



CI Global Markets Outlook Forum

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PRESENTED BY ALTRINSIC GLOBAL ADVISORS, LLC

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“We have two classes of forecasters: those who don’t know – and those who don’t know what they don’t know.”

- John Kenneth Galbraith

Introduction to Altrinsic Global Advisors, LLC

Greenwich, Connecticut based global equity boutique

- Approximately CAD \$10.1 billion in assets under management¹
- Sophisticated institutional client base domiciled in North America, Europe, and Australasia

Bottom up intrinsic-value discipline

- Focus on future cash flow generation, normalized margins, risk
- Leads us to 2 types of opportunities:
 - 1) Undervalued businesses with strong and sustainable financial productivity
 - 2) Undervalued businesses in which profitability levels will increase from depressed levels

Exclusive Canadian sub-advisory relationship with CI Financial

- CI Global Value Fund, CI International Value Fund
- CI Global Managers Fund, CI Global Health Care Fund, United Financial International Equity Value Corporate Class, United Financial Institutional Managed International Equity Pool, United Financial International Equity Value Pool
- International subadvisor to CI Asset Allocation Fund and CI Canadian Investment Fund

¹As of 03/31/10
Currency: CAD

Key Points/Global Equity Perspectives

1. The last decade was one of robust economic expansion, rising living standards, low crime rates, and disappointing global equity market performance

- The next decade could be characterized by disappointing economic performance, challenging living standards, and favorable equity market returns

2. Risks are real but they are increasingly well known

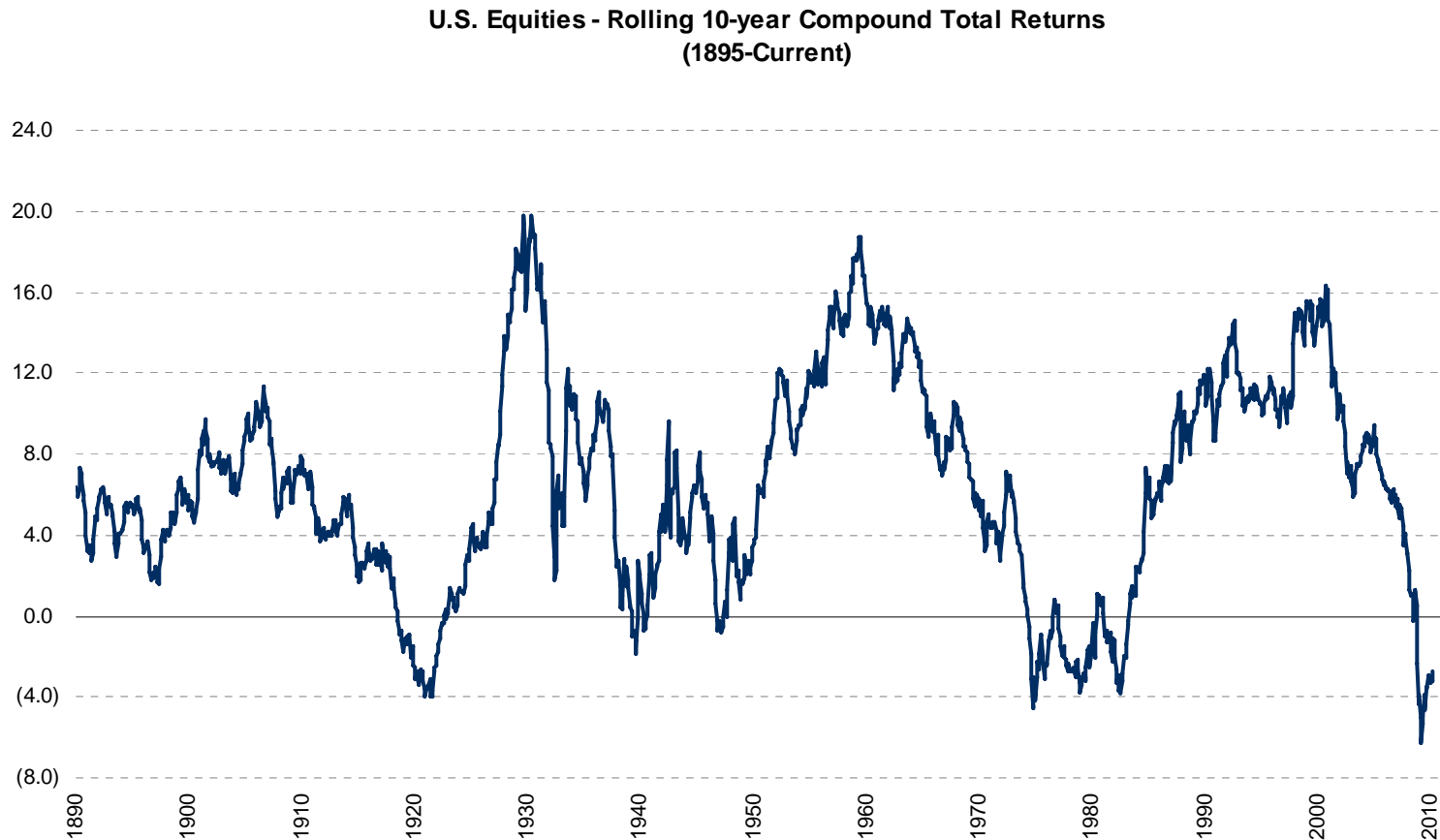
- Sovereign, financial sector (Europe & U.S. regionals), highly leveraged companies, the tug-of-war between deflation and inflation, China

