SIGNATURE
GLOBAL ASSET MANAGEMENT™

Signature Global Bond Fund
Second Quarter 2019

Market Overview

- The global economic outlook has softened since the first quarter of 2019, with inflation remaining uncomfortably low and growth risks generally skewed to the downside. Despite a de-escalation in the U.S-China trade conflict during the recent G-20 summit, the outcome of subsequent talks remains highly uncertain and continues to weigh on business sentiment and global growth.

- Anticipating economic deceleration, central banks around the world stand ready to ease monetary policy. Accordingly, markets have priced in rate cuts from the U.S. Federal Reserve (the "Fed") and the European Central Bank (ECB), precipitating a further decline in interest rates around the globe during the second quarter of 2019. As a point of reference, 10-year bond yields dropped 0.4% in the United States, 0.25% in Europe and 0.15% in Canada this quarter.

- In the United States, despite moderate economic growth and a robust labour market, inflation continues to undershoot the Fed's 2% target. Persistently low inflation is front and centre to the Fed's dovish (i.e., cautious) tack earlier this year. More recently, the Fed cited concerns about the impact of escalating trade tensions and cross-currents from global growth, thereby cementing market expectations of so-called "insurance" rate cuts.

- Similarly, in Europe, a worsening economic outlook and uncertainty over Brexit emphasize the downside risks to growth. The ECB, alongside the Fed, has opened the door to additional monetary policy accommodation, including lowering forward guidance, interest-rate cuts and quantitative easing.

- The Bank of Canada had maintained its policy rate steady since October 2018. Recent Canadian economic and inflation data, helped by the recovery of the energy sector, had surprised to the upside relative to the Bank of Canada's most recent economic forecasts. Nevertheless, escalated trade tensions and dimming global growth prospects continued to weigh on the economic outlook.

SIGNATURE
GLOBAL ASSET MANAGEMENT™

Performance Summary

- Over the second quarter of 2019, Class F of Signature Global Bond Fund (the "Fund") returned 1.3%, slightly outperforming its benchmark, the J.P. Morgan Global Government Bond Total Return Index, which returned 1.2% over the same period.

- The total return for both the Fund and the benchmark was predominantly attributed to duration exposure as interest rates globally rallied sharply over the quarter. Total returns were hurt by currency exposures, as the Canadian dollar was one of the best-performing currencies among G10 countries.

- Relative to the benchmark, an overweight duration positioning in U.S. and Canadian government bonds added 0.38% to the Fund's outperformance, while net currency positioning contributed 0.1%. In addition, credit spread exposures – U.S. investment-grade corporates and U.S.-dollar-denominated emerging-market sovereign bonds – contributed 0.12%. However, duration positioning in the Japanese yen and peripheral European government bonds detracted 0.19% and 0.17%, respectively, from alpha, given the Fund's underweight position in these markets.

Portfolio Activity

- During the quarter, we maintained the Fund's exposure to credit spreads via U.S. investment-grade corporates and selected U.S.-dollar-denominated emerging-market sovereign bonds. Our view is that continued accommodative policy from major central banks will be supportive of higher-yielding assets.

- Similarly, we remain overweight in French government bonds and have added to the Fund's position in Spanish government bonds, as negative yields in Europe and Japan, together with ample liquidity conditions, are conducive for further spread compression. The Fund's exposure to Italian bonds, however, remains underweight due to political risks.

- We increased the Fund's currency exposure to the Japanese yen during the quarter on the view that the Fed and the ECB have more room to ease monetary policy than the Bank of Japan, which would strengthen the yen versus the U.S. dollar and the euro.

SIGNATURE
GLOBAL ASSET MANAGEMENT™

- The Fund's Japanese-yen duration exposure remained underweight relative to the benchmark in favour of higher-income-generating Canadian- and U.S.-dollar-denominated bonds.

Outlook

- The global economic outlook has softened, with inflation remaining uncomfortably low and growth risks generally skewed to the downside. Against this backdrop, central banks around the world have signalled a bias to ease monetary policy, and markets have moved to price in such a scenario. Overall, we hold a positive outlook for interest rates globally.

