

CI LIQUID ALTERNATIVE INVESTMENT STRATEGIES

CI Marret Alternative Absolute Return Bond Fund



MARCH 2021

CI Marret Alternative Absolute Return Bond Fund (the Fund) seeks to provide absolute returns with low volatility regardless of market conditions. The Fund invests primarily in fixed income across the credit spectrum. This includes government, investment-grade corporate and high-yield debt as well as credit derivatives, other income-producing securities and cash.

PERFORMANCE SUMMARY (as of March 31, 2021)

	1 MONTH	3 MONTH	6 MONTH	1 YEAR	2 YEAR	SINCE INCEPTION
CI MARRET ALTERNATIVE ABSOLUTE RETURN BOND FUND SERIES F	-0.22	-1.39	0.18	2.75	5.41	5.40
FTSE CANADA UNIVERSE BOND INDEX	-1.49	-5.04	-4.44	1.62	3.03	5.21

Source: Morningstar Research Inc. Inception date: November 7, 2018. Effective January 15, 2021, CI Marret Alternative Absolute Return Bond ETF has merged with CI Marret Alternative Absolute Return Bond Fund and this change may impact performance. Had these changes been in effect prior to this date, the performance of the fund could have been different.

GLOBAL MACRO UPDATE

U.S. Treasury yields posted one of their sharpest increases since the 2013 Taper Tantrum, over 80 basis points (bps) on the 10-year note, creating indigestion across many markets. Heavy government supply to fund massive fiscal deficits led to poor auction results throughout the quarter. Risk markets had a strong finish despite the steep rise in U.S. government bond yields. The S&P 500 Composite Index climbed to fresh highs after a 4% drawdown in early March. The root cause of many of these market moves was the January election runoff result, completing a “Blue Wave”. The Democrats wasted no time in passing an aggressive new stimulus package and quickly proposed a large infrastructure bill to follow. The scale of these fiscal measures following emergency spending in 2020, an accommodative Federal Reserve, and rising optimism in the reopening recovery prompted inflation fears across fixed income markets. This resulted in losses of almost 5% for both U.S. government and investment grade bonds. High yield was also weighed down by rising rates but managed to generate marginally positive returns with spreads almost 40bps tighter. Equities were the biggest beneficiaries of the reflationary theme as large inflows generated strong returns. In particular, cyclical stocks and COVID-sensitive names outperformed as confidence grew in the reopening momentum with continued vaccine rollout success.

POSITIONING UPDATE

The Fund benefited from its reduced duration in government bonds as well as its shift into high yield credit over the last few quarters, which insulated it somewhat from rising rates. However, it still generated

FUND SUMMARY

KEY FACTS

NAV/UNIT (SERIES F)	\$10.38
MANAGEMENT FEE (SERIES F)	0.80%
PERFORMANCE FEE	10% of returns (net of MER) above the hurdle rate subject to a high-water mark
HURDLE RATE	10-year Canadian government bond yield +1%
CURRENT YIELD	3.00%
AVERAGE DURATION	4.78 years
LIQUIDITY	Daily
SERIES F FUND CODE	CIG 4191 (C\$) CIG 4193 (US\$)
SERIES A FUND CODE	CIG 2191 (C\$) CIG 2193 (US\$)
ETF TICKER	TSX: CMAR (C\$ hedged) CMAR.U (US\$ hedged)

USE OF LEVERAGE

GROSS EXPOSURE	92.5%
NET EXPOSURE	85.2%

Source: Marret Asset Management Inc., as of March 31, 2021.

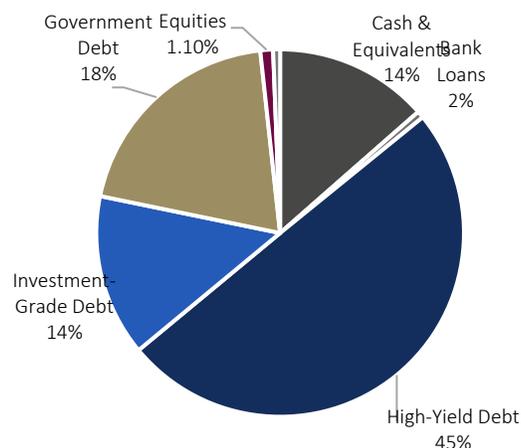
modest losses despite significantly outperforming the broader fixed income market in the quarter. We continue to maintain a core exposure to high yield credit, positioning for considerable economic improvement over the coming quarters. A strong savings rate, pent up demand, and improving employment should all contribute to some of the strongest quarterly GDP growth rates in decades. This backdrop should lead to default rates falling to pre-pandemic levels and credit rating upgrades outnumbering downgrades, both providing a strong fundamental underpinning to the market. Nevertheless, the Fund remains underweight both lower quality credit and COVID-sensitive names. There is little price appreciation left in these pockets as the extremely easy monetary policy conditions of the past year have compressed spreads to reflect the most optimistic outcomes. As a result, the spread differential between stable companies and those with cyclical exposure still awaiting fundamental improvement appears to be too narrow. While we maintain a higher quality bias, the Fund has tactically increased its credit exposure during bouts of weakness. We expect this shift to provide the benefits of additional yield over the course of the year and modest capital appreciation.

