

# Signature Diversified Yield II Fund

Management Report of Fund Performance for the period ended September 30, 2018

This semi-annual management report of fund performance contains financial highlights but does not contain the complete semi-annual or annual financial statements of the investment fund. You can get a copy of the semi-annual or annual financial statements at your request, and at no cost, by calling 1-800-563-5181, by writing to us at CI Investments Inc., 2 Queen Street East, Twentieth Floor, Toronto, ON, M5C 3G7 or by visiting our website at [www.ci.com](http://www.ci.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

## RESULTS OF OPERATIONS

The net asset value of the Fund decreased by \$287.8 million to \$2,494.3 million from March 31, 2018 to September 30, 2018. The Fund had net redemptions of \$346.5 million during the period. The portfolio's performance increased assets by \$148.7 million. The Fund paid distributions totalling \$90.0 million. Class A units returned 5.3% after fees and expenses for the six-month period ended September 30, 2018. Over the same time period, the Fund's benchmark returned 1.9%. The benchmark is a combination of the Bank of America Merrill Lynch U.S. High Yield Total Return Index - 40%, the MSCI ACWI Global High Dividend Yield Total Return Index - 20%, the MSCI ACWI Infrastructure Total Return Index - 20% and the MSCI World Real Estate Total Return Index - 20%.

The performance of the Fund's other classes is substantially similar to that of Class A units, except for differences in the structure of fees and expenses. For the returns of the Fund's other classes, please refer to the "Past performance" section.

The Fund's performance was above benchmark during the period, with energy, infrastructure and real estate equities particularly strong, while utilities stocks and telecommunication high-yield bonds lagged. Infrastructure and pipeline companies rebounded after the early bout of volatility in 2018, with many companies benefiting from corporate simplification transactions – like Enbridge and Cheniere Energy – to decrease their cost of capital. Estate-related securities had relatively strong performance throughout the period following a selloff in Q1 that was driven largely by rising rates. We took the selloff in Q1 as an opportunity to add to strong companies with solid balance sheets, good economic moats and strong free cash flow growth. At this point in the cycle, we believe the most attractive companies are those that are able to self-fund and generate outsized return on capital investment. Interest rate shocks tend to open up buying opportunities in select, high-quality names whose businesses are impacted less by interest rates and more by operating fundamentals. Our real estate names performed positively across the board with particularly strong performance coming from Brookfield Asset Management Inc., Kennedy-Wilson Holdings Inc., and Forest City Realty Trust Inc. We monetized our position in Forest City into the announcement by Brookfield to acquire the company during the period.

## RECENT DEVELOPMENTS

The yield difference between the U.S. 10-year Treasury bond and the 10-year German bund sat at a record of 2.6% at the end of the third quarter. Should the European Central Bank begin hiking interest rates this time next year and the Bank of Japan raise rates to zero under the auspices of a new, more hawkish Governor next year, there is a risk that U.S. bond yields will become unanchored and break out of their current channel. In this case, higher yields sooner, with the impact of tariffs, will begin to bite the consumer and corporations and bring the current prolonged economic expansion to an end (although that

is not our base case). Our base case assumes U.S.-centric growth persists and earnings growth moderates but stays positive.

More importantly, we witnessed a clear sector rotation during this period of volatility with technology especially vulnerable to outflows while the defensive sectors held up relatively well; a positive we believe for investor sentiment in our target asset classes after two years of the broad market chasing growth. We think equities should outperform fixed income, and credit should outperform duration. A bout of volatility, or policy uncertainty, could be healthy though if it tames the animal spirits in the markets. Until then, many markets, including our target asset classes, lack identifiable positive or negative catalysts, reliant on individual initiatives to drive value creation or otherwise subject to broader risk sentiment. Investors are looking for a market turn signal from the high-yield bond market, traditionally reliable as the "canary in the coal mine" may be disappointed. Credit quality is relatively high, issuance low, and outflows ongoing, in stark contrast to the emerging market bond, investment-grade bond, and leverage loan markets. Cognizant that deterioration in those markets will pressure our credit positions, we are gradually de-risking the Fund.

Effective September 20, 2018, Tom Eisenhauer became a member of the Board of Governors ("BOG") and Independent Review Committee ("IRC"), and effective October 15, 2018, Mary Robertson resigned as a member of the BOG and IRC.

## RELATED PARTY TRANSACTIONS

### **Manager, Portfolio Advisor, Trustee and Registrar**

CI Investments Inc. is the Manager, Portfolio Advisor, Trustee and Registrar of the Fund. CI Investments Inc. is a subsidiary of CI Financial Corp. The Manager, in consideration for management fees, provides management services required in the day-to-day operations of the Fund. The Manager bears all of the operating expenses of the Fund (other than taxes, borrowing costs and new governmental fees) in return for a fixed administration fee.