- In the United States, with roughly 70 basis points (bps) of Fed rate cuts by year-end currently priced into markets, a tactical approach is warranted. The near-term direction of government bond yields will depend on the evolution of economic data uncertainty around trade disputes. Longer term, however, we view the significant decline in government bond yields as part of a recalibration of market expectations to structurally lower interest rates.

- In Europe, the economic outlook has also weakened and inflation remains stubbornly low. The ECB has tacked cautious alongside the Fed, opening the door for lowering forward guidance, interest-rate cuts (deeper into negative territory) and expansion of quantitative-easing measures.

- In Canada, we hold a neutral outlook. Market pricing of the Bank of Canada's policy rate path continues to reflect an anticipation of interest-rate cuts, with an initial 25-bp move over the next 12 months near fully priced in. United States-led trade conflicts with other nations have increased the downside risks to already slowing global economic activity, and the Canadian economy is not immune to these risks. Inversion remains a feature of the Canadian yield curve for now. However, moving forward, we see the degree of inversion reduced.

Class F returns (in %) as at June 30, 2019	Year-to-date	1 year	3 year	5 year	10 year	Since inception (08/08/2000)
Signature Global Bond Fund	1.0	4.1	-0.4	4.1	3.4	3.6

Sources: Bloomberg L.P. and Signature Global Asset Management, as at June 30, 2019.

CI Investments | Trusted Partner in Wealth™

IMPORTANT DISCLAIMERS

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns net of fees and expenses payable by the fund (except for figures of one year or less, which are simple total returns) including changes in security value and reinvestment of all dividends/distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

Certain statements in this document are forward-looking. Forward-looking statements ("FLS") are statements that are predictive in nature, depend upon or refer to future events or conditions, or that include words such as "may," "will," "should," "could," "expect," "anticipate," "intend," "plan," "believe," or "estimate," or other similar expressions. Statements that look forward in time or include anything other than historical information are subject to risks and uncertainties, and actual results, actions or events could differ materially from those set forth in the FLS. FLS are not guarantees of future performance and are by their nature based on numerous assumptions. Although the FLS contained herein are based upon what CI Investments Inc. and the portfolio manager believe to be reasonable assumptions, neither CI Investments Inc. nor the portfolio manager can assure that actual results will be consistent with these FLS. The reader is cautioned to consider the FLS carefully and not to place undue reliance on FLS. Unless required by applicable law, it is not undertaken, and specifically disclaimed that there is any intention or obligation to update or revise FLS, whether as a result of new information, future events or otherwise.

This commentary is published by CI Investments Inc. The contents of this piece are intended for informational purposes only and not to be used or construed as an endorsement or recommendation of any entity or security discussed. The information should not be construed as investment, tax, legal or accounting advice, and should not be relied upon in that regard. Individuals should seek the advice of professionals, as appropriate, regarding any particular investment. Investors should consult their professional advisors prior to implementing any changes to their investment strategies. These investments may not be suitable to the circumstances of an investor. Some conditions apply.

Certain statements contained in this communication are based in whole or in part on information provided by third parties and CI Investments Inc. has taken reasonable steps to ensure their accuracy. Market conditions may change which may impact the information contained in this document.

The comparison presented is intended to illustrate the mutual fund's historical performance as compared with the historical performance of widely quoted market indexes or a weighted blend of widely quoted market indexes or another investment fund. There are various important differences that may exist between the mutual fund and the stated indexes or investment fund, that may affect the performance of each. The objectives and strategies of the mutual fund result in holdings that do not necessarily reflect the constituents of and their weights within the comparable indexes or investment fund. Indexes are unmanaged and their returns do not include any sales charges or fees. It is not possible to invest directly in market indexes.

SIGNATURE
GLOBAL ASSET MANAGEMENT™

CI Investments and the CI Investments design are registered trademarks of CI Investments Inc. Signature Global Asset Management and Signature Funds are trademarks of CI Investments Inc. Signature Global Asset Management is a division of CI Investments Inc.

© CI Investments Inc. 2019. All rights reserved. "Trusted Partner in Wealth™" is a trademark of CI Investments Inc.

Published July 25, 2019.

CI Investments® | Trusted Partner in Wealth™