

# CI G5|20 2040 Q1 Fund

Management Report of Fund Performance for the year ended March 31, 2018

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the 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.

## INVESTMENT OBJECTIVE AND STRATEGIES

The objective of the CI G5|20 2040 Q1 Fund (the "Fund") is to preserve and guarantee capital and optimize long-term total return by investing in, or obtaining exposure to, a combination of equity and fixed income securities throughout the world. The Fund will invest, directly or indirectly, primarily in mutual funds, exchange-traded funds, cash equivalents and equity and fixed income securities.

The Fund will distribute 1/12<sup>th</sup> of 5% of the Guaranteed Asset Value each month for its lifespan of 20 years. The Guaranteed Asset Value initially will be set at \$10 per unit but will increase to the net asset value per unit on March 31, 2020 if higher than the Guaranteed Asset Value otherwise in effect on that date.

In the Active Portfolio, the portfolio advisor invests the assets of the Fund, directly or indirectly, in mutual funds, exchange-traded funds and equity and fixed income securities. The Fund will be managed as a tactical balanced fund with an investment portfolio diversified by investment style, asset class and geographic region. This generally includes Canadian equity, U.S. equity, international equity and fixed income securities. The portfolio advisor may change the underlying funds or exchange-traded funds invested in, or the percentage of the Fund's assets invested in any particular fund, at any time.

In the event of that the assets of the Fund are insufficient to pay all guaranteed distributions, BMO Nesbitt Burns Inc. (the "Protection Manager"), will pay any shortfall amount to the Fund. A significant decline in interest rates, Fund performance, or both during the term of the Fund may shift the assets from the Active Portfolio to the Protection Portfolio. The Protection Portfolio will invest primarily in fixed income securities issued by the Canadian federal and/or provincial governments and cash equivalents and will be managed to ensure the payment of all future guaranteed distributions.

## RISK

There were no changes to the Fund over the period of this report that materially affected the overall level of risk associated with the Fund. The Fund is suitable for investors who are preparing for retirement, are retired, and/or want predictable and sustainable cash flow for a 20-year period commencing in approximately 5 years, want to preserve capital, are investing for the long term and can tolerate low to medium risk.

## RESULTS OF OPERATIONS

The net asset value of the Fund increased by \$24.1 million to \$45.5 million from March 31, 2017 to March 31, 2018. The Fund had net sales of \$24.6 million during the year. The portfolio's performance decreased assets by \$0.5 million. Class A units returned -0.7% after fees and expenses for the one-year period ended March 31, 2018. Over the same time period, the Fund's benchmark returned 4.7%. The benchmark is a combination of the FTSE TMX Canada Universe Bond Total Return Index - 40%, the MSCI World Total Return Index - 35% and the S&P/TSX Composite Total Return Index - 25%.

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 following commentary pertains to the results of operations of the underlying funds.

Strong economic growth, which became increasingly synchronized across developed and emerging markets, propelled global equities during the period. Global gross domestic product rose nearly 4%, and ongoing corporate earnings growth continued to stoke investor confidence.

Stock markets worldwide generally posted double-digit total returns, led by Asian and emerging markets. Canadian stocks underperformed, however, held back by the anticipation of rising interest rates and continuing underperformance in the energy sector.

Late in the period, markets became volatile. Beginning in late January, the U.S. market suffered its first official correction in more than a year, plunging 10% in less than two weeks. Meantime, the S&P/TSX Composite Index lost 8%, although it had less ground to give up as its gains leading up to the correction had been smaller.

While corporate earnings continued to accelerate through the end of the period, investor sentiment became cautious, with the focus turning to tightening financial conditions and higher interest rates. Rising trade tensions between the United States and China caused further angst.

Central banks around the world responded to the accelerating economic backdrop by raising short-term interest rates. In mid-March, the U.S. Federal Reserve increased rates by one-quarter of a percentage point to 1.5%; however, the European Central Bank and Bank of Japan held their benchmark rates steady as they chose to pause their respective economic stimulus programs.