Management fee and fixed administration rates as at September 30, 2018, for each of the classes are shown below:

	Annual management fee rate (%)	Annual fixed administration fee rate (%)
<b>Class A</b>	1.900	0.20
<b>Class A1</b>	1.825	0.20
<b>Class A2</b>	1.800	0.19
<b>Class A3</b>	1.750	0.15
<b>Class A4</b>	1.700	0.12

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	Annual management fee rate (%)	Annual fixed administration fee rate (%)
Class A5	1.600	0.10
Class E	1.850	0.15
Class EF	0.850	0.15
Class F	0.900	0.20
Class F1	0.825	0.20
Class F2	0.800	0.19
Class F3	0.750	0.15
Class F4	0.700	0.12
Class I	Paid directly by investor	-
Class O	Paid directly by investor	0.15
Class P	Paid directly by investor	0.20

and procedures; and (d) achieve a fair and reasonable result for the Fund. Transactions made by the Manager under the standing instructions are subsequently reviewed by the IRC on a quarterly basis to monitor compliance.

The Fund relied on the IRC's standing instructions regarding related party transactions during this reporting period.

Except as otherwise noted above, the Fund was not a party to any related party transactions during the period ended September 30, 2018.

The Manager received \$19.4 million in management fees and \$2.3 million in fixed administration fees for the period.

## **Management Fees**

Approximately 26% of total management fees were used to pay for sales and trailing commissions. The remaining 74% of management fees were used for investment management and other general administration.

## **Inter-Fund Trading**

Inter-fund trading occurs when a Fund purchases or sells a security of any issuer from or to another Fund managed by the Manager. These transactions are executed through market intermediaries and under prevailing market terms and conditions. The Independent Review Committee reviews such transactions during scheduled meetings. During the period ended September 30, 2018 the Fund executed inter-fund trades.

## **Independent Review Committee**

The Fund received standing instructions from the Fund's Independent Review Committee with respect to the following related party transactions:

- a) trades in securities of CI Financial Corp.;
- b) purchases or sales of securities of an issuer from or to another investment fund managed by the Manager; and
- c) purchases or sales of other investment funds managed by the Manager or their affiliates.

The applicable standing instructions require that related party transactions be conducted in accordance with the Manager's policies and procedures and that the Manager advise the IRC of any material breach of a condition of the standing instructions. The standing instructions require, among other things, that investment decisions in respect of related party transactions (a) are free from any influence by an entity related to the Manager and without taking into account any consideration relevant to an entity related to the Manager; (b) represent the business judgment of the Manager uninfluenced by considerations other than the best interests of the Fund; (c) are made in compliance with the Manager's policies

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## FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six periods, as applicable.

### Net Assets per Unit (\$) <sup>(1)(2)(4)\*</sup>

Net assets at the beginning of period <sup>(2)</sup>	Increase (decrease) from operations:					Distributions:					Net assets at the end of the period shown <sup>(2)</sup>	
	Total revenue	Total expenses (excluding distributions)	Realized gains (losses) for the period	Unrealized gains (losses) for the period	Total increase (decrease) from operations <sup>(2)</sup>	From net investment income (excluding dividends)	From dividends	From capital gains	Return of capital	Total distributions <sup>(2)(3)</sup>		
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Class A</b>												
Commencement of operations February 14, 2011												
Sept. 30, 2018	9.20	0.22	(0.11)	(0.01)	0.39	0.49	(0.11)	(0.01)	(0.15)	(0.03)	(0.30)	9.39
Mar. 31, 2018	10.06	0.48	(0.23)	0.25	(0.68)	(0.18)	(0.23)	(0.02)	(0.32)	(0.06)	(0.63)	9.20
Mar. 31, 2017	9.72	0.51	(0.23)	0.26	0.50	1.04	(0.26)	-	-	(0.39)	(0.65)	10.06
Mar. 31, 2016	11.16	0.51	(0.24)	(0.32)	(0.79)	(0.84)	(0.26)	(0.01)	-	(0.33)	(0.60)	9.72
Mar. 31, 2015	10.65	0.46	(0.25)	0.11	0.82	1.14	(0.26)	-	-	(0.39)	(0.65)	11.16
Mar. 31, 2014	10.26	0.49	(0.24)	(0.30)	1.21	1.16	(0.31)	(0.01)	-	(0.28)	(0.60)	10.65
<b>Class A1</b>												
Commencement of operations May 1, 2017												
Sept. 30, 2018	8.99	0.22	(0.10)	-	0.37	0.49	(0.11)	(0.01)	(0.15)	(0.03)	(0.30)	9.16
Mar. 31, 2018	10.00	0.45	(0.19)	(0.03)	(0.83)	(0.60)	(0.22)	(0.02)	(0.29)	(0.06)	(0.59)	8.99
<b>Class A2</b>												
Commencement of operations May 1, 2017												
Sept. 30, 2018	8.99	0.22	(0.10)	-	0.36	0.48	(0.11)	(0.01)	(0.15)	(0.03)	(0.30)	9.17
Mar. 31, 2018	10.00	0.45	(0.19)	(0.01)	(0.89)	(0.64)	(0.22)	(0.02)	(0.29)	(0.06)	(0.59)	8.99
<b>Class A3</b>												
Commencement of operations May 1, 2017												
Sept. 30, 2018	8.99	0.22	(0.10)	-	0.35	0.47	(0.12)	(0.01)	(0.15)	(0.03)	(0.31)	9.17
Mar. 31, 2018	10.00	0.44	(0.18)	0.05	(0.87)	(0.56)	(0.22)	(0.02)	(0.30)	(0.06)	(0.60)	8.99
<b>Class A4</b>												
Commencement of operations May 1, 2017												
Sept. 30, 2018	8.98	0.22	(0.09)	(0.01)	0.36	0.48	(0.12)	(0.01)	(0.15)	(0.03)	(0.31)	9.16
Mar. 31, 2018	10.00	0.44	(0.17)	0.06	(1.02)	(0.69)	(0.22)	(0.02)	(0.31)	(0.06)	(0.61)	8.98
<b>Class A5</b>												
Commencement of operations May 1, 2017												
Sept. 30, 2018	8.99	0.22	(0.09)	-	0.38	0.51	(0.13)	(0.01)	(0.15)	(0.03)	(0.32)	9.16
Mar. 31, 2018	10.00	0.45	(0.16)	(0.18)	(0.79)	(0.68)	(0.23)	(0.02)	(0.31)	(0.06)	(0.62)	8.99