OUTLOOK

Looking forward, the biggest risk to credit and equity markets are higher interest rates. Given the steep rise in government bond yields this year, there's the potential to transition to a rangebound rate market, or at least slow the pace of ascent. Any semblance of rate stability would provide a better backdrop for risk, particularly credit. If rates destabilize further, we are wary of a dislocation in risk. Markets have already displayed their sensitivity to rates rising too quickly. Therefore, we remain cautious on both rates and unhedged credit. Our preference is to be tactical and not necessarily structural in either. For the time being, the Fund remains below benchmark duration, albeit with a bias to add on weakness. We are actively managing and trading our government duration exposure. We will also consider reducing some of our credit exposure if spreads tighten considerably, while focusing on the best risk reward opportunities in what feels like an increasingly fully valued market.

Sources: Marret Asset Management, Bloomberg Finance L.P. as of March 31, 2021.

ASSET CLASS BREAKDOWN



FUND EXPOSURE

ISSUER COUNTRY	GROSS EXPOSURE*
CANADA	23.5%
UNITED STATES	69.0%
OTHER	2.6%

TOP FIVE HOLDINGS

HOLDING	WEIGHT
U.S. TREASURY 1 1/8 02/15/31	5.2%
CANADIAN GOVERNMENT BOND 0 1/2 09/01/25	4.0%
CANADIAN GOVERNMENT BOND 0 1/2 12/01/30	3.5%
TENET HEALTHCARE CORP. 4 5/8 07/15/24	2.8%
CANADIAN GOVERNMENT BOND 1 1/2 09/01/24	2.0%

YEARS TO MATURITY	GOVERNMENT BONDS	CORPORATE BONDS
0 to 3	1.0%	9.2%
3 to 5	7.1%	11.3%
5 to 10	8.0%	33.0%
10+	2.7%	5.7%

Source: Marret Asset Management Inc., as of March 31, 2021.
*Ex-cash

For more information visit liquidalts.ci.com or contact your CI sales representative



GLOSSARY OF TERMS

Duration: A measure of the sensitivity of the price of a fixed income investment to a change in interest rates. Duration is expressed in number of years. The price of a bond with a longer duration would be expected to rise (fall) more than the price of a bond with lower duration when interest rates fall (rise).

DISCLAIMERS

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund and exchange-traded fund (ETF) investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compound 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 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 and ETFs are not guaranteed, their values change frequently, and past performance may not be repeated. You will usually pay brokerage fees to your dealer if you purchase or sell units of an ETF on recognized Canadian exchanges. If the units are purchased or sold on these Canadian exchanges, investors may pay more than the current net asset value when buying units of the ETF and may receive less than the current net asset value when selling them.

CI Liquid Alternative investment funds have the ability to invest in asset classes or use investment strategies that are not permitted for conventional mutual funds. The specific strategies that differentiate these investment funds from conventional fund structure include: increased use of derivatives for hedging and non-hedging purposes; increased ability to sell securities short; and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the investments funds' investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.

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 Global Asset Management and the portfolio manager believe to be reasonable assumptions, neither CI Global Asset Management 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.

The comparison presented is intended to illustrate the historical performance of the Fund as compared with the historical performance of widely quoted market indexes or a weighted blend of widely quoted market indexes. There are various important differences that may exist between the Fund and the stated indexes that may affect the performance of each. The objectives and strategies of the Fund result in holdings that do not necessarily reflect the constituents of and their weights within the comparable indexes. Indexes are unmanaged and their returns do not include any sales charges or fees. It is not possible to invest directly in market indexes.

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CI Global Asset Management ("CI GAM") is the portfolio manager of CI Marret Alternative Absolute Return Bond Fund and Marret Asset Management Inc. is the portfolio sub-advisor to the Fund. CI GAM is responsible for the investment advice provided by the portfolio sub-advisors.

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