Within the income portion, our diversified exposure to high-yield corporate bonds and global bonds, as well as lower duration on the bond portion added relative value. However, exposure to the U.S. dollar hurt relative performance. Within the equity portion, poor performance in the U.S. and Canadian equity pools detracted value. The portfolio's overall asset allocation made a positive contribution, due largely to an underweight position in Canadian equities. Currency hedging mitigated some foreign investment losses. Our largest underweight exposure is in the financials sector and the positioning within the sector is more diversified than the benchmark. We had overweight exposure to defensive sectors, such as health care and consumer staples, and were underweight in cyclical and interest-rate-sensitive sectors, such as energy and telecommunications services.

Overall, the Fund underperformed its benchmark for the period.

# CI G5|20 2040 Q1 Fund

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## RECENT DEVELOPMENTS

As rising short-term interest rates filter through the global economy, we will be watching for signs of slowing economic growth. This may be somewhat offset by the benefits of U.S. tax reform, which should stimulate capital spending and support economic growth in the second half of 2018 and beyond. In Canada, housing and consumer debt levels will be closely monitored as these could make the domestic economy vulnerable to a potential slowdown.

Effective November 24, 2017, the Fund acquired all assets of CI G5|20 2039 Q4 Fund and CI G5|20 2040 Q2 Fund.

Effective April 3, 2018, Karen Fisher became a member of the CI Board of Governors ("BOG") and the Independent Review Committee ("IRC") of the Fund. Meanwhile, Christopher Hopper resigned from the role 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 Portfolio Advisor, in consideration for risk management fees, acts as Risk Manager to the Fund and is responsible for providing and overseeing the risk management strategy for the Fund. The Manager bears all of the operating expenses of the Fund (other than taxes, borrowing costs, investment sub-advisory costs paid to the Protection Manager and new governmental fees) in return for a fixed administration fee.

Management fee and fixed administration fee rates as at March 31, 2018, for each of the classes are shown below:

	Annual management fee rate (%)	Annual fixed administration fee rate (%)
<b>Class A</b>	2.500*	0.22
<b>Class F</b>	1.500*	0.22
<b>Class O</b>	Paid directly by investor	0.15

\*This is the aggregated management fees payable annually to the Manager (Risk Manager and Portfolio Manager) based on the value of the assets in the Active Portfolio.

The Manager received \$0.5 million in management fees and risk management fees and \$0.1 million in fixed administration fees for the year.

### **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.

### **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;

- c) purchases or sales of other investment funds managed by the Manager or their affiliates; and
- d) mergers involving the Fund and another fund managed by the Manager that is subject to National Instrument 81-102 - *Investment Funds*.

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 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 year.

# CI G5|20 2040 Q1 Fund

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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 years.

Net Assets per Unit (\$) <sup>(1)(2)(4)</sup>	Increase (decrease) from operations:					Distributions:					Net assets at the end of the year shown <sup>(2)</sup>	
	Net assets at the beginning of year <sup>(2)</sup>	Total revenue	Total expenses (excluding distributions)	Realized gains (losses) for the year	Unrealized gains (losses) for the year	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 January 2, 2015												
Mar. 31, 2018	9.64	0.31	(0.29)	0.18	(0.40)	(0.20)	-	-	-	-	-	9.57
Mar. 31, 2017	9.29	0.29	(0.28)	(0.37)	0.71	0.35	-	-	-	-	-	9.64
Mar. 31, 2016	10.00	0.31	(0.29)	(0.05)	(0.68)	(0.71)	-	-	-	-	-	9.29
Mar. 31, 2015	10.00	0.01	-	-	-	0.01	(0.01)	-	-	-	(0.01)	10.00
<b>Class F</b>												
Commencement of operations January 2, 2015												
Mar. 31, 2018	9.86	0.31	(0.19)	0.15	(0.29)	(0.02)	-	-	-	-	-	9.89
Mar. 31, 2017	9.39	0.30	(0.19)	(0.32)	0.66	0.45	-	-	-	-	-	9.86
Mar. 31, 2016	10.00	0.32	(0.19)	(0.05)	(0.69)	(0.61)	-	-	-	-	-	9.39
Mar. 31, 2015	10.00	0.01	-	-	-	0.01	(0.01)	-	-	-	(0.01)	10.00
<b>Class O</b>												
Commencement of operations January 2, 2015												
Mar. 31, 2018	10.07	0.34	(0.09)	0.21	(0.50)	(0.04)	-	-	-	-	-	10.21
Mar. 31, 2017	9.49	0.31	(0.08)	(0.28)	0.64	0.59	-	-	-	-	-	10.07
Mar. 31, 2016	10.00	0.32	(0.08)	(0.04)	(0.68)	(0.48)	-	-	-	-	-	9.49
Mar. 31, 2015	10.00	0.02	-	-	-	0.02	(0.03)	-	-	-	(0.03)	10.00

(1) This information is derived from the Fund's audited 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 year.