\*Footnotes for the tables are found at the end of the Net Assets per Unit section of the Financial Highlights.

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## FINANCIAL HIGHLIGHTS (cont'd)

Net Assets per Unit (\$) <sup>(1)(2)(4) *</sup>	Increase (decrease) from operations:					Distributions:					Net assets at the end of the period <sup>(2)</sup>	
	Net assets at the beginning of period <sup>(2)</sup>	Total revenue	Total expenses (excluding distributions)	Realized gains (losses) for the period	Unrealized gains (losses) for the period	Total increase (decrease) from operations <sup>(2)</sup>	From net investment income (excluding dividends)	From dividends	From capital gains	Return of capital		Total distributions <sup>(2,3)</sup>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Class E</b>												
Commencement of operations August 29, 2012												
Sept. 30, 2018	9.50	0.24	(0.11)	(0.01)	0.40	0.52	(0.12)	(0.01)	(0.15)	(0.03)	(0.31)	9.70
Mar. 31, 2018	10.36	0.51	(0.22)	0.20	(0.75)	(0.26)	(0.25)	(0.02)	(0.31)	(0.06)	(0.64)	9.50
Mar. 31, 2017	10.00	0.54	(0.23)	0.25	0.45	1.01	(0.28)	-	-	(0.38)	(0.66)	10.36
Mar. 31, 2016	11.45	0.54	(0.23)	(0.39)	(0.72)	(0.80)	(0.28)	(0.01)	-	(0.32)	(0.61)	10.00
Mar. 31, 2015	10.91	0.50	(0.24)	0.06	0.97	1.29	(0.28)	-	-	(0.38)	(0.66)	11.45
Mar. 31, 2014	10.50	0.51	(0.24)	(0.33)	1.27	1.21	(0.32)	(0.01)	-	(0.28)	(0.61)	10.91
<b>Class EF</b>												
Commencement of operations December 5, 2014												
Sept. 30, 2018	8.62	0.21	(0.05)	(0.02)	0.40	0.54	(0.15)	(0.01)	(0.14)	(0.03)	(0.33)	8.80
Mar. 31, 2018	9.40	0.45	(0.10)	0.24	(0.70)	(0.11)	(0.31)	(0.03)	(0.29)	(0.06)	(0.69)	8.62
Mar. 31, 2017	9.08	0.48	(0.10)	0.20	0.37	0.95	(0.35)	-	-	(0.35)	(0.70)	9.40
Mar. 31, 2016	10.40	0.48	(0.11)	(0.40)	(0.62)	(0.65)	(0.34)	(0.02)	-	(0.30)	(0.66)	9.08
Mar. 31, 2015	10.00	0.15	(0.04)	(0.17)	0.76	0.70	(0.08)	-	-	(0.19)	(0.27)	10.40
<b>Class F</b>												
Commencement of operations February 14, 2011												
Sept. 30, 2018	9.12	0.22	(0.06)	(0.01)	0.39	0.54	(0.16)	(0.02)	(0.16)	(0.03)	(0.37)	9.30
Mar. 31, 2018	9.99	0.47	(0.12)	0.24	(0.71)	(0.12)	(0.32)	(0.03)	(0.34)	(0.07)	(0.76)	9.12
Mar. 31, 2017	9.67	0.51	(0.12)	0.24	0.44	1.07	(0.36)	-	-	(0.40)	(0.76)	9.99
Mar. 31, 2016	11.11	0.50	(0.13)	(0.35)	(0.74)	(0.72)	(0.36)	(0.02)	-	(0.35)	(0.73)	9.67
Mar. 31, 2015	10.61	0.46	(0.13)	0.09	0.88	1.30	(0.37)	-	-	(0.40)	(0.77)	11.11
Mar. 31, 2014	10.23	0.48	(0.13)	(0.33)	1.25	1.27	(0.39)	(0.01)	-	(0.32)	(0.72)	10.61
<b>Class F1</b>												
Commencement of operations May 1, 2017												
Sept. 30, 2018	9.00	0.22	(0.05)	-	0.35	0.52	(0.16)	(0.02)	(0.14)	(0.03)	(0.35)	9.18
Mar. 31, 2018	10.00	0.45	(0.10)	(0.13)	(0.79)	(0.57)	(0.26)	(0.03)	(0.33)	(0.06)	(0.68)	9.00
<b>Class F2</b>												
Commencement of operations May 1, 2017												
Sept. 30, 2018	8.99	0.22	(0.05)	-	0.36	0.53	(0.16)	(0.02)	(0.15)	(0.03)	(0.36)	9.17
Mar. 31, 2018	10.00	0.45	(0.09)	(0.07)	(0.88)	(0.59)	(0.26)	(0.03)	(0.34)	(0.07)	(0.70)	8.99
<b>Class F3</b>												
Commencement of operations May 1, 2017												
Sept. 30, 2018	8.99	0.22	(0.04)	(0.01)	0.34	0.51	(0.16)	(0.02)	(0.15)	(0.03)	(0.36)	9.18
Mar. 31, 2018	10.00	0.44	(0.10)	(0.02)	(0.76)	(0.44)	(0.26)	(0.03)	(0.33)	(0.07)	(0.69)	8.99