3. Opportunities are primarily at the company level where a great dichotomy exists

- Highly leveraged and cyclical companies appear expensive and offer an unfavorable symmetry of possible outcomes
- Well-capitalized companies with strong franchises and sustainable cash-flow generation offer attractive value

Past Ten Years – Worst Since ‘30s

U.S. Equities – Rolling 10-year Compound Total Returns (1895-Current)



As of 03/31/10
Source: Morgan Stanley

Risks and Opportunities in Financials

Liquidity Risk

- How is your company funded? Is it reliant on quality deposits? Or, is your company purely dependant on others' “confidence” to keep your lights on?

Solvency Risk

- Does the value of your assets cover your liabilities while providing sufficient capital?

	North America	Europe	Japan
Liquidity Condition	=/+	--	++
Solvency Condition	=	--	=

Seek opportunities among well-capitalized companies suffering from lateral damage.

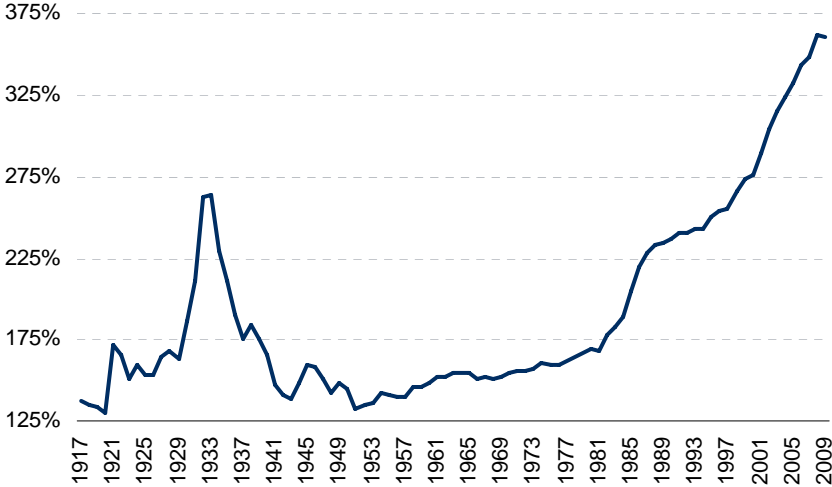
Risks: Inflation vs. Deflation

Deflation?