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

(4) This information is provided for the years ended March 31.

# CI G5|20 2040 Q1 Fund

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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 year <sup>(2)</sup> %	Trading expense ratio <sup>(3)</sup> %	Portfolio turnover rate <sup>(4)</sup> %
<b>Class A</b>								
Commencement of operations January 2, 2015								
Mar. 31, 2018	38,468	4,019	2.74	0.28	3.02	10.30	0.11	59.45
Mar. 31, 2017	17,932	1,860	2.72	0.28	3.00	10.28	0.10	131.43
Mar. 31, 2016	20,857	2,245	2.72	0.30	3.02	12.31	0.15	39.71
Mar. 31, 2015	23,829	2,383	0.53	0.06	0.59	13.00	-	0.01
<b>Class F</b>								
Commencement of operations January 2, 2015								
Mar. 31, 2018	1,477	149	1.72	0.17	1.89	9.88	0.11	59.45
Mar. 31, 2017	1,092	111	1.72	0.22	1.94	12.72	0.10	131.43
Mar. 31, 2016	1,041	111	1.72	0.23	1.95	13.20	0.15	39.71
Mar. 31, 2015	1,121	112	0.53	0.06	0.59	13.00	-	0.01
<b>Class O</b>								
Commencement of operations January 2, 2015								
Mar. 31, 2018	5,601	548	0.76	0.08	0.84	10.32	0.11	59.45
Mar. 31, 2017	2,422	241	0.75	0.08	0.83	10.33	0.10	131.43
Mar. 31, 2016	2,073	218	0.75	0.09	0.84	13.00	0.15	39.71
Mar. 31, 2015	2,274	227	-	-	-	-	-	0.01

(1) This information is derived from the Fund's audited 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 year, 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 year, 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 year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. 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 year, 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 year.

(5) This information is provided for the years ended March 31.

# CI G5|20 2040 Q1 Fund

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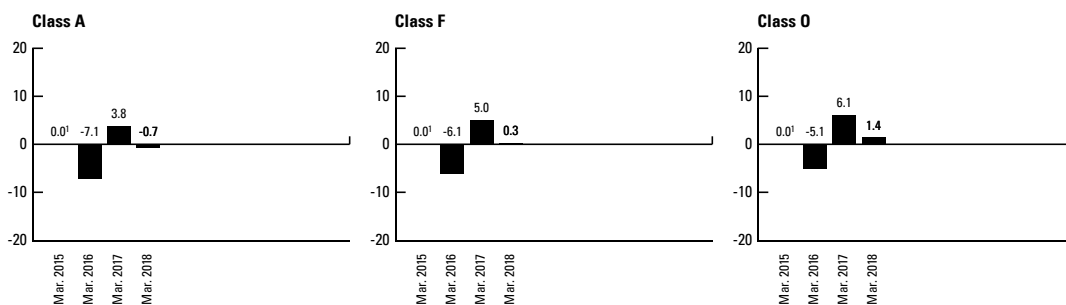
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## PAST PERFORMANCE

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



<sup>1</sup> 2015 return is for the period from January 2, 2015 to March 31, 2015.

# CI G5|20 2040 Q1 Fund

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## Annual Compound Returns

The following table shows the Fund's annual compound returns for each year indicated, compared to the Blended Index composed of: (40% - FTSE TMX Canada Universe Bond Total Return Index, 35% - MSCI World Total Return Index and 25% - S&P/TSX Composite Total Return Index); the FTSE TMX Canada Universe Bond Total Return Index, the MSCI World Total Return Index and the S&P/TSX Composite Total Return Index.