\*Footnotes for the tables are found at the end of the Net Assets per Unit section of the Financial Highlights.

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## FINANCIAL HIGHLIGHTS (cont'd)

### Net Assets per Unit (\$) <sup>(1)(2)(4)</sup>

Net assets at the beginning of period <sup>(2)</sup>	Increase (decrease) from operations:					Distributions:					Net assets at the end of the period shown <sup>(2)</sup>	
	Total revenue	Total expenses (excluding distributions)	Realized gains (losses) for the period	Unrealized gains (losses) for the period	Total increase (decrease) from operations <sup>(2)</sup>	From net investment income (excluding dividends)	From dividends	From capital gains	Return of capital	Total distributions <sup>(2),(3)</sup>		
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Class F4</b>												
Commencement of operations May 1, 2017												
Sept. 30, 2018	8.99	0.22	(0.04)	(0.04)	0.35	0.49	(0.17)	(0.02)	(0.15)	(0.03)	(0.37)	9.17
Mar. 31, 2018	10.00	0.45	(0.08)	-	(1.03)	(0.66)	(0.26)	(0.03)	(0.34)	(0.07)	(0.70)	8.99
<b>Class I</b>												
Commencement of operations February 14, 2011												
Sept. 30, 2018	10.47	0.26	-	(0.01)	0.48	0.73	(0.24)	(0.02)	(0.13)	(0.03)	(0.42)	10.73
Mar. 31, 2018	11.34	0.54	-	0.31	(0.76)	0.09	(0.48)	(0.05)	(0.29)	(0.06)	(0.88)	10.47
Mar. 31, 2017	10.87	0.57	-	0.28	0.47	1.32	(0.55)	-	-	(0.34)	(0.89)	11.34
Mar. 31, 2016	12.37	0.57	-	(0.33)	(0.86)	(0.62)	(0.52)	(0.03)	-	(0.29)	(0.84)	10.87
Mar. 31, 2015	11.71	0.51	-	0.10	0.91	1.52	(0.53)	-	-	(0.35)	(0.88)	12.37
Mar. 31, 2014	11.20	0.54	-	(0.17)	1.03	1.40	(0.50)	(0.02)	-	(0.33)	(0.85)	11.71
<b>Class O</b>												
Commencement of operations August 29, 2012												
Sept. 30, 2018	9.54	0.23	(0.01)	(0.01)	0.40	0.61	(0.21)	(0.02)	(0.15)	(0.03)	(0.41)	9.74
Mar. 31, 2018	10.40	0.50	(0.02)	0.19	(0.79)	(0.12)	(0.43)	(0.04)	(0.32)	(0.06)	(0.85)	9.54
Mar. 31, 2017	10.03	0.53	(0.02)	0.24	0.46	1.21	(0.49)	-	-	(0.37)	(0.86)	10.40
Mar. 31, 2016	11.47	0.52	(0.02)	(0.42)	(0.69)	(0.61)	(0.47)	(0.02)	-	(0.32)	(0.81)	10.03
Mar. 31, 2015	10.91	0.48	(0.02)	0.07	0.94	1.47	(0.48)	-	-	(0.38)	(0.86)	11.47
Mar. 31, 2014	10.48	0.50	(0.02)	(0.40)	1.43	1.51	(0.47)	(0.02)	-	(0.33)	(0.82)	10.91
<b>Class P</b>												
Commencement of operations May 1, 2017												
Sept. 30, 2018	9.00	0.22	(0.01)	-	0.35	0.56	(0.20)	(0.02)	(0.14)	(0.03)	(0.39)	9.18
Mar. 31, 2018	10.00	0.45	(0.02)	-	(0.99)	(0.56)	(0.29)	(0.03)	(0.36)	(0.07)	(0.75)	9.00