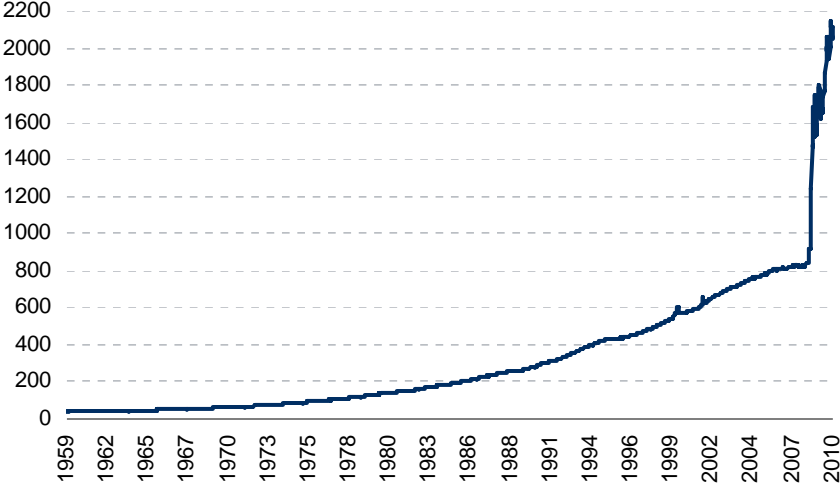


Inflation?

U.S. Total Credit Market Debt % GDP



U.S. Monetary Base (\$ Billions) (S.A.) (1959-Q1 2010)



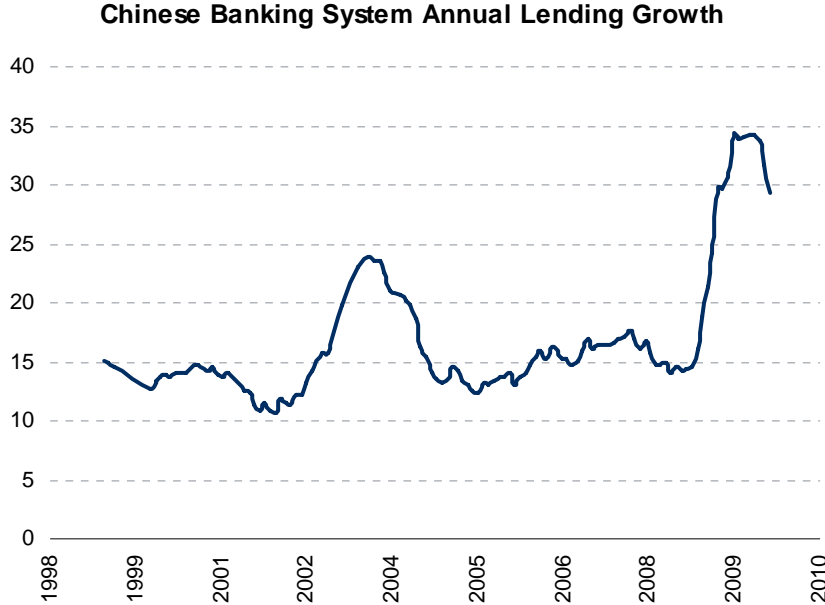
As of 12/31/09
Source: Federal Reserve, U.S. Bureau of Economic Analysis, ISI