The FTSE TMX Canada Universe Bond Total Return Index is a market capitalization weighted index that measures the performance of the Canadian investment-grade fixed income market. The Index consists of fixed rate bonds denominated in Canadian dollars, with a remaining effective term to maturity of at least one year, rated BBB or higher. The Index is comprised of four main credit or borrower categories: bonds issued by the Government of Canada (including Crown Corporations), Provincial bonds (including provincially-guaranteed securities), Municipal bonds and Corporate bonds. The Corporate sector is further divided into sub-sectors based on major industry groups: Financial, Communication, Industrial, Energy, Infrastructure, Real Estate and Securitization. The Corporate sector is also divided into sub-indices based on credit rating: a combined AAA/AA sector, a single A sector and a BBB sector.

The MSCI World Total Return Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The Index consists of the following 23 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States of America.

The S&P/TSX Composite Total Return Index is a float-adjusted market capitalization weighted index which is the principal broad measure of the Canadian equity market. It includes common stocks and income trust units of companies incorporated in Canada which are listed on the Toronto Stock Exchange.

A discussion of the performance of the Fund as compared to the benchmark is found in the Results of Operations section of this report.

	One Year (%)	Three Years (%)	Five Years (%)	Ten Years (%)	Since Inception (%)
<b>Class A</b>	(0.7)	(1.5)	n/a	n/a	(1.3)
Blended Index	4.7	4.8	n/a	n/a	6.5
FTSE TMX Canada Universe Bond Total Return Index	1.4	1.2	n/a	n/a	2.4
MSCI World Total Return Index	10.6	9.2	n/a	n/a	12.2
S&P/TSX Composite Total Return Index	1.7	4.1	n/a	n/a	4.6
<b>Class F</b>	0.3	(0.4)	n/a	n/a	(0.3)
Blended Index	4.7	4.8	n/a	n/a	6.5
FTSE TMX Canada Universe Bond Total Return Index	1.4	1.2	n/a	n/a	2.4
MSCI World Total Return Index	10.6	9.2	n/a	n/a	12.2
S&P/TSX Composite Total Return Index	1.7	4.1	n/a	n/a	4.6
<b>Class O</b>	1.4	0.7	n/a	n/a	0.6
Blended Index	4.7	4.8	n/a	n/a	6.5
FTSE TMX Canada Universe Bond Total Return Index	1.4	1.2	n/a	n/a	2.4
MSCI World Total Return Index	10.6	9.2	n/a	n/a	12.2
S&P/TSX Composite Total Return Index	1.7	4.1	n/a	n/a	4.6

# CI G5|20 2040 Q1 Fund

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## SUMMARY OF INVESTMENT PORTFOLIO as at March 31, 2018

Category	% of Net Assets	Category	% of Net Assets	Top Holdings	% of Net Assets
<b>Country allocation</b>		<b>Sector allocation</b>			
<b>Long Positions</b>		<b>Long Positions</b>			
Fund(s) .....	90.3	Fund(s) .....	90.3	Select Canadian Equity Managed Corporate Class (A Shares) ....	24.8
Cash & Equivalents .....	6.4	Cash & Equivalents .....	6.4	Select U.S. Equity Managed Corporate Class (A Shares) .....	24.4
U.S.A. ....	2.0	Foreign Government Bonds .....	2.0	Select International Equity Managed Corporate Class	
Other Net Assets (Liabilities) .....	1.2	Other Net Assets (Liabilities) .....	1.2	(A Shares) .....	21.1
Future Contracts .....	0.0	Future Contracts .....	0.0	Cash & Equivalents .....	6.4
<b>Total Long Positions</b> .....	<b>99.9</b>	<b>Total Long Positions</b> .....	<b>99.9</b>	Signature Canadian Bond Fund (Class I) .....	6.0
				Signature Global Bond Fund (Class I) .....	5.0
<b>Short Positions</b>		<b>Short Positions</b>		Signature High Yield Bond II Fund (Class I) .....	5.0
Future Contracts.....	0.1	Future Contracts.....	0.1	Signature Tactical Bond Pool (Class I) .....	4.0
<b>Total Short Positions</b> .....	<b>0.1</b>	<b>Total Short Positions</b> .....	<b>0.1</b>	United States Treasury Note/Bond 2.5% 02/15/2046 .....	2.0
				<b>Total Net Assets (in \$000's)</b>	<b>\$45,546</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.