

# CI Canadian Core Fixed Income Private Trust

Management Report of Fund Performance for the period/year ended March 31, 2023

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 1-800-792-9355, by writing to us at CI Investments Inc., 15 York Street, Second Floor, Toronto, ON, M5J 0A3 or by visiting our website at [www.ci.com](http://www.ci.com) or SEDAR at [www.sedar.com](http://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 investment objective of CI Canadian Core Fixed Income Private Trust (the Fund) is to generate income and the potential for long-term capital appreciation by investing primarily in Canadian investment grade fixed-income securities and other debt instruments.

The Fund will invest primarily in Canadian investment grade fixed-income securities with a credit rating of BBB or higher, but may also invest in floating-rate notes, preferred shares, convertible securities and other fixed-income debt instruments.

The Fund has the ability to invest in foreign fixed-income securities in an amount not exceeding approximately 30% of the assets of the Fund.

For a complete discussion of the Fund's investment objective and strategies, please refer to the Fund's most recently filed simplified prospectus.

## RISK

No changes affecting the overall level of risk associated with investing in the Fund were made during the period/year. The risks of the Fund remain as discussed in the Fund's most recently filed simplified prospectus or its amendments. The Manager reviews the risk rating for the Fund on an annual basis, at a minimum, based on the methodology mandated by the Canadian Securities Administrators to determine the risk level of the Fund. Any change to the risk rating made during the period/year was as a result of such review and was not a result of any change to the investment objective, strategies or management of the Fund.

## RESULTS OF OPERATIONS

The Fund's net assets decreased by \$26.1 million to \$157.6 million from March 31, 2022 to March 31, 2023. The Fund had net redemptions of \$17.6 million during the year. The portfolio's performance decreased assets by \$2.8 million. The Fund paid distributions totalling \$5.7 million. Series I units returned -1.4% after fees and expenses for the one-year period ended March 31, 2023. Over the same time period, the Fund's benchmark returned -2.0%. The benchmark is the FTSE Canada Universe Bond Total Return Index (the Benchmark or the Index).

Inflation in Canada reached a high of 8% during the year, a level of inflation not seen in Canada since the early 1980s, and unemployment levels reached a record low of approximately 4.9%. Both inflation and employment levels signalled to the Bank of Canada (BoC) that its accommodative monetary policies needed to be quickly reversed, leading to a historic devaluation in bonds and riskier assets.

Central banks reacted to decades-high inflation by aggressively reversing their accommodative monetary policies from the global COVID-19 pandemic. The BoC embarked on a historic interest rate hiking cycle, bringing the overnight rate from 0.5% to 4.5%. The BoC paused interest rate increases in March 2023 as inflation began to fall and the Canadian economy slowed. Similarly, the U.S. Federal Reserve Board (Fed) moved its policy rate from 0.5% to 5.0%. The aggressive actions by central banks were a consequence of inflation as accommodative fiscal and monetary policies elevated consumer demand against a constrained supply chain system from the global pandemic.

The Fund slightly outperformed its benchmark for the year. The Fund started the year with an underweight duration (sensitivity to interest rates) of over 1.5 years as we believed that central banks would have to raise interest rates as the economy opened up further. At the time, inflation was still on the rise. This positioning, mainly achieved by a significant underweight allocation to long-term provincial bonds, contributed to the Fund's performance. Exposure to select corporate bonds also contributed to the Fund's performance as interest rates rose. Security selection in the investment-grade bond segment contributed to the Fund's performance as well. The largest individual contributors to the Fund's performance included bond holdings in Province of Ontario 3.75% Jun. 2, 2032, Government of Canada (GoC) 1.25% Jun. 1, 2030 and GoC 1.75% Dec. 1, 2053. A holding in General Electric Co. was another notable contributor to the Fund's performance. The company continues to progress towards splitting into three companies, which should result in significant debt repayment. The company spun off its health care division during the first week of January 2023.

