CI Investments
Trusted Partner in Wealth™

CI LIQUID ALTERNATIVE INVESTMENT STRATEGIES

CI Lawrence Park Alternative Investment Grade Credit Fund | Monthly Update – September 2020

LAWRENCE PARK
ASSET MANAGEMENT

CI Lawrence Park Alternative Investment Grade Credit Fund (the Fund) is an active credit-focused mandate designed to address the challenges of traditional fixed-income investing. Hedging the majority of interest rate risk and currency risk, the Fund aims to generate fixed-income alpha by capitalizing on inefficiencies and short-term dislocations in the investment-grade corporate credit markets. With an emphasis on capital preservation, the Fund seeks to provide consistent positive returns over the market cycle, with a low correlation to equity and fixed-income markets.

PERFORMANCE SUMMARY (as at September 30, 2020)

	YTD	1 Month	3 Months	6 Months	1 Year	Since Inception
CI Lawrence Park Alternative Investment Grade Credit Fund Class F	1.57	0.62	4.56	10.90	3.06	3.63
FTSE Canada All Corporate Bond Index	6.82	0.01	1.34	9.53	6.87	8.69

Source: CI Investments Inc. & Morningstar Research Inc. as at September 30, 2020. Inception date: November 7, 2018.

Monthly summary

It was a soft month for risk assets and one in which we were satisfied to finish the month with positive returns. Despite credit indices closing lower both domestically and globally in September, our focus on short-dated credit held up well and we were able to generate moderate income to supplement our strong returns through the summer months. During the month we were gradually reducing risk in the U.S. election leadup, as we think a protracted/contested outcome remains a tail risk. Evidence of a more definitive result for either party will be well received and present an opportunity to add risk into what is expected to be a strong close to the year. While rising COVID-19 cases in Europe and North America remain a concern, currently we do not anticipate a broad-scale shutdown, and investment-grade credit markets remain well supported by central bank backstops.

Credit

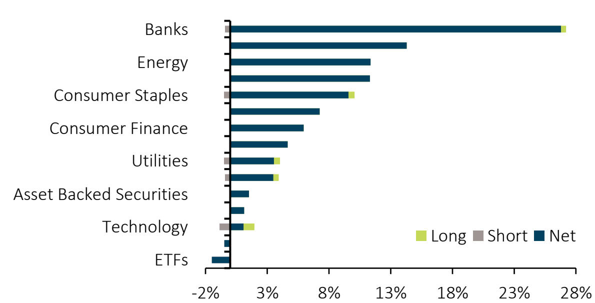
August proved to be a month where equities outperformed credit, but in September the reverse was true - at least until the final week. As U.S. equities sold-off amid concerns over lack of stimulus, rising global COVID-19 cases, and the potential for a contested U.S. election, U.S. credit spreads remained relatively stable. Investors were actively moving cash out of equities and high yield and into investment-grade credit as a low-risk alternative.

The latter part of the month saw credit spreads leak wider, with the U.S. credit index falling 0.45% in the last week to finish the month -0.48%. Sentiment softened against a backdrop of increased new issuance and

FUND SUMMARY

KEY FACTS	
NAV/unit (Class F)	$10.32
Strategy AUM	$397 million
Management fee (Class F)	0.80%
Performance fee	10% of any returns (net of MER) above the Hurdle Rate, subject to a high-water mark
Hurdle Rate	FTSE Canada All Corporate Bond Index
Interest rate duration	0-3 years
Leverage	1-3x
Investment-grade exposure	99%
Class F Fund Code	CIG 4190
Class A Fund Code	CIG 2190
ETF Ticker	TSX: CRED (C$ hedged) CRED.U (US$ hedged)

SECTOR BREAKDOWN



Source: Lawrence Park Asset Management. Data as at September 30, 2020.

rising election tensions, as well as month end rebalancing into equities and out of fixed income. New issue supply surpassed expectations as corporations continue to raise and hoard cash. A total of $155 billion was issued in U.S.-dollar investment grade bonds during the month, making it the 7th busiest month ever (with 5 of the top 6 occurring in 2020).

Canadian credit markets similarly fell but outperformed global markets, falling only 0.17% for the month. Energy and Mining fared the worst, but we saw moderate widening across Telco, Utility and Transportation sectors. There were some meaningful issues in Canada, including new LRCN hybrid notes from CIBC and BMO, along with an inaugural deal for Summit REIT. Overall Canadian investment-grade credit continues to feel resilient in the face of falling global risk assets, underpinned by inflows and the perception that the Bank of Canada will continue to act as a backstop in the event of a more meaningful risk-off environment.

Rates

Rate curves remained fairly steadfast during the month, offering little in the way of positive performance despite the significant drop in equities. The potential for a risk-off related rally in government bonds was offset by concerns over rising near-term supply from fiscal stimulus and concerns that a Democratic sweep in Washington could lead to long-term increased spending.

