

Lawrence Park Alternative Investment Grade Credit Fund

Management Report of Fund Performance for the period ended December 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 or SEDAR at 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 Lawrence Park Alternative Investment Grade Credit Fund (the "Fund") seeks to generate consistent positive total returns with an emphasis on capital preservation and low correlation to traditional equity and fixed income markets. The Fund will be primarily invested in the investment-grade debt of corporations and financial institutions in the developed world.

The Fund will use leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The Fund's leverage must not exceed three times the Fund's net asset value. The leverage will be calculated in accordance with the methodology prescribed by securities laws, or any exemptions therefrom.

The selection of the Fund's portfolio will be based on sound fundamental principles and technical market conditions. The investment will be allocated across a large number of issuers in multiple industry sectors and geographical locations in all parts of the capital structure and maturity profile. In order to reduce portfolio volatility, the portfolio sub-adviser will generally maintain overall interest rate sensitivity significantly lower than the FTSE Canada All Corporate Bond Index, except in circumstances where the portfolio sub-adviser feels it is prudent to extend rate sensitivity.

RISK

The risks of investing in the Fund remain as discussed in the prospectus. The Fund is suitable for investors who are seeking income and long-term capital appreciation, seeking to reduce sensitivity to interest rate fluctuations, seeking exposure to global investment grade credit and active credit trading strategies, seeking consistent returns over the market cycle, seeking an investment which can utilize borrowing, short-selling, leverage and derivatives where appropriate to either maximize returns or mitigate negative returns, and can tolerate low-to-medium risk.

RESULTS OF OPERATIONS

As at December 31, 2018, the Fund's net asset value was \$83.8 million. The Fund had net sales of \$84.4 million during the period. The Fund paid distributions totalling \$0.3 million while the portfolio's performance decreased assets by \$0.3 million.

The Fund was created and funded in the last quarter of 2018 and has only been partially invested over the course of the last two months of 2018.

The Fund invests primarily in investment-grade corporate bonds. The Fund focuses on generating returns through the active management of credit spreads (the yield differential between a corporate bond and a government bond of a similar tenor) and utilizes interest rate and currency hedging techniques in order to isolate credit-based returns. The Fund takes advantage of new rules introduced in Canada which allow for expanded use of derivatives, leverage, and short-selling in order to differentiate from traditional Canadian bond investment products.

Lawrence Park Asset Management was established in 2011 and is comprised of fixed-income veterans from Canadian banks and global investment management firms. The firm utilizes a "trading-desk" style approach to generate incremental returns by capturing pricing inefficiencies that exist among the diverse array of corporate bonds issued in Canada and globally.

The last six weeks of 2018 were marked by a sharp downturn in stock markets around the world. Concerns began to mount over a slowing global economy, trade tensions remained high between the U.S. and China, while in Britain the Theresa May government faced a crisis of confidence and was forced to take an embarrassing step back from a negotiated Brexit deal. Between the launch date of the Fund and year-end, global stocks tumbled almost 10% and global investment-grade credit markets were down close to 2%. Bond yields fell as investors adjusted the potential of a moderating economy and slower pace of rate hikes in 2019.

The Fund incurred modest negative performance over the period, which is reasonable in the context of the overall market environment. We focused on assembling a portfolio of high-quality corporate bonds and taking advantage of dislocated markets to buy at attractive levels. We focused on 2-3 year assets as we adopted a conservative approach in the face of higher than usual volatility.

RECENT DEVELOPMENTS

Our core outlook is that Canada and U.S. economic growth will slow down, but that North America will avoid a recession in the next 12 months. In that scenario, we believe the portfolio will perform in line with expectations. At current spread levels, the likelihood of more than another 10% of widening appears remote, and early signs in 2019 are that risk conditions are improving from oversold levels.

We will continue to add shorter-dated high-quality assets at attractive yields, and are ready to increase duration to take advantage of any signs of economic stabilization or improvement. Our focus to date has been on the domestic Canadian market. However, we actively monitor global markets for opportunities where we can hedge out unwanted currency risks and still enhance portfolio returns.

RELATED PARTY TRANSACTIONS

Manager, Portfolio Adviser, Trustee and Registrar

CI Investments Inc. is the Manager, Portfolio Adviser, 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 Manager bears all of the operating expenses of the Fund (other than taxes, borrowing costs and new governmental fees) in return for a fixed administration fee.

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

	Annual management fee rate (%)	Annual fixed administration fee rate (%)
Class A	1.300	0.17
Class F	0.800	0.17
Class I	Paid directly by investor	-

The Manager received \$0.001 million in management fees for the period.

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 to pay 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; and
- c) purchases or sales of other investment funds managed by the Manager or their affiliates.

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 period.

Except as otherwise noted above, the Fund was not a party to any related party transactions during the period ended December 31, 2018.

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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 period.