As of 03/31/10
Source: Federal Reserve

China: Inflationary Pressures, Bank Lending Bubble



Source: CLSA

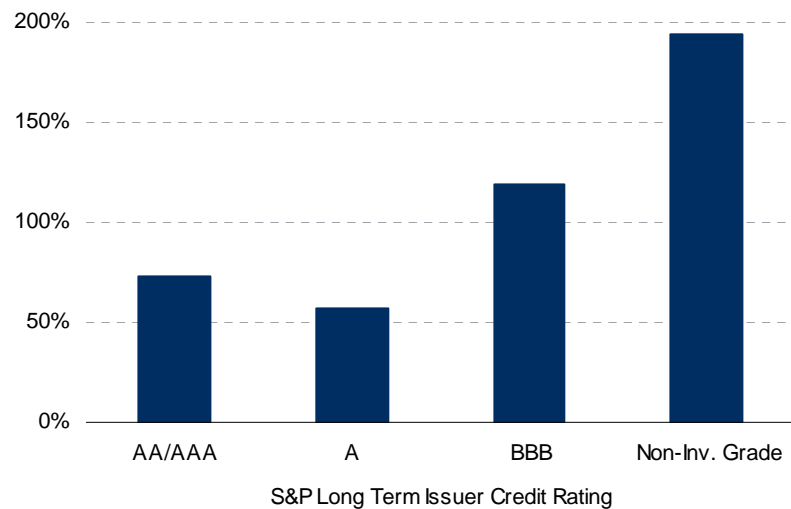


As of 01/31/10
Source: Bloomberg, CIEC

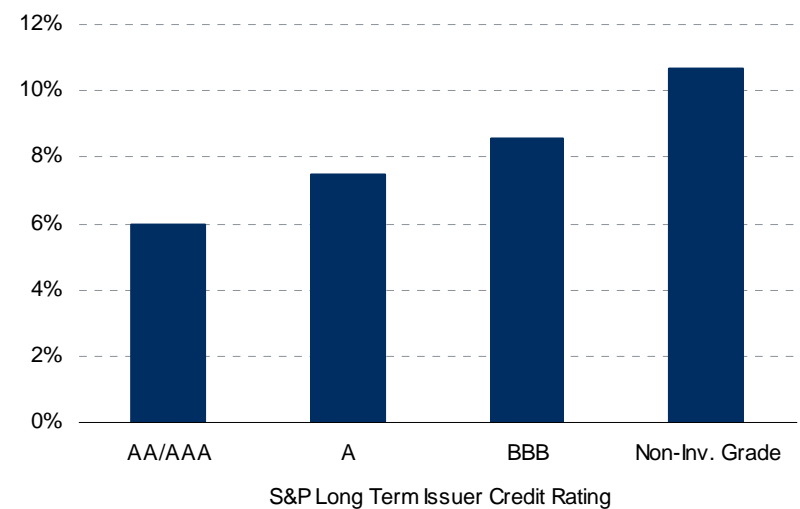
Average annual wage increase in China for past 20 years has been 12%. Labor is no longer cheap and secular disinflationary forces, combined with substantial increase in M*V, will likely become a global source of inflation. Headline inflation in Asia even more prone to swings in food and energy than developed countries.

A Dichotomy in Markets

Junk-Rated Stocks Have Led Since March 2009 Bottom¹...



