

Marret Alternative Absolute Return Bond 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 Marret Alternative Absolute Return Bond Fund (the "Fund") seeks to provide positive absolute returns with low volatility over a market cycle regardless of market conditions or general market direction, by primarily investing in debt instruments across the credit spectrum including cash, government debt, investment grade corporate debt, high yield debt, credit derivatives and other income-producing securities throughout the 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 regulations, or any exemptions therefrom.

The portfolio sub-adviser will seek to achieve the investment objective of the Fund by tactically managing the portfolio's holdings using a combination of top-down macroeconomic analysis involving the assessment of economic, political and market trends, and a bottom-up company and security level analysis to assess a company's ability to generate cash and meet interest and principal payment obligations on its debt securities. The portfolio sub-adviser focuses on a company's industry position, operating leverage, management strength and experience, historical earnings and future projections, liquidity profile and accounting ratios and practices.

RISK

The risks of investing in the Fund remain as discussed in the prospectus. The Fund is suitable for investors who want a diversified, absolute return portfolio of tactically managed fixed income securities to hold as part of a diversified investment portfolio, are investing for the medium and/or long term, are 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 \$5.6 million. The Fund had net sales of \$5.6 million during the period.

The inversion of the U.S. OIS curve (i.e. U.S. Federal Reserve ("Fed") interest expectations) because of a perceived increase in the probability of recession within the next 12 months moved U.S. treasury markets in 2018. Furthermore, lower global growth prospects due to a manufacturing slowdown, trade tensions (U.S./China, European Union/U.K.) and weaker oil prices pushed U.S. Treasury markets higher into year-end. The higher level of volatility observed in 2018 is a reminder of the late stage of this credit cycle and how sensitive the markets are at this juncture to monetary, fiscal and geopolitical factors. For 2019, duration management remains top of mind given our expectation of a continued economic slowdown.

The Fed is likely close to neutral and the probability of a policy mistake is elevated. The risk of supply-demand imbalances pressuring U.S. government bond market yields higher remains. 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. This limits the Fund's performance analysis. Still, a notable contributor to Fund performance was the 10-year U.S. Treasury.

RECENT DEVELOPMENTS

Global growth prospects are likely to remain challenged and asset market valuations will likely remain volatile. Global growth is weakening somewhat, and the sharp decline in oil has inflation reversing course. We continue to believe we are in the late cycle and are monitoring for conditions that would warrant extending duration.

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.

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 \$0.01 million in management fees and \$0.001 million in fixed administration 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.

Portfolio Sub-Adviser

Marret Asset Management Inc., an affiliate of CI Investments Inc., provides investment advice to the Fund.

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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	0.03	(0.02)	-	0.03	0.04	-	-	-	-	-	10.03
Class F												
Commencement of operations October 30, 2018												
Dec. 31, 2018	10.00	0.04	(0.02)	-	0.05	0.07	-	-	-	-	-	10.03
Class I												
Commencement of operations October 30, 2018												
Dec. 31, 2018	10.00	0.03	-	-	0.03	0.06	(0.07)	-	(0.05)	-	(0.12)	9.94

(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	1,506	150	1.49	0.19	1.68	13.00	-	15.32
Class F								
Commencement of operations October 30, 2018								
Dec. 31, 2018	3,987	397	0.97	0.13	1.10	13.00	-	15.32
Class I								
Commencement of operations October 30, 2018								
Dec. 31, 2018	101	10	-	-	-	-	-	15.32

(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 Holdings	% of Net Assets
Country allocation		Sector allocation			
Short-Term Investments	44.6	Short-Term Investments	44.6	Short-Term Investments	44.6
U.S.A.	42.9	Foreign Government Bonds	39.9	United States Treasury Note/Bond 3.125% 11/15/2028	39.9
Cash & Equivalents	7.4	Corporate Bonds	8.2	Cash & Equivalents	7.4
Netherlands	2.8	Cash & Equivalents	7.4	Teva Pharmaceutical Finance Netherlands III B.V.,	
Canada	2.4	Other Net Assets (Liabilities)	0.3	1.7% 07/19/2019	2.8
Other Net Assets (Liabilities)	0.3	Foreign Currency Forward Contracts	(0.4)	Tenet Healthcare Corp., 4.75% 06/01/2020	1.6
Foreign Currency Forward Contracts	(0.4)			Valeant Pharmaceuticals International Inc., 6.5% 03/15/2022	1.2
				HCA Inc., 4.25% 10/15/2019	1.1
				1011778 BC ULC/New Red Finance Inc., 4.625% 01/15/2022	0.7
				Bombardier Inc., 7.75% 03/15/2020	0.5
				W.R. Grace & Co., 5.125% 10/01/2021	0.2
				Agility Health Inc., 7.625% 08/15/2020	0.1
				Total Net Assets (in \$000's)	\$5,594

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.