

Select Income Managed Portfolio

Portfolio Review – Second Quarter 2015



Canada's Investment Company

Select Income Managed Portfolio

Portfolio Review – Second Quarter 2015 as at June 30, 2015

Portfolio Performance (Class A)

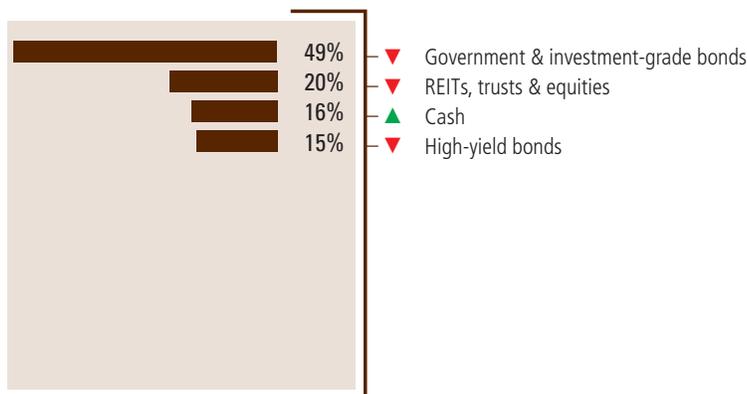
1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years	Since Inception (September 2010)
-1.1%	-1.4%	2.2%	4.1%	4.8%	N/A	N/A	4.4%

Asset Allocation Overview and Activity

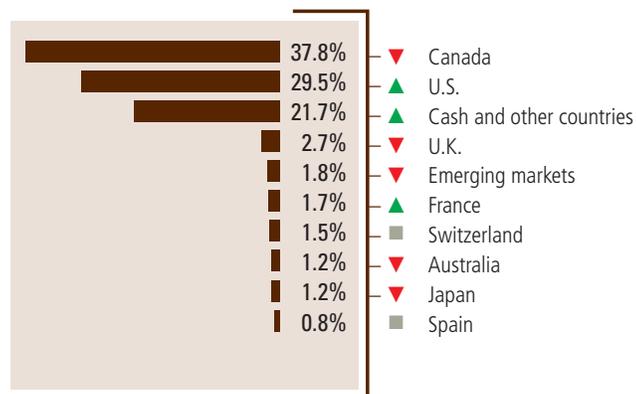
Different types of investments will respond differently to the markets, reinforcing the importance of a multi-level diversification strategy. A balanced asset mix ensures that investors are not dependent on any one asset class or security type to provide returns. CI Investment Consulting combines its portfolio construction expertise with ongoing comprehensive research and recommendations from State Street Global Advisors, a world leader in asset allocation, to create portfolios designed to capture evolving opportunities in the various asset classes.

This report is designed to provide you with an up-to-date portfolio overview of the Select Income Managed Portfolio, including the allocations across asset class, currency exposure and bond maturity breakdown. The arrows indicate whether the allocation for each category has increased or decreased since the previous quarter-end.

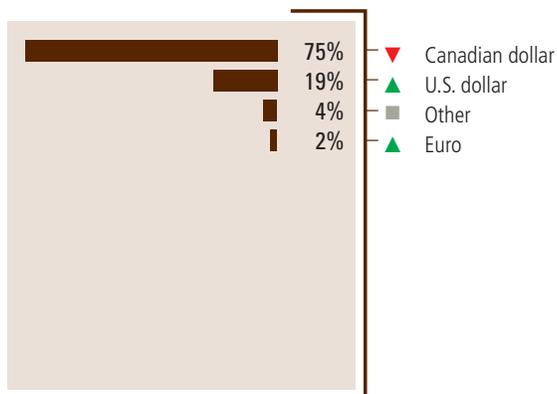
Asset Class



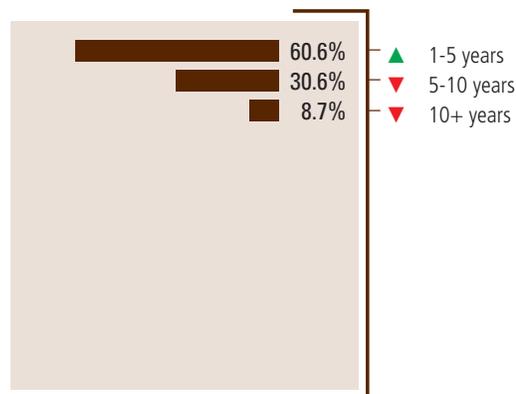
Geographic Regions



Currency Exposure



Bond Term



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Underlying Fund Allocations

CI Income Fund 100.0%

Bond Information

Portfolio yield (approx.) 2.7% ■
 Duration in years 4.0 ▼

Top Ten Holdings

U.S. Treasury Note 2.0% 15Feb25	5.4%
U.S. Treasury Note 2.25% 15Nov24	1.9%
U.S. Treasury Note 2.125% 15May25	0.9%
Province of Quebec 4.5% 01Dec19	0.9%
HSBC Bank Canada 2.572% 23Nov15	0.8%
Bank of Nova Scotia 2.1% 08Nov16	0.7%
Province of Ontario 4.2% 02Jun20	0.7%
Toronto-Dominion Bank FRN Oct2104	0.6%
Citigroup Inc.	0.6%
UBS Group	0.6%



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Portfolio Commentary

The portfolio declined 1.4% during the quarter, outperforming its benchmark (FTSE TMX Canada Universe Bond Index), which lost 1.7%. An underweight position in long-term government bonds contributed to outperformance, as well as lower volatility. Our cash and high-yield bond positions also added value, while dividend-paying equities detracted from relative performance. High-yield bonds tend to have a lower duration and less interest rate sensitivity than government bonds.