...And Have Continued to do so in Q1 2010²



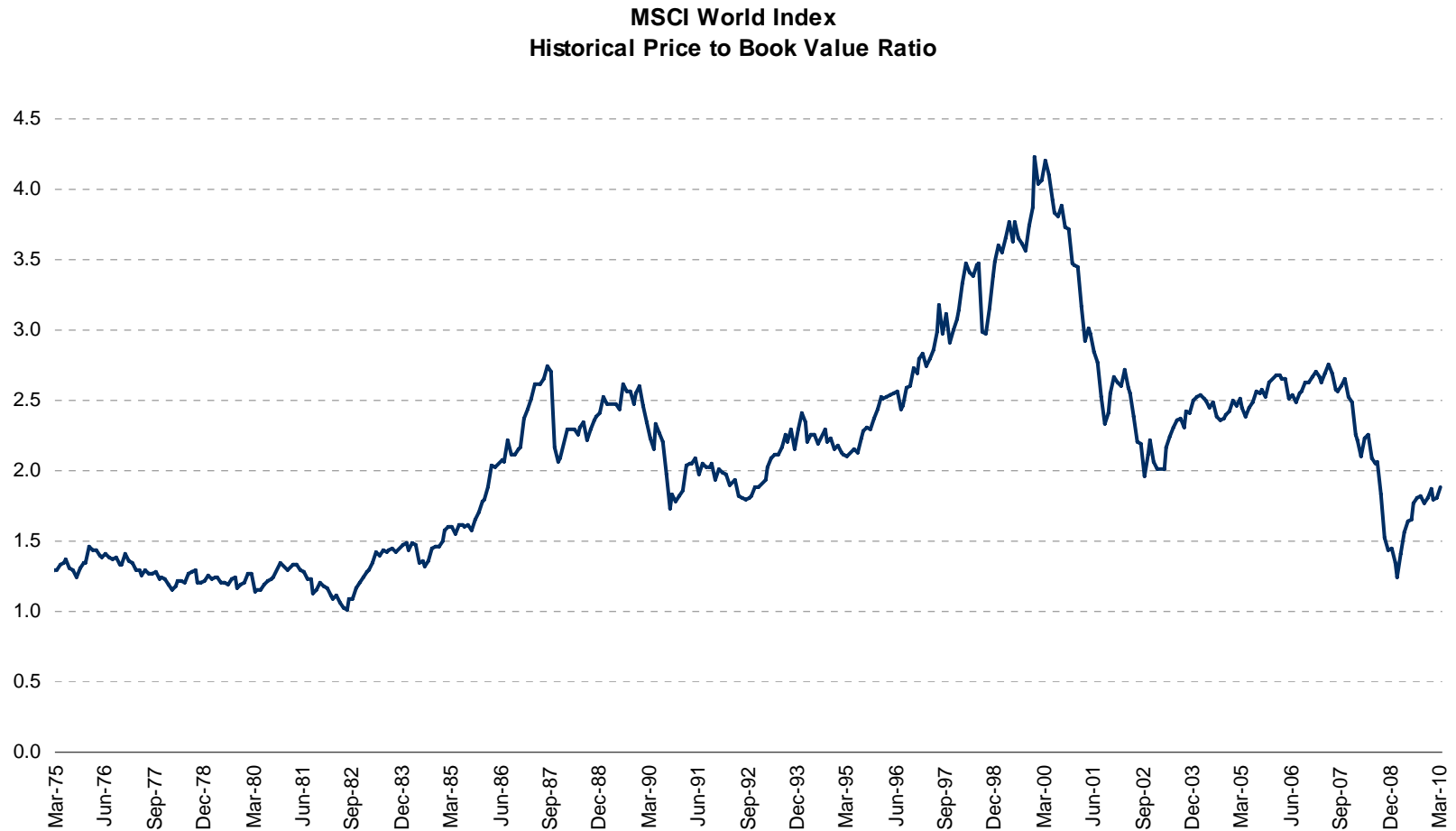
However, momentum among this leadership subsided later in Q4.

