SIGNATURE
GLOBAL ASSET MANAGEMENT™

Signature Global Bond Fund
First Quarter 2019

Market Overview

- The U.S. Federal Reserve (the "Fed") pivoted abruptly on the direction of U.S. monetary policy in what became the defining action of the first quarter of 2019. In response to the financial market shocks in the fourth quarter of 2018, the Fed halted interest rate hikes indefinitely, averting a (potential) policy error. Furthermore, the Fed is ending earlier its balance sheet reduction, and has brought renewed focus on correcting for past inflation shortfalls. Markets responded with a risk rally that recaptured the highs of October 2018.

- Despite the credit and equity rally during the quarter, government bond yields globally made substantial new lows as anticipated hikes in interest rates were repriced into interest rate cuts and recession fears emerged in response to weak growth data primarily in Japan and Europe. The lack of room for policy support sparked concern as the European Central Bank postponed its plans to return interest rates to zero from negative territory.

- Similarly, prospects for interest rate cuts from the Bank of Canada took root in market pricing for the first time since 2016 amid lingering risks of renewed trade tensions and concerns of a global economic slowdown, to which Canada would not be immune.

- Chinese stimulus progressed in measured fashion at the meeting in March of the country's National People's Congress where tax cuts and fiscal spending were announced, while further Chinese tariffs were postponed by the Trump administration and meaningful negotiations appear to be progressing. Such outcome helped ease concerns about a potential China hard landing that would accelerate the global economic downturn.

- Emerging markets experienced strong inflows in equities and bonds as investors interpreted the dovish tack by the Fed as something that would quell volatility and U.S.-dollar strength, and by extension, draw yield-seeking investors back toward risk.

Performance Summary

- Class F of Signature Global Bond Fund (the "Fund") returned -0.3% over the first quarter of 2019, closely in line with its benchmark, the J.P. Morgan Global Government Bond Index, which returned -0.4% 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. The Fund's total returns were hurt by currency exposures as the Canadian dollar was one of the best-performing currencies among the G10 countries, which have the world's most heavily traded currencies, and rallied strongly during the first few days of 2019.

- On a relative-to-benchmark basis, credit spread exposures – U.S. investment-grade corporates and U.S.-dollar-denominated emerging market sovereigns – contributed 0.39% to the Fund's outperformance as U.S. investment-grade corporate and emerging market sovereign bond spreads tightened approximately 30 basis points (bps) and 40 bps, respectively, during the quarter. An overweight duration positioning in U.S. and Canadian government bonds added 0.32%, while net currency positioning contributed 0.08% to alpha. However, duration positioning in European and Japanese-yen-denominated government bonds detracted 0.41% from alpha, given our underweight stance in these markets.

Portfolio Activity

- During the quarter, we added to the portfolio's credit spreads exposure, 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 and a rebound in global growth will be supportive of higher-yielding assets and result in a tightening of credit spreads.

- Similarly, we remain overweight in select French government bonds and have added to Spanish government bonds as negative yields in Europe and Japan, together with ample liquidity conditions, provide a conducive environment for further spread compression. Exposure to Italian bonds, however, remains an underweight position for the Fund as a slowdown in growth may weaken the (fragile) political equilibrium in Italy, especially with European elections coming up in May.

- We reduced the Fund's currency exposure to Canadian dollars on the view that weak economic momentum could extend well into the first quarter of 2019, and this would only be exacerbated if a global economic slowdown materialized, prompting the currency to weaken.

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

Outlook

- During the quarter, the powerful rally in global government bond prices briefly pushed U.S. long-term bond yields below short-term bond yields – a so-called inversion of the yield curve. This development was attributable to Fed policy changes and soft economic data. This extreme circumstance has prompted comparisons of global bond markets to Japan where structurally low interest rates have been unable to stimulate inflation. Over the near term, however, our view is that lower yields should serve as a stabilizing force for growth rather than a precipitator of a deflationary contraction.

- Given the near-zero interest rate starting point, policy-makers and politicians are promoting fiscal tools to counter future downturns. We anticipate low interest rates and low growth to persist, resulting in lower returns across many asset classes.

- The rise of populism, far from fading away, is becoming the norm globally. Populist policies tend to be protectionist, rely on increased fiscal spending and lean on currency markets as an element of national competitiveness. This trend is disruptive to markets in the short term, but the long-term effects may defy historical norms. While populist policies have typically resulted in meaningfully higher inflation, secular disinflationary factors currently in play – including demographic trends, technological change and record-high negative-yielding debt – may challenge that view.

Class F returns (in %) as at March 31, 2019	Year-to-date	1 year	3 year	5 year	10 year
Signature Global Bond Fund	-0.3	0.8	0.1	3.6	3.0

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 indices or a weighted blend of widely quoted market indices or another investment fund. There are various important differences that may exist between the mutual fund and the stated indices 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 indices or investment fund. Indices are unmanaged and their returns do not include any sales charges or fees. It is not possible to invest directly in market indices.

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.

Published April 2019.