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Widening credit spreads (the difference in yield between two bonds of similar maturity but different credit quality) negatively impacted the Fund's overweight positions in investment-grade. Spreads moved wider to a peak in mid-November 2022 as central banks raised interest rates rapidly. Higher interest rates were meant to slow the economy and bring down inflation. Several of the Fund's high-quality but long-term government bonds detracted from performance as they were negatively impacted by higher interest rates. The largest individual detractors from the Fund's performance included bond holdings in GoC 2.0% Dec. 1, 2051, Province of Alberta 3.1% Jun. 1, 2050, Province of Manitoba 2.05% Sep. 5, 2052, Province of New Brunswick 3.05% Aug. 14, 2050 and Province of Ontario 1.9% Dec. 2, 2051.

The Fund's corporate bond exposure was trimmed during the first six months of the year because the central banks' battle with inflation was likely to cause an economic slowdown and wider credit spreads. The proceeds were invested into government bonds.

### RECENT DEVELOPMENTS

Inflation in Canada and the United States slowed in the first quarter of 2023, allowing central banks to reduce the pace of interest rate hikes. The BoC is likely to keep interest rates steady well into 2023 and possibly 2024. The Fed raised interest rates in March 2023 despite the U.S. banking system being under pressure, and appears poised to raise interest rates once more in May 2023.

We expect to increase the Fund's duration as interest rates have likely peaked and are likely to remain volatile as the economic outlook remains uncertain. Corporate credit fundamentals have remained firm, and the most recent corporate earnings season saw less mention from executives regarding supply chain issues, computer chip shortages, and increases in general costs and interest rates. That said, our view on credit is somewhat cautious, and we are managing this sector more tactically. Investment-grade bond supply and demand dynamics are expected to remain stable.

### Independent Review Committee

Effective October 6, 2022, John Sheedy became a member of the Independent Review Committee (IRC) of CI Funds.

### Administrator

Effective October 3, 2022, RBC Investor Services Trust ceased acting as the administrator to the Fund and CIBC Mellon Global Securities Services Company started acting as the administrator to the Fund.

### RELATED PARTY TRANSACTIONS

#### Manager, Portfolio Adviser, Trustee and Registrar

CI Investments Inc. is the Manager, Portfolio Advisor, 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 borrowing and interest costs, investor meeting costs (as permitted by Canadian securities regulation), the fees and expenses of the Independent Review Committee, the fees, costs and expenses associated with compliance with any new governmental and regulatory requirements imposed on or after February 16, 2018 and new governmental fees or with any changes to existing governmental and regulatory requirements imposed on or after February 16, 2018 (including increases to regulatory filing fees), any new types of costs, expenses or fees not incurred prior to February 16, 2018, including those arising from new government or regulatory requirements or related to those external services that were not commonly charged in the Canadian mutual fund industry as of February 16, 2018, and operating expenses that were or are outside the normal course of business of the Fund on or after February 16, 2018) in return for an administration fee.

Management fee and administration fee rates as at March 31, 2023, for the Series/Class or for each of the Series/Classes, as applicable, is/are shown below:

	Annual management fee rate (%)	Annual administration fee rate (%)
Series I	Paid directly by investor	Paid directly by investor

The Fund only offers Series I units, thus management and administration fees are negotiated directly with each investor and paid directly to the Manager as per Series I Account Agreement Fee. Please refer to Part A of the simplified prospectus for further details.

### Inter Fund Trading

Inter fund trading occurs when a Fund purchases or sells a security of any issuer from or to another Fund managed by the Manager. These transactions are executed through market intermediaries and under prevailing market terms and conditions. The IRC reviews such transactions during scheduled meetings. During the period/year ended March 31, 2023, the Fund executed inter fund trades.

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## **Independent Review Committee**

The Manager, in respect of the Fund, received the following standing instructions from the IRC with respect to related party transactions:

The applicable standing instructions require, amongst others, that related party transactions be conducted in accordance with the Manager's policies and procedures and applicable law and that the Manager reports related party transactions periodically to the IRC and advise the IRC of any material breach of such policies. The Manager's policies and procedures require 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) do not exceed the limitations of the applicable legislation; and (d) achieve a fair and reasonable result for the Fund.

Except as otherwise noted above under Related Party Transactions section, the Fund was not a party to any related party transactions during the period/year ended March 31, 2023. If the Fund invested in related party transactions, it relied on the IRC's standing instructions regarding related party transactions during this reporting period/year.