¹As of 12/31/09; ²As of 03/31/10

Source: Standard & Poor's

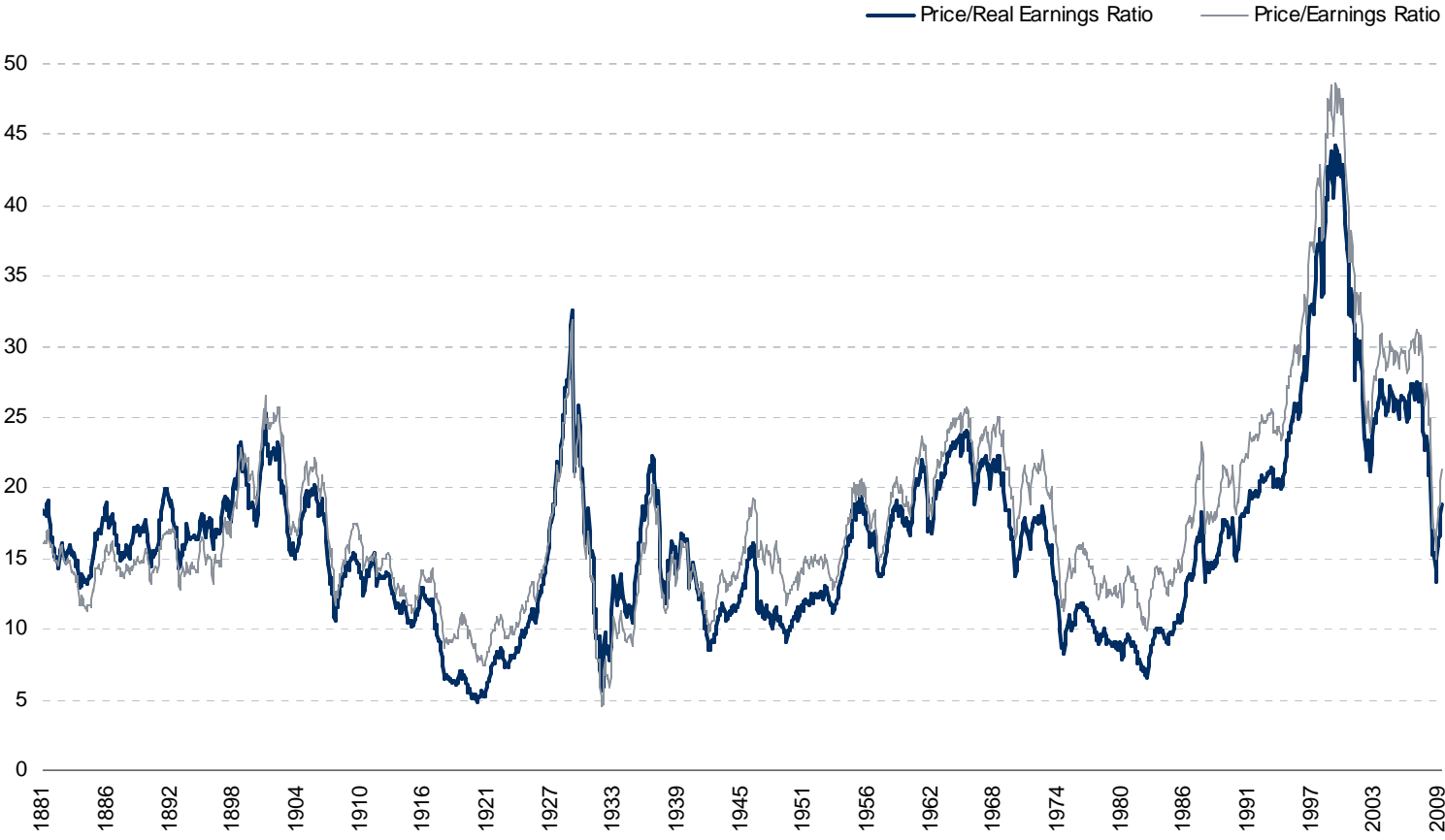
Illustrative total returns of companies in the S&P 500, equal-weighted, grouped according to S&P credit rating.