Portfolio themes

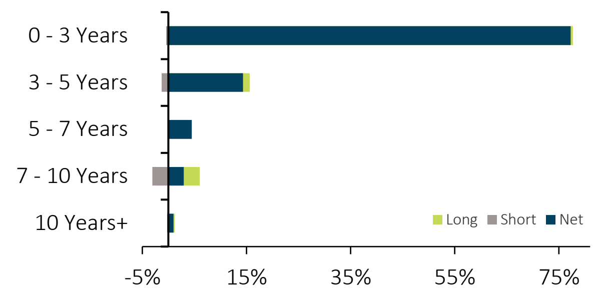
Contributors to our positive performance included active trading from the plethora of new issues highlighted by the aforementioned Canadian bank hybrid (LRCN) notes, which saw two new issues attracting more attention and buyers seeking 4% yields. We were able to trade Brookfield Renewable Partners profitably during the month to exit our position near the tights before bonds started to widen later in the month.

On the downside, one of our more difficult positions was Morguard REIT. During September, the company issued a new 3-year bond at a significant discount to market, which caused secondary paper to widen. We have successfully reduced our exposure to the name in recent weeks.

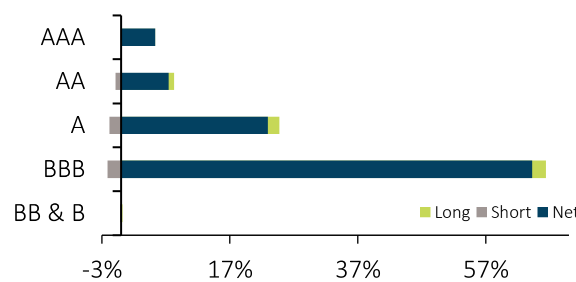
Income from our levered portfolio of short-term bonds contributed to the bulk of our September returns, and gains in our portfolio hedging program successfully offset modest losses due to spread widening from our longer-duration core and momentum strategies.

We reduced risk at the margin during September, lowering both leverage and credit duration in response to the COVID-19 second wave and uncertainty over the U.S. election. We will have lots of 'dry powder' to add to names we like during bouts of volatility.

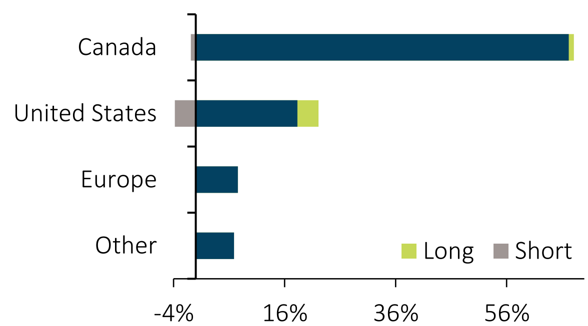
MATURITY BREAKDOWN



CREDIT QUALITY



GEOGRAPHIC BREAKDOWN



Sources: CI Investments Inc. and Lawrence Park Asset Management. Data as at September 30, 2020.

Outlook

Markets have priced in a reasonable degree of uncertainty over fiscal stimulus, the COVID-19 second wave, and the outcome of the U.S. election. If the COVID-19 curve can flatten, even at a higher rate of infection than we saw earlier in the summer, then public anxiety will reduce, and the broader economy can continue to slowly recover. The U.S. election's largest risk is a protracted or contested outcome, with neither side conceding and a potential decision in the courts similar to Bush-Gore in 2000. (At the time, that outcome seemed intense and acrimonious, though we expect by today's standards it would seem positively civil!). But if the current Biden polling lead (which implies a more robust win) persists, markets will look beyond the election toward attractive multiples for traditional value stocks in a recovering environment. We believe valuations favour tighter spreads, and steeper rate curves only further the potential for a credit market rally into year-end.

Source: Lawrence Park Asset Management, Bloomberg Finance L.P. as at September 30, 2020.

DEFINITIONS

Duration: A derivative is a financial security with a value that is reliant upon, or derived from, an underlying asset or group of assets. The derivative itself is a contract between two or more parties based upon the asset or assets. Its price is determined by fluctuations in the underlying asset

Alpha: A measure of performance. Alpha, often considered the active return on an investment, gauges the performance of an investment against a market index or benchmark which is considered to represent the market's movement as a whole. The excess return of an investment relative to the return of a benchmark index is the investment's alpha

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 Investments Inc. and the portfolio manager believe to be reasonable assumptions, neither CI Investments Inc. 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 CI Lawrence Park Alternative Investment Grade Credit Fund (the "Fund") as compared with the historical performance of a widely quoted market indices or a weighted blend of widely quoted market indices. There are various important differences that may exist between the Fund and the stated indices 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 indices. Indexes are unmanaged and their returns do not include any sales charges or fees. It is not possible to invest directly in market indices.

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CI is the portfolio manager of the Fund and Lawrence Park Asset Management is the portfolio sub-advisor to the Fund. CI is responsible for the investment advice provided by the portfolio sub-advisors.

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Published October 13, 2020