Overall, bond markets sold off during the quarter on improving economic data while stock markets took a breather despite the positive news. While enhanced diversification relative to the broad-based indexes reduced portfolio volatility as intended, it did not make strong contributions to the portfolio's returns. We have been holding higher than normal cash levels, which helped to dampen volatility and mitigate declines. Despite recent short-term volatility, it is important to preserve a longer-term view. We continue to take advantage of the opportunities market corrections typically create and maintain our discipline of allocating assets to both preserve capital and grow investor account balances in a prudent manner.

Bond yields in Europe rose from record lows, elevating yields elsewhere, as the European Central Bank's monetary policy began to support expectations for economic growth and higher inflation. Stock markets in North America and Europe declined, while stocks in Japan gained. Japanese equities were boosted by the Bank of Japan's quantitative easing program and stock purchases by quasi-government organizations. In Canada, shares of commodities producers slid with base metals prices amid worries that demand will weaken in China, the largest user of industrial metals. Although crude oil prices recovered somewhat after last year's sharp decline, their reduced level continued to have a negative impact on energy producers.

We added U.S. Treasury bonds to the portfolio, as they offer the most generous yields relative to bonds of other G7 countries. The 10-year bond's yield spread relative to cash is also the widest, providing a better cushion against

rising interest rates. We continued to hold cash and U.S. dollars as we wait for opportunities in the market. U.S. currency offers reasonable value and has a unique effect of being a hedge against rising interest rates.

The government debt market in Canada continues to offer very low yields across all maturities, including longer-term issues. Meanwhile, interest rate risk, as measured by duration, has increased in recent years. It will be challenging to earn a return in excess of inflation during the next three to five years. We favour securities that offer more attractive returns than those offered by government bonds, including foreign-denominated issues, short-duration investment-grade bonds and high-yield corporate bonds and high-quality dividend-paying equities.

Having a diversified and flexible framework allows us to take advantage of changes in market valuations and provide steady income returns. We continue to adjust our bond weightings to manage downside risk and volatility. Our portfolio is positioned with less interest rate sensitivity and enhanced diversification relative to the benchmark.

Alfred Lam, CFA, Senior Vice-President and Portfolio Manager
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Marchello Holditch, CFA, Senior Analyst
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Andrew Ashworth, Analyst
Desta Tadesse, Analyst

Portfolio Select Series

Portfolio Management Teams



Altrinsic Global Advisors, LLC follows a fundamental value approach in which the team seeks out high-quality undervalued companies worldwide. Founded by John Hock and associates, Altrinsic is based in Greenwich, Connecticut.



Cambridge Global Asset Management is led by Co-Chief Investment Officers Alan Radlo and Brandon Snow and Chief Market Strategist Robert Swanson. They invest in companies building long-term economic value. Cambridge is a division of CI Investments and has offices in Boston and Toronto.



CI Investment Consulting is the portfolio management team responsible for over \$25 billion of assets in CI's managed solutions and oversight of all CI funds. Led by Portfolio Manager Alfred Lam, the team's mandate is centred on asset allocation, manager oversight and selection, and risk management.



Epoch Investment Partners, Inc. is a New York-based investment management firm founded by Wall Street veteran William Priest and associates. Epoch uses a value-based approach that focuses on companies with superior shareholder yield.



Harbour Advisors, a division of CI Investments, is led by Portfolio Managers Stephen Jenkins and Roger Mortimer. Harbour's approach entails buying high-quality businesses at a sensible price, and following a patient, long-term outlook.



Marret Asset Management Inc. focuses on fixed-income investing and alternative strategies on behalf of institutional, high net worth and retail clients. The firm is led by Chief Investment Officer Barry Allan.



QV Investors Inc. is a Calgary-based firm that follows a value-based approach. It is led by Chief Investment Officer Joe Jugovic.



Signature Global Asset Management is among the largest portfolio management teams in Canada, managing a full range of global and Canadian income, equity and balanced mandates. Chief Investment Officer Eric Bushell was named Morningstar Fund Manager of the Decade in 2010.



Picton Mahoney Asset Management is led by David Picton and Michael Mahoney and uses quantitative analysis as the foundation of its approach.



Tetrem Capital Management, led by Chief Investment Officer Daniel Bubis, is based in Winnipeg and has an office in Boston. Tetrem uses a disciplined approach to invest in undervalued Canadian and U.S. companies.

Portfolio SELECT™ Series

For more information on Portfolio Select Series, please contact your
CI Sales Representative or visit www.ci.com/portfolioselect.

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