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## FINANCIAL HIGHLIGHTS

The following table/tables shows/show selected key financial information about the Fund and is/are intended to help you understand the Fund's financial performance for the past five period(s)/year(s), as applicable.

Net Assets per Unit (\$)	Increase (decrease) from operations:					Distributions:					Net assets at the end of the period/year shown	
	Net assets at the beginning of period/year	Total revenue	Total expenses (excluding distributions)	Realized gains (losses) for the period/year	Unrealized gains (losses) for the period/year	Total increase (decrease) from operations	From net investment income (excluding dividends)	From dividends	From capital gains	Return of capital		Total distributions
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Series I</b> <sup>(1)(2)(3)(4)</sup>												
Commencement of operations												
November 14, 2016												
Mar. 31, 2023	9.31	0.29	-	(0.49)	0.05	(0.15)	(0.32)	-	-	-	(0.32)	8.86
Mar. 31, 2022	10.20	0.27	-	(0.23)	(0.44)	(0.40)	(0.28)	-	(0.21)	-	(0.49)	9.31
Mar. 31, 2021	10.34	0.31	-	0.36	(0.36)	0.31	(0.35)	-	(0.05)	-	(0.40)	10.20
Mar. 31, 2020	10.26	0.32	-	0.12	0.01	0.45	(0.35)	-	-	-	(0.35)	10.34
Mar. 31, 2019	9.98	0.32	-	(0.05)	0.83	1.10	(0.35)	-	-	-	(0.35)	10.26

(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 Series/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 Series/Class over the fiscal period/year.

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

(4) This information is provided for the period(s)/year(s) ended March 31.

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## FINANCIAL HIGHLIGHTS (cont'd)

### Ratios and Supplemental Data

	Total net assets	Number of units outstanding	Management expense ratio before waivers or absorptions after taxes	Management expense ratio before taxes	Harmonized sales tax	Management expense ratio after taxes	Effective HST rate for the period/year	Trading expense ratio	Portfolio turnover rate
	\$000's	000's	%	%	%	%	%	%	%
<b>Series I</b> <sup>(1)(2)(3)(4)(5)</sup>									
Commencement of operations November 14, 2016									
Mar. 31, 2023	157,551	17,784	0.01	0.01	-	0.01	-	-	133.21
Mar. 31, 2022	183,737	19,733	-	-	-	-	-	-	129.74
Mar. 31, 2021	210,732	20,663	-	-	-	-	-	-	165.13
Mar. 31, 2020	249,565	24,127	-	-	-	-	-	-	26.08
Mar. 31, 2019	289,562	28,234	-	-	-	-	-	-	28.67

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

(5) This information is provided for the period(s)/year(s) ended March 31.

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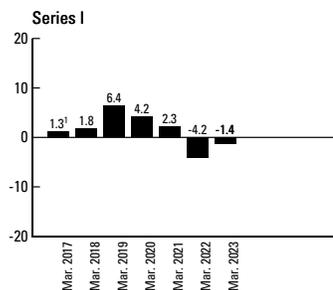
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## PAST PERFORMANCE

This section describes how the Fund has performed in the past. Remember, past returns do not indicate how the Fund will perform in the future. The information shown assumes that distributions made by the Fund in the period(s)/year(s) shown were reinvested in additional units of the Fund or relevant Series/Class of the Fund, as applicable. In addition, the information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance.

### Year-by-Year Returns

The following chart/charts shows/show the Fund's annual performance for each of the period(s)/year(s) shown and illustrates/illustrate how the Fund's performance has changed from period/year to period/year. In percentage terms, the chart/charts shows/show how much an investment made on the first day of each financial period/year would have grown or decreased by the last day of each financial period/year, except where noted.



<sup>1</sup> 2017 return is for the period from November 14, 2016 to March 31, 2017.

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## Annual Compound Returns

The following table shows the Fund's annual compound returns for each year indicated, compared to the FTSE Canada Universe Bond Total Return Index.