Global Valuations in Middle of Historical Range



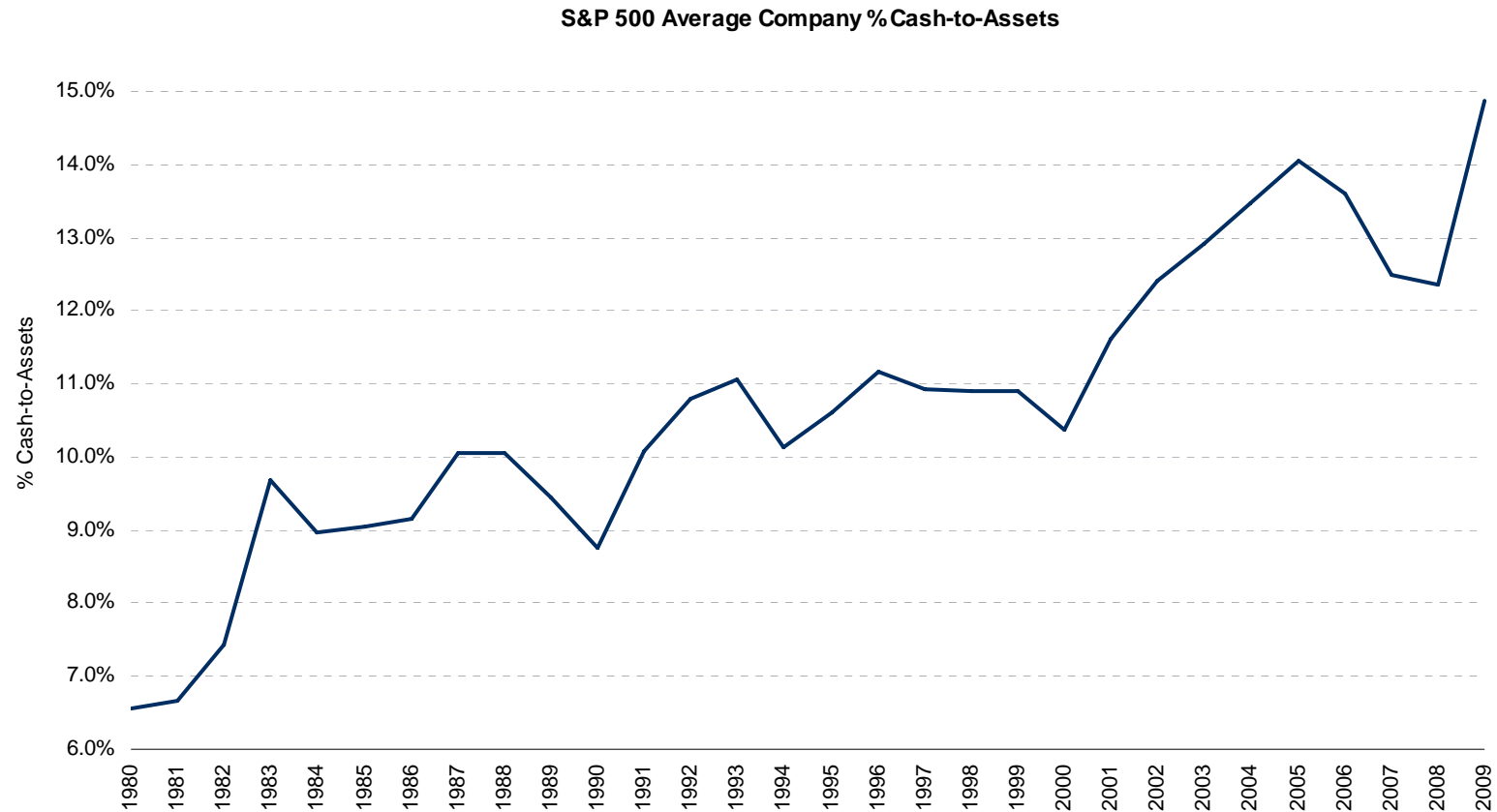
As of 03/31/10
Source MSCI Barra, Factset

U.S. Graham and Dodd and Shiller PE (S&P)



As of 09/30/09
Source: Robert Shiller (Yale University), Société Générale Cross Asset Research

Opportunity for Cash to be Deployed for Shareholder Value



As of 12/31/09; Source: Factset Fundamentals, Altrinsic Research
Data includes all S&P 500 constituents ex-financials; % amount represents average of all cash-to-asset ratios.

