CI Investments Inc.

31-12-2015

Lead manager(s): Michael Kimmel Investment style: Growth

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).

Last meeting date: January 13, 2016 Next estimated meeting date: N/A

Current Rating: **NO LONGER PROMOTED**

Annual fund performance (%)

	2011	2012	2013	2014	2015	5 yrs
American Equity Fund (CI Synergy)	0.29	12.23	43.50	19.87	18.87	18.14
S&P 500 Index (Can\$)	4.41	13.48	41.53	24.00	20.95	20.26
Value added (+) / lost (-)	-4.12	-1.25	1.97	-4.13	-2.08	-2.12
Quartile ranking ⁽¹⁾	3rd	3rd	2nd	3rd	3rd	3rd

Short-term performance analysis

- The Fund underperformed its benchmark in 2015 and ranks in the third quartile relative to its peers.
- Security selection was the main driver of added value, particularly within the Consumer Staples and Health Care sectors.
- The Fund's cash weight was the largest drag on performance.
- The Fund was significantly overweight to the Financials sector and underweight to the Information Technology and Utilities sectors at the end of 2015.
- 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 performance analysis

- The Fund underperformed its benchmark in four of five of the past years, and lagged behind the benchmark on a five-year annualized basis. This long-term performance ranks it in the third quartile when compared to its peers.
- Security selection was positive in three of five annual periods. As expected, performance was mainly derived from security selection.
- Sector allocation weighed on performance over the long term.
- The Fund has consistently maintained its growth investment bias and approach to portfolio management over the long-term.
- 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 long-term performance.

Significant corporate events

Corporate

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

Fund specific

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

IMS 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.
- Concerns in regards to Fund performance resulted in the Fund being recommended to be No Longer Promoted as at December 31, 2014.

Conclusion:

- As of February 2015, the Fund remains No Longer Promoted as an investment option based on this past analysis conducted by IMS.

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

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

Manulife makes no representation or warranty, express or implied, as to the accuracy or completeness of the information provided. Though Manulife 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 Manulife expressed in this report card shall not be the only factor to consider for decisions related to your plan's portfolio. Manulife 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 © 2015 The Manufacturers Life Insurance Company

The Manufacturers Life Insurance Company