



Portfolio data as of December 31, 2009

Mandate Characteristics

Inception Date:	January 1993
Asset Class:	Canadian Fixed Income
Total Assets:	\$2.4 billion
Portfolio Manager:	James Dutkiewicz, Signature Global Advisors
Benchmark:	100% DEX Universe + Maple Overall (CAD\$)

Portfolio Characteristics

Current Yield:	4.5%
Duration:	5.6 yrs
Average Credit Rating:	AA-
(Moody's Credit Rating)	

Asset Allocation Breakdown



CI Signature Canadian Bond Portfolio

(Available on a pooled or segregated basis)

Investment Objective

The objective of this product is to obtain long-term total return. The portfolio invests primarily in a mix of fixed income securities of Canadian governments and Canadian corporations.

Commentary as at December 31, 2009

The healing of credit and equity markets that began in the spring continued through the fourth quarter, resulting in greater investor confidence and higher market values. As companies continued to restructure their balance sheets during the period, we found new opportunities to add positions to the portfolio at favourable prices.

After having raised our cash weights by mid-November we had redeployed about half of these positions into new offerings by the end of the quarter. We participated in new equity issues by Bank of America and Wells Fargo, and purchased JP Morgan warrants at auction.

Debt markets continued their strong rally throughout the fourth quarter as many other markets – employment, consumer, emerging economies and credit – continued to improve. These factors, combined with continued low interest rates, created a favourable backdrop for equities and high-yield equities such as REITs. We are positive on the high-yield bond market because spreads are historically wide and defaults are likely to fall substantially in 2010. There is an abundance of new supply as the leveraged loan market needs to be refinanced by the bond market and this should keep yields higher, longer.

While the primary driver of equity values in 2009 was the healing of the corporate credit markets, economic growth and monetary policy are likely to take over from here. As unemployment, consumer and housing markets stabilize, equities will benefit from renewed confidence, particularly as many investment alternatives carry less attractive risk/reward characteristics.

Top 5 Government Bond Holdings

Government of Canada, 3.00% 6/1/2014	3.8%
Government of Canada, 3.75% 6/1/2019	3.2%
Government of Canada, 3.50% 6/1/2020	2.9%
Government of Canada, 4.50% 6/1/2015	2.6%
Government of Canada, 2.00% 12/1/2014	2.5%

Sector Distribution

Federal	32.3%
Agency	3.6%
Provincial	13.6%
Financials	20.2%
Non-Financials	21.3%

Top 5 Corporate Bond Holdings

Canada Housing Trust No. 1, 6/15/2012	1.1%
Instituto de Credito Oficial/ 3/17/2016	0.9%
Royal Bank of Scotland 5.37%/ 5/12/2049	0.9%
Strait Crossing Development 6.17%/ 9/15/2031	0.8%
Merrill Lynch & Co., Inc., 1/30/2012	0.7%

Quality Distribution

AAA	47.8%
AA	12.7%
A	22.2%
BBB	15.2%
BB	0.9%

As of December 31, 2009 (CAD\$)	Trailing Periods								Calendar Years				
	MRQ	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incp	2009	2008	2007	2006	2005
Gross Returns	0.7	6.3	6.3	5.0	5.2	5.4	6.5	7.8	6.3	4.9	3.7	4.3	6.6
Benchmark	-0.2	5.5	5.5	5.0	5.1	5.6	6.6	7.5	5.5	6.0	3.5	4.1	6.5
Excess Returns	0.9	0.8	0.8	0.0	0.1	-0.2	-0.1	0.3	0.8	-1.1	0.2	0.2	0.1
Standard Deviation	---	---	3.7	3.5	3.2	3.3	3.5	---	3.7	4.1	2.6	3.2	2.6
Annualized Alpha	---	---	0.5	0.4	0.6	0.3	0.2	---	0.5	-0.1	0.5	0.6	1.3
Tracking Error	---	---	1.1	1.0	0.9	0.8	0.7	---	1.1	1.3	0.4	0.5	0.7
Information Ratio	---	---	0.8	0.0	0.1	-0.2	-0.2	---	0.8	-0.9	0.6	0.6	0.2
Sharpe Ratio	---	---	1.5	0.6	0.7	0.8	0.9	---	1.5	0.4	-0.3	0.1	1.6