The FTSE Canada Universe Bond Index is a market capitalization weighted index that measures the performance of the Canadian investment-grade fixed income market. The Index consists of fixed rate bonds denominated in Canadian dollars, with a remaining effective term to maturity of at least one year, rated BBB or higher. The Index is comprised of four main credit or borrower categories: bonds issued by the Government of Canada (including Crown Corporations), Provincial bonds (including provincially-guaranteed securities), Municipal bonds and Corporate bonds. The Corporate sector is further divided into sub-sectors based on major industry groups: Financial, Communication, Industrial, Energy, Infrastructure, Real Estate and Securitization. The Corporate sector is also divided into sub-indices based on credit rating: a combined AAA/AA sector, a single A sector and a BBB sector.

A discussion of the performance of the Fund as compared to the benchmark is found in the Results of Operations section of this report.

	One Year (%)	Three Years (%)	Five Years (%)	Ten Years (%)	Since Inception (%)
Series I	(1.4)	(1.1)	1.4	n/a	3.3
FTSE Canada Universe Bond Total Return Index	(2.0)	(1.7)	0.9	n/a	0.6

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## SUMMARY OF INVESTMENT PORTFOLIO as at March 31, 2023

Category	% of Net Assets	Category	% of Net Assets	Top 25 Holdings	% of Net Assets
<b>Country allocation</b>		<b>Sector allocation</b>			
Canada .....	92.4	Provincial Bonds .....	25.6	Province of Ontario, 3.75%, June 02, 2032 .....	5.4
U.S.A. ....	5.4	Canadian Government Bonds .....	23.9	Government of Canada, 2%, June 01, 2032 .....	3.5
Other Net Assets (Liabilities) .....	0.8	Financials .....	16.5	Government of Canada, 1.5%, May 01, 2024 .....	3.3
Cash & Cash Equivalents .....	0.5	Energy .....	5.4	Government of Canada, 3%, November 01, 2024 .....	2.5
Jersey Island .....	0.4	Municipal Bonds .....	5.4	Government of Canada, 0.5%, September 01, 2025 .....	2.4
U.K. ....	0.4	Utilities .....	3.9	Province of Ontario, 4.65%, June 02, 2041 .....	1.8
Cayman Islands .....	0.1	Industrials .....	3.6	Government of Canada, Real Return Bond, 4.25%, December 01, 2026 .....	1.7
		Asset-Backed Securities .....	3.6	Government of Canada, 2.25%, June 01, 2025 .....	1.6
		Real Estate .....	3.1	Government of Canada, 4%, June 01, 2041 .....	1.5
		Consumer Discretionary .....	2.1	Province of Alberta, 3.1%, June 01, 2050 .....	1.5
		Foreign Government Bonds .....	1.7	Government of Canada, 1.75%, December 01, 2053 .....	1.4
		Consumer Staples .....	1.6	Province of Ontario, 2.4%, June 02, 2026 .....	1.4
		Communication Services .....	1.4	Province of Ontario, 2.05%, June 02, 2030 .....	1.3
		Other Net Assets (Liabilities) .....	0.8	Government of Canada, 1.5%, December 01, 2031 .....	1.1
		Cash & Cash Equivalents .....	0.5	Government of Canada, 2%, December 01, 2051 .....	1.1
		Information Technology .....	0.4	Province of Manitoba, 2.05%, September 05, 2052 .....	1.1
		Health Care .....	0.3	United States Treasury Bond, 4.25%, September 30, 2024 .....	1.1
		Materials .....	0.2	Canada Housing Trust No. 1, 1.75%, June 15, 2030 .....	1.0
				Province of Ontario, 1.9%, December 02, 2051 .....	1.0
				Province of Ontario, 2.55%, December 02, 2052 .....	1.0
				Government of Canada, 1%, September 01, 2026 .....	0.8
				Province of New Brunswick, 3.05%, August 14, 2050 .....	0.8
				Province of Ontario, 1.35%, September 08, 2026 .....	0.8
				City of Toronto, 2.15%, August 25, 2040 .....	0.7
				Government of Canada, 1.25%, June 01, 2030 .....	0.7
				<b>Total Net Assets (in \$000's)</b>	<b>\$157,551</b>

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.