(1) This information is derived from the Fund's semi-annual and annual financial statements.

(2) Net assets per unit and distributions per unit are based on the actual number of units outstanding for the relevant class at the relevant time. The increase (decrease) in net assets from operations per unit is based on the weighted average number of units outstanding for the relevant class over the fiscal period.

(3) Distributions are automatically reinvested in additional units of the Fund.

(4) This information is provided for the period ended September 30, 2018 and the years ended March 31.

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## FINANCIAL HIGHLIGHTS (cont'd)

### Ratios and Supplemental Data <sup>(1)(5)\*</sup>

	Total net assets <sup>(1)</sup> \$000's	Number of units outstanding <sup>(1)</sup> 000's	Management expense ratio before taxes <sup>(2)</sup> %	Harmonized sales tax <sup>(2)</sup> %	Management expense ratio after taxes <sup>(2)</sup> %	Effective HST rate for the period <sup>(2)</sup> %	Trading expense ratio <sup>(3)</sup> %	Portfolio turnover rate <sup>(4)</sup> %
<b>Class A</b>								
Commencement of operations February 14, 2011								
Sept. 30, 2018	1,295,052	137,947	2.10	0.23	2.33	10.74	0.05	14.18
Mar. 31, 2018	1,464,116	159,093	2.10	0.23	2.33	10.74	0.06	33.98
Mar. 31, 2017	2,290,610	227,750	2.11	0.23	2.34	10.85	0.03	43.73
Mar. 31, 2016	1,347,552	138,569	2.10	0.23	2.33	10.92	0.06	41.90
Mar. 31, 2015	1,450,920	130,011	2.10	0.23	2.33	10.93	0.08	52.73
Mar. 31, 2014	991,191	93,033	2.09	0.23	2.32	11.01	0.12	43.90
<b>Class A1</b>								
Commencement of operations May 1, 2017								
Sept. 30, 2018	243,466	26,565	2.03	0.22	2.25	11.02	0.05	14.18
Mar. 31, 2018	240,608	26,772	2.03	0.22	2.25	11.03	0.06	33.98
<b>Class A2</b>								
Commencement of operations May 1, 2017								
Sept. 30, 2018	77,919	8,496	1.99	0.22	2.21	11.14	0.05	14.18
Mar. 31, 2018	69,977	7,783	1.99	0.22	2.21	11.14	0.06	33.98
<b>Class A3</b>								
Commencement of operations May 1, 2017								
Sept. 30, 2018	30,844	3,365	1.90	0.22	2.12	11.31	0.05	14.18
Mar. 31, 2018	27,913	3,105	1.90	0.22	2.12	11.32	0.06	33.98
<b>Class A4</b>								
Commencement of operations May 1, 2017								
Sept. 30, 2018	5,691	621	1.82	0.22	2.04	12.10	0.05	14.18
Mar. 31, 2018	5,483	610	1.81	0.22	2.03	12.10	0.06	33.98
<b>Class A5</b>								
Commencement of operations May 1, 2017								
Sept. 30, 2018	2,668	291	1.70	0.17	1.87	9.82	0.05	14.18
Mar. 31, 2018	2,706	301	1.70	0.17	1.87	9.82	0.06	33.98

\*Footnotes for the tables are found at the end of the Financial Highlights section.