Signature Global Advisors

Founded in 1998 as a division of CI Investments, Signature Global Advisors manages Canadian equity, global equity, balanced and income-oriented investment strategies with over \$22 billion in assets under management. The team of 23 investment professionals, led by Chief Investment Officer Eric Bushell, integrates information from various capital markets, industry sectors and global sources to formulate rigorous, market-tested investment theses.

Investment Philosophy

Signature's objective is to deliver strong risk-adjusted returns regardless of market conditions by understanding the relationship between the economy, industry and capital market cycles. Once identified, these cycles are exploited through the investment team's intensive fundamental analysis to identify companies and strategic positioning.

The Signature's actively managed, common-sense approach embodies two key competitive advantages:

Full Capital Structure Analysis

Signature managers are responsible for portfolios covering the entire spectrum of asset classes, giving them a unique perspective. Their global sector specialists examine all components of a company's capital structure, including common equities, preferred shares, bonds and commercial paper. Signature synthesizes the views of all analysts to develop a comprehensive picture of a firm, its securities and its need for capital. The Signature specialist model contributes significantly to Signature's informational advantage, providing managers with information on events in other markets that may reveal potential problems as well as opportunities.

Currency Strategies

Signature employs an active hedging program to mitigate volatility within global currency markets. Actively managed currencies include the U.S. dollar, British pound, euro, Japanese yen, Swiss franc, and Australian dollar. Hedge ratios on fixed-income securities range from 60% to 100%, and from 0% to 100% on equities. The hedge ratio is determined by a multi-factor model and reviewed monthly in conjunction with the asset allocation decision.

Broad Mandate

Rather than being boxed into a particular style, Signature believes that the investment choices offered by the Canadian market are already limited and that additional restrictions can lead to poor diversification. Signature managers pursue mandates that are as broad as possible, giving them the greatest possible selection of potential investments and more flexibility to adapt to the changing risks and opportunities within the markets. This has resulted in a track record of achieving strong returns with lower-than-average volatility in all kinds of markets.

Risk Management

To manage risk, each Signature strategy is diversified by the number of holdings, sector, asset class, and geographic region, where mandates permit. Each position is monitored continuously on a fundamental basis to ensure it maintains an acceptable risk/reward profile. Overall portfolio valuation and risk parameters are monitored against market benchmarks.

CI Institutional Asset Management

CI Institutional Asset Management (CIAM) is a division of CI Investments, one of Canada's largest and most respected money managers with over \$62 billion in assets under management. CIAM has over \$10 billion in assets, and offers a full suite of investment management solutions for institutional clients, including leading financial intermediaries, pension funds, endowments, foundations and corporations.

CIAM operates as a multi-boutique firm, providing clients with access to a range of CI's 13 individual sub-advisors offering top-ranked balanced, domestic and global equity capabilities. Institutional clients have access to bulk purchase arrangements, pooled fund strategies and segregated account management. CIAM also offers risk management capabilities through liability driven investment solutions in partnership with Nexus Risk Management.

In addition, CIAM has a dedicated team of nine institutional investment professionals focused on sales, superior client servicing and ensuring effective portfolio management.

CI Institutional Asset Management mandates are available to institutional investors such as pension plans, group retirement plans, endowments, foundations and certain individual investors who meet specified investment criteria. The indicated rates of return are historical simple total returns (1 year) or average annual compound total returns (3, 5, 7 and 10 years) as at December 31, 2009 and do not take into account any management or administration fees payable by account holders which would have reduced returns. Investment returns will fluctuate. Past performance is not a reliable indicator of future performance. All returns are in CDN Dollars. CI Institutional Asset Management and the CI Institutional Asset Management logo are trademarks of CI Investments Inc.TM Signature Global Advisors is a trademark of CI Investments Inc.