Themes Embedded in our Portfolio

Balance sheet strength and margin of safety

- Throughout portfolio
-

Low absolute valuation level

- Throughout portfolio
-

Low valuation and sustainable ROE prospects, particularly among:

- Leading European-based multinational consumer franchises
 - Leading technology franchises
 - Certain multinational healthcare companies
-

Undervalued, asset rich, and scope for improving ROEs

- Supply-constrained commodity companies
 - Selective E&P and natural gas exposure
-

Depressed valuations among leadership companies in cyclically challenged but structurally sound industries

- Japanese industrials, automation, robotics
 - Network infrastructure/technology
 - Media
 - Medical equipment
 - Wireless
-

Significantly underweight Western financials, overweight in Asia

- Lingering NPLs and weak balance sheets in west
 - Well-capitalized and undervalued financials in Japan/Other Asia with scope for improving ROEs
-

Portfolio Construction & Risk Matrix

Altrinsic Global Equity Mandate

Industry & Geographic Exposure

Systematic Risk Controls

- Maximum 20% emerging markets exposure
- Maximum 15% small cap exposure
- Greater of +/- 15% or 0.5 to 2.0x benchmark weights for major geographies and super sectors
- Typically 60–100 holdings
- Low turnover

	Geographic Exposure									
			NORTH AMERICA		EUROPE		JAPAN		OTHER	
	Altrinsic	Index	Altrinsic	Index	Altrinsic	Index	Altrinsic	Index	Altrinsic	Index
	97.8	100.0	40.6	54.2	34.3	29.9	18.6	10.1	4.3	5.8
CONSUMER DISCRETIONARY	11.8	10.6	4.1	5.9	6.0	2.3	1.7	2.1	-	0.3
CONSUMER STAPLES	9.9	9.0	2.5	4.7	7.5	3.4	-	0.5	-	0.4
ENERGY	10.0	10.4	6.0	6.8	4.0	3.3	-	0.1	-	0.3
FINANCIALS	16.2	20.9	6.7	9.5	2.2	7.2	5.5	1.6	1.8	2.7
HEALTH CARE	11.7	10.0	6.1	6.3	5.6	3.0	-	0.6	-	0.1
INDUSTRIALS	14.9	10.9	5.3	5.4	2.4	2.8	6.0	2.1	1.2	0.5
INFORMATION TECHNOLOGY	13.7	12.1	5.8	9.5	3.3	1.0	4.1	1.4	0.5	0.1
MATERIALS	7.4	7.5	3.7	2.6	1.5	2.9	1.5	0.8	0.8	1.1
TELECOMMUNICATION SVCS	1.6	4.2	0.4	1.6	1.2	2.2	-	0.4	-	0.2
UTILITIES	0.6	4.3	-	1.7	0.6	1.8	-	0.6	-	0.2

As of 03/31/10, Source: MSCI World (Net) Index
Sector and regional portfolio weights, based upon a representative fully discretionary account with the global mandate, are presented as supplemental information to a full disclosure presentation found in the appendix.

Current Positioning

- **Consumer Discretionary – Overweight:** Stock-specific opportunities in segment facing macro headwinds.
- **Consumer Staples – Slight overweight:** Underweight U.S., large positions in European-based multinational franchises.
- **Energy – Neutral:** North American E&Ps, services and integrated majors.
- **Financials – Underweight:** Significantly underweight Europe, overweight Japan.
- **Healthcare – Overweight:** Opportunities among pharma, specialty, and medical device companies.
- **Industrials – Overweight:** Opportunities primarily in U.S. and Japan.
- **Technology – Overweight:** Focus on defensible models, valuation, balance sheet strength, and free cash flow generation.
- **Materials – Neutral:** Trimming positions in precious metals and hard commodities, adding in agriculture/soft commodities.
- **Telecom – Underweight:** Low valuation, but intensifying regulatory and competitive pressures.
- **Utilities – Underweight:** Screens suggest value beginning to emerge.

Summary

You don't make money looking in the rear view mirror.

It is important to understand the big picture but impossible to predict it.

Capitalize on greed and fear. Focus on undervalued and financially productive companies.