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## FINANCIAL HIGHLIGHTS (cont'd)

### Ratios and Supplemental Data <sup>(1)(2)(3)(4)</sup>

	Total net assets <sup>(1)</sup> \$000's	Number of units outstanding <sup>(1)</sup> 000's	Management expense ratio before taxes <sup>(2)</sup> %	Harmonized sales tax <sup>(2)</sup> %	Management expense ratio after taxes <sup>(2)</sup> %	Effective HST rate for the period <sup>(2)</sup> %	Trading expense ratio <sup>(3)</sup> %	Portfolio turnover rate <sup>(4)</sup> %
<b>Class E</b>								
Commencement of operations August 29, 2012								
Sept. 30, 2018	208,920	21,538	2.00	0.20	2.20	9.77	0.05	14.18
Mar. 31, 2018	222,438	23,418	2.00	0.20	2.20	9.77	0.06	33.98
Mar. 31, 2017	211,300	20,396	2.00	0.20	2.20	10.00	0.03	43.73
Mar. 31, 2016	126,170	12,621	2.00	0.20	2.20	9.96	0.06	41.90
Mar. 31, 2015	86,962	7,594	2.00	0.18	2.18	9.09	0.08	52.73
Mar. 31, 2014	41,749	3,825	1.99	0.23	2.22	11.95	0.12	43.90
<b>Class EF</b>								
Commencement of operations December 5, 2014								
Sept. 30, 2018	26,571	3,020	1.00	0.10	1.10	10.40	0.05	14.18
Mar. 31, 2018	36,654	4,253	1.00	0.10	1.10	10.40	0.06	33.98
Mar. 31, 2017	45,634	4,852	1.00	0.10	1.10	10.10	0.03	43.73
Mar. 31, 2016	21,408	2,359	1.00	0.10	1.10	12.35	0.06	41.90
Mar. 31, 2015	9,105	876	1.00	0.13	1.13	13.00	0.08	52.73
<b>Class F</b>								
Commencement of operations February 14, 2011								
Sept. 30, 2018	140,631	15,128	1.10	0.12	1.22	11.14	0.05	14.18
Mar. 31, 2018	162,622	17,825	1.10	0.12	1.22	11.14	0.06	33.98
Mar. 31, 2017	210,370	21,061	1.10	0.12	1.22	11.15	0.03	43.73
Mar. 31, 2016	129,695	13,413	1.10	0.12	1.22	11.23	0.06	41.90
Mar. 31, 2015	112,363	10,118	1.10	0.12	1.22	11.18	0.08	52.73
Mar. 31, 2014	60,099	5,667	1.10	0.13	1.23	12.41	0.12	43.90
<b>Class F1</b>								
Commencement of operations May 1, 2017								
Sept. 30, 2018	27,655	3,012	1.03	0.10	1.13	9.88	0.05	14.18
Mar. 31, 2018	25,658	2,851	1.03	0.10	1.13	9.88	0.06	33.98
<b>Class F2</b>								
Commencement of operations May 1, 2017								
Sept. 30, 2018	8,268	902	0.99	0.09	1.08	8.82	0.05	14.18
Mar. 31, 2018	7,116	792	0.99	0.09	1.08	8.81	0.06	33.98
<b>Class F3</b>								
Commencement of operations May 1, 2017								
Sept. 30, 2018	3,202	349	0.90	0.06	0.96	6.23	0.05	14.18
Mar. 31, 2018	2,552	284	0.90	0.06	0.96	6.23	0.06	33.98

\*Footnotes for the tables are found at the end of the Financial Highlights section.

# Signature Diversified Yield II Fund

Management Report of Fund Performance for the period ended September 30, 2018

## FINANCIAL HIGHLIGHTS (cont'd)

### Ratios and Supplemental Data <sup>(1)(5)</sup>

	Total net assets <sup>(1)</sup> \$000's	Number of units outstanding <sup>(1)</sup> 000's	Management expense ratio before taxes <sup>(2)</sup> %	Harmonized sales tax <sup>(2)</sup> %	Management expense ratio after taxes <sup>(2)</sup> %	Effective HST rate for the period <sup>(2)</sup> %	Trading expense ratio <sup>(3)</sup> %	Portfolio turnover rate <sup>(4)</sup> %
<b>Class F4</b>								
Commencement of operations May 1, 2017								
Sept. 30, 2018	714	78	0.82	0.10	0.92	12.29	0.05	14.18
Mar. 31, 2018	758	84	0.82	0.10	0.92	12.29	0.06	33.98
<b>Class I</b>								
Commencement of operations February 14, 2011								
Sept. 30, 2018	233,619	21,771	-	-	-	-	0.05	14.18
Mar. 31, 2018	316,196	30,194	-	-	-	-	0.06	33.98
Mar. 31, 2017	675,147	59,520	-	-	-	-	0.03	43.73
Mar. 31, 2016	587,169	54,002	-	-	-	-	0.06	41.90
Mar. 31, 2015	820,562	66,320	-	-	-	-	0.08	52.73
Mar. 31, 2014	575,364	49,122	-	-	-	-	0.12	43.90
<b>Class O</b>								
Commencement of operations August 29, 2012								
Sept. 30, 2018	185,744	19,073	0.15	0.02	0.17	10.93	0.05	14.18
Mar. 31, 2018	194,364	20,379	0.15	0.02	0.17	10.92	0.06	33.98
Mar. 31, 2017	163,433	15,718	0.15	0.02	0.17	10.91	0.03	43.73
Mar. 31, 2016	90,749	9,051	0.15	0.02	0.17	10.41	0.06	41.90
Mar. 31, 2015	50,641	4,415	0.15	0.02	0.17	10.17	0.08	52.73
Mar. 31, 2014	23,258	2,132	0.15	0.02	0.17	12.28	0.12	43.90
<b>Class P</b>								
Commencement of operations May 1, 2017								
Sept. 30, 2018	3,287	358	0.20	0.02	0.22	9.41	0.05	14.18
Mar. 31, 2018	2,900	322	0.20	0.02	0.22	9.93	0.06	33.98

