SIGNATURE INCOME & GROWTH FUND

Q1-2021 Commentary

FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I*
Signature Income & Growth Fund, Series F*	29.2%	6.5%	8.2%	6.7%	7.6%
Benchmark: 35% S&P/TSX Composite Index, 25% MSCI ACWI Index, 20% FTSE Canada Universe Overall Bond Index, 20% BofAML U.S. High Yield Index	25.7%	8.5%	8.9%	7.9%	N/A

* Inception date of Signature Income & Growth Fund, Series F: November 11, 2000.

Source: CI Global Asset Management, as at March 31, 2021.

PERFORMANCE SUMMARY

- In the first quarter of 2021, Signature Income & Growth Fund, Series F (the Fund) returned 4.9% compared with its benchmark, 35% S&P/TSX Composite Index, 25% MSCI ACWI Index, 20% FTSE Canada Universe Overall Bond Index, 20% BofAML U.S. High Yield Index, which returned 2.5%.
- The Fund outperformed its benchmark primarily as a result of stock selection in the financials and energy sectors. A large overweight position in the financials sector also contributed to performance. The equity market shift from growth to cyclical stocks in late 2020 continued to be a key market driver in the early months of 2021, for which the Fund was well positioned.
- A significantly underweight position in government bonds significantly contributed to the Fund's performance as the ongoing rebound in mid- and long-term interest rates weighed heavily on returns in this asset class.

CONTRIBUTORS TO PERFORMANCE

The Fund's position in Manulife Financial Corp. was a key driver of performance during the period. The company's share price recovered as the company benefited from rising interest rates, rising equity markets and its fast-growing Asian geographic footprint. The stock remains relatively inexpensive and should continue to benefit from rising earnings expectations and valuations. A holding in Canadian Natural Resources Ltd. also contributed to the Fund's performance. The company's oil sands operations, strong capital efficiency, and solid dividend yield helped propel the stock higher as oil prices recovered. If the Organization of the Petroleum Exporting Countries' recent willingness to manage the supply side of the oil market persists, oil prices could remain elevated for an extended period of time.

DETRACTORS FROM PERFORMANCE

The shares of Alimentation Couche-Tard Inc. underperformed the broader market as the company pursued an uncharacteristic acquisition of French grocer Carrefour SA, which was ultimately blocked by the French government. The potential deal brought into question Alimentation Couche-Tard's historically strong capital allocation and the durability of its convenience store acquisition pipeline. At current levels, we continue to see value in the company given its underlying fundamentals and attractive valuation. The Fund's holding in Wheaton Precious Metals Corp. underperformed primarily as a result of declining commodity prices. Gold and silver, the company's two main exposures, were down approximately 10% and 7%, respectively. Equity investors were also more focused on economically sensitive stocks and those companies that would benefit from economic re-opening during the quarter.

PORTFOLIO ACTIVITY

During the quarter, the Fund added a position in US Foods Holding Corp., a leader in the food service distribution industry. We expect good earnings growth going forward from increased consolidation of this fragmented industry, improved margins from scale efficiencies, further penetration of supplying independent restaurants, and near-term growth from the post-pandemic recovery of the restaurant industry. Ballard Power Systems Inc. was eliminated from the Fund. We had purchased shares in the company based on an expectation of increased sales from its leading hydrogen fuel cell technology applications. We still believe this to be the case, but its shares have risen approximately 150% over a six-month period, which we felt was too aggressive relative to the slower pace of actual expected sales growth.

MARKET OVERVIEW

The COVID-19 vaccine rollout continues to be one of the pivotal issues impacting financial markets. Multiple effective vaccines are now being administered around the world, and it appears almost certain that the world has the ability to live with and manage around this virus. The global economic recovery is underway. China was first to recover from 2020 pandemic-induced economic weakness, and the United States is now in the midst of its own recovery. We expect that most major advanced economies should quickly follow suit, with emerging markets possibly lagging behind.

The combination of strong fiscal stimulus and accommodative monetary policy is expected to cement the U.S. recovery. The Biden Administration is discussing an infrastructure plan in excess of US$2 trillion, which is in addition to the US$1.6 trillion stimulus package recently enacted. The U.S. Federal Reserve has indicated a willingness to keep interest rates lower for longer even in the face of potentially rising inflation.

In light of these factors, we take a positive stance toward equities over the coming year and have positioned the Fund accordingly. Within equities, we maintain a pro-cyclical positioning, with relatively large positions in financials, energy, industrials, and certain mining and materials companies. We continue with the underweight position in the fixed income component of the Fund due to the possibility of higher inflation and longer-term interest rates.

Source: CI Global Asset Management

For more information, please visit ci.com.

IMPORTANT DISCLAIMERS

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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. There are various important differences that may exist between the Mutual Fund and the stated indexes 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. Indexes are unmanaged and their returns do not include any sales charges or fees. It is not possible to invest directly in market indexes.

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