CI INVESTMENT GRADE BOND FUND

Q1-2021 Commentary

FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I*
CI Investment Grade Bond Fund, Series F	3.7%	3.4%	3.3%	N/A	3.9%
Benchmark: FTSE Canada All Corporate Bond Index	7.6%	4.6%	3.9%	4.6%	3.8%

* Inception date of CI Investment Grade Bond Fund, Series F: December 24, 2014.

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

PERFORMANCE SUMMARY

- In the first quarter of 2021, CI Investment Grade Bond Fund, Series F (the Fund) returned -3.7% compared with the FTSE Canada All Corporate Bond Index, which returned -3.5%.
- The Fund underperformed its benchmark primarily as a result of an underweight allocation to credit in an environment of tightening credit spreads.

CONTRIBUTORS TO PERFORMANCE

There were no notable contributors to Fund performance over the period.

DETRACTORS FROM PERFORMANCE

The Fund generates returns based on the movement of Government of Canada bond yields and corporate credit spreads. Declining yields and tightening credit spreads are positive for the Fund's performance while movements in the opposite direction detract from performance. An underweight allocation to credit, which was a 79% allocation versus the benchmark weighting of 100%, detracted from its performance.

PORTFOLIO ACTIVITY

We actively managed the Fund's duration (sensitivity to interest rates), which ranged from 5.79 to 7.09 years. The benchmark duration over the period averaged 6.75 years.

In corporate credit, we increased the Fund's sector exposure to autos and energy. We reduced exposure to the utilities, real estate and consumer sectors.

MARKET OVERVIEW

Markets for riskier assets finished the quarter strongly, overcoming a steep rise in U.S. federal bond yields. U.S. equities, as measured by the S&P 500 Index, climbed to fresh highs, despite a 4% drawdown in early March. U.S. Treasury yields posted one of their sharpest increases since 2013. The yield on the U.S. 10-year note jumped over 80 basis points (bps) this year. The root cause of many of these market movements was the passage of an aggressive new U.S. stimulus package and the proposal of a large infrastructure bill to follow. The scale of these spending measures after the emergency spending in 2020, coupled with an accommodative U.S. Federal Reserve despite rising optimism in the reopening recovery, prompted inflation fears across fixed income markets. This resulted in one of the worst quarters on record for government bond returns, while also marking the worst start to a year for investment-grade bonds.

Ten-year federal yields in the United States, Canada, Germany and the United Kingdom were 82 bps, 88 bps, 28 bps and 65 bps higher, respectively. The outperformance of German bonds was based on continued pandemic lockdown measures in Europe, and the European Central Bank's commitment to loosening of monetary policy because of tighter financial conditions.

Investment-grade corporate credit spreads performed a balancing act between support from strong equity markets and challenges from increasing federal bond yields. Based on the Bloomberg Barclays Aggregate Corporate Average OAS Index, investment-grade corporate credit spreads tightened 5 bps, 1 bp and 2 bps in the United States, Canada and Europe, respectively.

Source: Marret Asset Management Inc.

For more information, please visit ci.com.

IMPORTANT DISCLAIMERS

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded 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 dividends/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 are not guaranteed, their values change frequently and past performance may not be repeated.

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The comparison presented is intended to illustrate the Mutual Fund's historical performance 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 Mutual Fund and the stated indexes that may affect the performance of each. The objectives and strategies of the Mutual 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.

Certain statements contained in this communication are based in whole or in part on information provided by third parties and CI Global Asset Management has taken reasonable steps to ensure their accuracy. Market conditions may change which may impact the information contained in this document.

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