(1) This information is derived from the Fund's semi-annual and annual financial statements.

(2) Management expense ratio is calculated based on expenses charged to the Fund (excluding commissions and other portfolio transaction costs) and is expressed as an annualized percentage of daily average net assets for the period, including the Fund's proportionate share of any underlying fund(s) expenses, if applicable. The Effective HST tax rate is calculated using the attribution percentage for each province based on unitholder residency and can be different from 13%.

(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period, including the Fund's proportionate share of such expenses of any underlying fund(s), if applicable.

(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the fiscal period. The higher a Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a higher turnover rate and the performance of a Fund. Portfolio turnover rate is calculated by dividing the lesser of the cost of purchases and the proceeds of sales of portfolio securities for the period, and excluding cash and short-term investments maturing in less than one year, and before assets acquired from a merger, if applicable, by the average of the monthly fair value of investments during the period.

(5) This information is provided for the period ended September 30, 2018 and the years ended March 31.



# Signature Diversified Yield II Fund

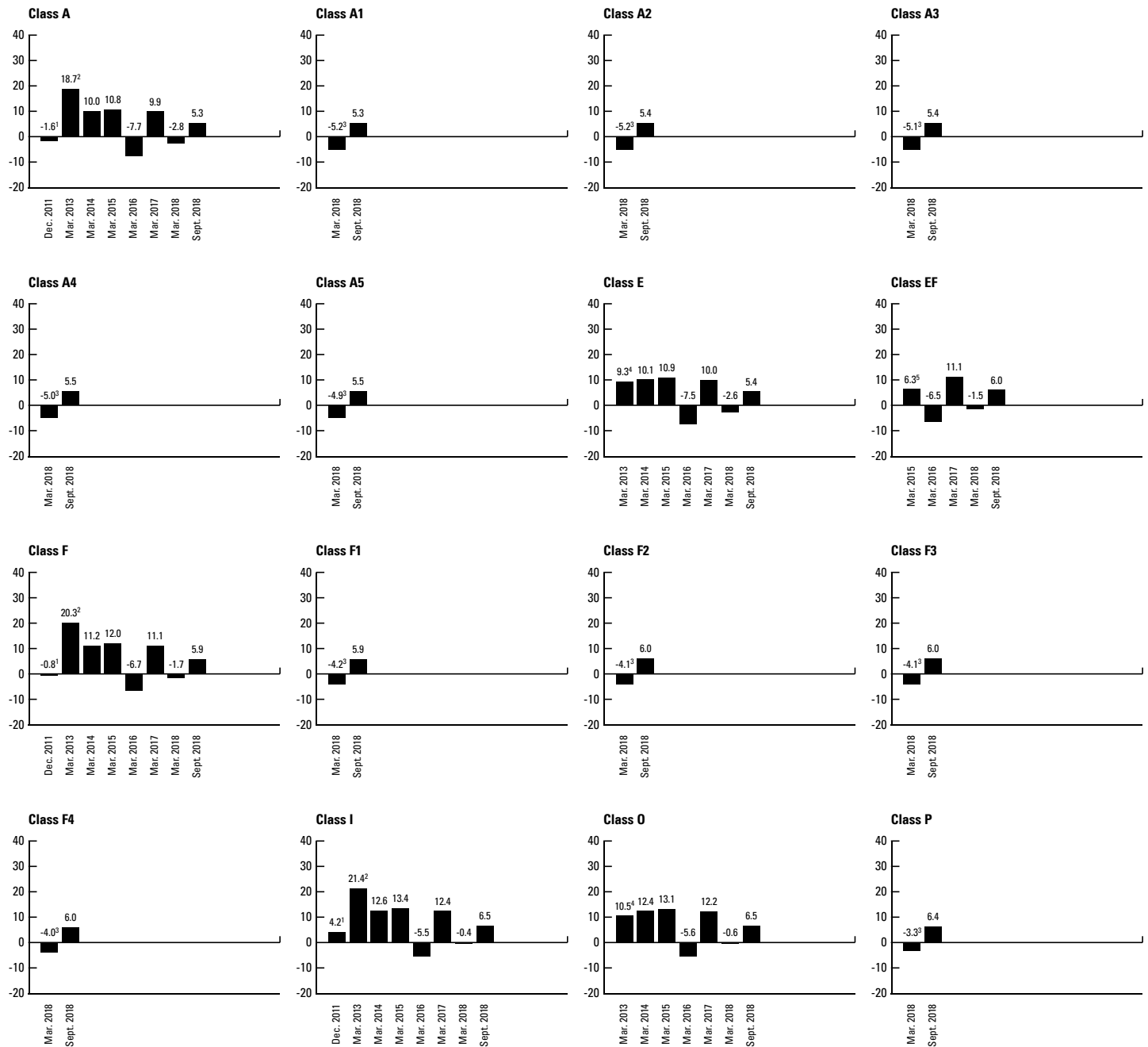
Management Report of Fund Performance for the period ended September 30, 2018