Net Assets per Unit (\$) ⁽¹⁾⁽²⁾⁽⁴⁾	Increase (decrease) from operations:					Distributions:					Net assets at the end of the period shown ⁽²⁾	
	Net assets at the beginning of period ⁽²⁾	Total revenue	Total expenses (excluding distributions)	Realized gains (losses) for the period	Unrealized gains (losses) for the period	Total increase (decrease) from operations ⁽²⁾	From net investment income (excluding dividends)	From dividends	From capital gains	Return of capital		Total distributions ⁽²⁾⁽³⁾
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Class A												
Commencement of operations October 30, 2018												
Dec. 31, 2018	10.00	0.07	(0.03)	(0.05)	(0.04)	(0.05)	-	-	-	-	-	9.95
Class F												
Commencement of operations October 30, 2018												
Dec. 31, 2018	10.00	0.08	(0.03)	(0.08)	0.01	(0.02)	-	-	-	-	-	9.96
Class I												
Commencement of operations October 30, 2018												
Dec. 31, 2018	10.00	0.08	(0.01)	(0.06)	(0.04)	(0.03)	(0.04)	-	-	-	(0.04)	9.93

(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 period.

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

(4) This information is provided for the period ended December 31.

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FINANCIAL HIGHLIGHTS (cont'd)

Ratios and Supplemental Data ⁽¹⁾⁽⁵⁾

	Total net assets ⁽¹⁾ \$000's	Number of units outstanding ⁽¹⁾ 000's	Management expense ratio before taxes ⁽²⁾ %	Harmonized sales tax ⁽²⁾ %	Management expense ratio after taxes ⁽²⁾ %	Effective HST rate for the period ⁽²⁾ %	Trading expense ratio ⁽³⁾ %	Portfolio turnover rate ⁽⁴⁾ %
Class A								
Commencement of operations October 30, 2018								
Dec. 31, 2018	71	7	1.47	0.19	1.66	13.00	0.08	86.99
Class F								
Commencement of operations October 30, 2018								
Dec. 31, 2018	1,125	113	0.97	0.13	1.10	13.00	0.08	86.99
Class I								
Commencement of operations October 30, 2018								
Dec. 31, 2018	82,653	8,320	-	-	-	-	0.08	86.99

(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 period, 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 period, 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 adviser 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 period. The higher a Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. 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 period, 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 period.

(5) This information is provided for the period ended December 31.

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SUMMARY OF INVESTMENT PORTFOLIO as at December 31, 2018

Category	% of Net Assets	Category	% of Net Assets	Top 25 Holdings	% of Net Assets
Country allocation		Sector allocation			
Long Positions		Long Positions			
Canada	130.7	Corporate Bonds	138.0	Coast Capital Savings Credit Union 2.89% 02/28/2020	5.3
U.S.A.	7.5	Canadian Government Bonds	3.2	MCAP RMBS Issuer Corp., 2.75% 05/15/2023	4.2
Cayman Islands	1.9	Foreign Government Bonds	2.4	Glacier Credit Card Trust 2.237% 09/20/2020	4.1
France	1.5	Financials	2.1	Central 1 Credit Union 1.87% 03/16/2020	4.1
Other Net Assets (Liabilities)	1.4	Other Net Assets (Liabilities)	1.4	Emera Inc., 4.83% 12/02/2019	3.6
Ireland	1.4	Short-Term Investments	1.4	Chip Mortgage Trust 2.33% 04/29/2020	3.6
Short-Term Investments	1.4	Real Estate	1.0	Eagle Credit Card Trust 2.147% 09/17/2020	3.5
Switzerland	1.1	Fund(s)	0.5	John Deere Canada Funding Inc., 1.85% 03/24/2021	3.5
Mexico	1.0	Utilities	0.5	Transcontinental Inc., 3.897% 05/13/2019	3.3
U.K.	0.6	Energy	0.2	Algonquin Power Co., 4.82% 02/15/2021	3.0
Luxembourg	0.6	Foreign Currency Forward Contracts	(0.2)	Finning International Inc., 3.232% 07/03/2020	2.7
Bermuda	0.5	Cash & Equivalents	(1.9)	Shaw Communications Inc., 5.65% 10/01/2019	2.4
Japan	0.4	Total Long Positions	148.6	Canadian Imperial Bank of Commerce 2.9% 09/14/2021	2.4
Netherlands	0.4			Canadian Natural Resources Ltd., 2.6% 12/03/2019	2.4
Italy	0.3	Short Positions		Medavie Inc., 6% 05/21/2024	2.4
Foreign Currency Forward Contracts	(0.2)	Foreign Government Bonds	(0.3)	United States Treasury Note/Bond 2.75% 11/30/2020	2.3
Cash & Equivalents	(1.9)	Future Contracts	(0.5)	NBC Asset Trust 7.447% 12/31/2049	2.3
Total Long Positions	148.6	Canadian Government Bonds	(47.8)	Canadian Tire Corp., Ltd., 2.646% 07/06/2020	2.1
		Total Short Positions	(48.6)	Chip Mortgage Trust 2.981% 11/15/2021	2.0
Short Positions				Alimentation Couche-Tard Inc., 4.214% 08/21/2020	2.0
U.S.A.	(0.3)			Thames Water Utilities Cayman Finance Ltd., 2.875% 12/12/2024	1.9
Future Contracts	(0.5)			The Bank of Nova Scotia 3.036% 10/18/2024	1.8
Canada	(47.8)			Choice Properties LP 3.000% 09/20/2019	1.8
Total Short Positions	(48.6)			Daimler Canada Finance Inc., 1.800% 12/16/2019	1.8
				Toromont Industries Ltd., 3.71% 09/30/2025	1.8
				Total Net Assets (in \$000's)	\$83,849

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.