## PAST PERFORMANCE

This section describes how the Fund has performed in the past. Remember, past returns do not indicate how the Fund will perform in the future. The information shown assumes that distributions made by the Fund in the periods shown were reinvested in additional units of the relevant classes of the Fund. In addition, the information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance.

### Year-by-Year Returns

The following charts show the Fund's semi-annual and annual performance for each of the periods shown and illustrate how the Fund's performance has changed from period to period. In percentage terms, the charts show how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period, except where noted.



# Signature Diversified Yield II Fund

*Management Report of Fund Performance for the period ended September 30, 2018*

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- 1 2011 return is for the period from February 14, 2011 to December 31, 2011.
- 2 2013 return is for the period from January 1, 2012 to March 31, 2013.
- 3 2018 return is for the period from May 1, 2017 to March 31, 2018.
- 4 2013 return is for the period from August 29, 2012 to March 31, 2013.
- 5 2015 return is for the period from December 5, 2014 to March 31, 2015.

# Signature Diversified Yield II Fund

Management Report of Fund Performance for the period ended September 30, 2018

## SUMMARY OF INVESTMENT PORTFOLIO as at September 30, 2018

Category	% of Net Assets	Category	% of Net Assets	Top 25 Holdings	% of Net Assets
<b>Country allocation</b>		<b>Sector allocation</b>			
U.S.A.	47.0	Corporate Bonds	40.1	Cheniere Energy Inc.	2.7
Canada	14.1	Real Estate	12.4	Brookfield Asset Management Inc., Class A	2.5
Australia	7.2	Energy	11.2	The Williams Co., Inc.	2.4
U.K.	4.5	Industrials	9.4	Atlas Arteria Ltd.	2.2
Switzerland	3.8	Financials	8.8	Enbridge Inc.	2.1
Spain	3.6	Consumer Staples	4.0	Cash & Equivalents	2.0
France	3.4	Consumer Discretionary	3.0	Ferrovial S.A.	1.9
Cash & Equivalents	2.0	Utilities	2.5	American Homes 4 Rent	1.8
Exchange-Traded Fund(s)	1.5	Cash & Equivalents	2.0	Transurban Group	1.7
Bermuda	1.4	Exchange-Traded Fund(s)	1.5	Alexandria Real Estate Equities Inc.	1.7
Cayman Islands	1.4	Fund(s)	1.4	Sydney Airport	1.6
Fund(s)	1.4	Private Placements	1.3	Pembina Pipeline Corp.	1.6
Sweden	1.3	Telecommunication Services	1.1	First Asset Global Financial Sector ETF	1.5
Netherlands	1.1	Foreign Currency Forward Contracts	0.7	Royal Dutch Shell PLC	1.5
Luxembourg	1.1	Other Net Assets (Liabilities)	0.6	Wells Fargo & Co.	1.4
Thailand	0.8	Materials	0.0	Aena S.A.	1.4
Foreign Currency Forward Contracts	0.7	Warrants	0.0	Signature Real Estate Pool (Class I)	1.4
Jersey Island	0.7			Gecina S.A.	1.3
Other Net Assets (Liabilities)	0.6			Pattern Energy Group Inc.	1.3
Germany	0.6			Brookfield Property Partners L.P.	1.3
British Virgin Islands	0.6			Vail Resorts Inc.	1.3
Belgium	0.5			Prologis Inc.	1.3
Hong Kong	0.3			Kennedy-Wilson Holdings Inc.	1.2
Mexico	0.2			DEXUS Property Group	1.2
Marshall Islands	0.1			Nestle S.A., Registered Shares	1.2
Bahamas	0.1				
Ireland	0.0				
St. Lucia	0.0				
				<b>Total Net Assets (in \$000's)</b>	<b>\$2,494,251</b>

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund and updates will be available on a quarterly basis.

### A NOTE ON FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective," and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any

forward-looking statement made by the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchanges rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.