

CI LIQUID ALTERNATIVE INVESTMENT STRATEGIES

CI Alternative Diversified Opportunities Fund



APRIL 2024

CI Alternative Diversified Opportunities Fund (the Fund) seeks to achieve capital appreciation and provide attractive risk adjusted returns over an investment cycle by investing in debt instruments across the credit spectrum, as well as equities, commodities, and currencies, in both domestic and foreign markets.

PERFORMANCE SUMMARY (as of April 30, 2024)

	1 MONTH	3 MONTHS	YTD	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
CI ALTERNATIVE DIVERSIFIED OPPORTUNITIES FUND (SERIES Y)	-1.70%	-1.76%	-2.22%	-0.18%	1.26%	4.70%	4.50%
BENCHMARK*	-1.42%	-0.06%	-0.42%	4.01%	0.26%	2.16%	2.63%

Source: Morningstar Research Inc. *Benchmark = 50% FTSE Canada Short Overall TR Index, 30% FTSE Canada All Corp Bond Index, 10% S&P 500 TR Hedged to CAD Index, 10% ICE BofA U.S. High Yield Index (CAD-hedged). Marret Diversified Opportunities Fund (the "Private Fund") was renamed CI Alternative Diversified Opportunities Fund (the "Fund") and became a reporting issuer effective August 6, 2021. The performance shown includes the historical performance information since inception of this series of the Private Fund prior to the Fund becoming a reporting issuer. The expenses of this series of the Fund would have been higher during such period had the Fund been subject to the additional regulatory requirements applicable to a reporting issuer. This information and data is disclosed as permitted by exemptive relief. Please refer to the disclosure documents of the Fund for more information on www.ci.com. Inception date: June 8, 2018.

GLOBAL MACRO UPDATE

April was a challenging month for bond markets, reflecting broader concerns about persistent inflation and firmer economic growth. The narrative in the United States influenced the global backdrop, with unexpected resilience in economic data prompting a reevaluation of interest rate cuts.

In the U.S., key economic indicators remained relatively firm, complicating the outlook for interest rates. The ISM Services Index remained in expansion territory printing at 51.4, and Non-Farm Payrolls remained strong, with over 300,000 jobs added in March. Consumer Price Index (CPI) and Personal Consumption Expenditures (PCE) data showed higher than anticipated inflation, driven largely by rising costs in auto insurance and medical services. Although retail sales were robust, indicating strong consumer spending, other data such as a drop in consumer confidence and a GDP growth rate of only 1.6%—the slowest since mid-2022—presented a mixed view. This slower GDP growth was attributed to lower net exports and higher inventories, which clouded the economic outlook.

Meanwhile, Canada's economic indicators painted a bleaker picture, with the unemployment rate rising to ~6%. Reports indicated weaker job markets and soft retail sales, alongside slowing GDP growth in Q1/24. This data set the stage for the Bank of Canada to edge closer to potentially cutting rates.

Globally, especially in the EU, the situation mirrored Canada's, with more central banks leaning towards rate cuts. However, the resilient

FUND SUMMARY

KEY FACTS	
NAV/UNIT (SERIES F)	\$9.28
MANAGEMENT FEE (SERIES F)	0.80%
PERFORMANCE FEE	15% of returns (net of MER) above the hurdle rate subject to a high-water mark
HURDLE RATE	10-year Canadian government bond yield +2%
YTM	4.97%
AVERAGE CREDIT RATING	AAA-
AVERAGE DURATION	5.64 years
LIQUIDITY	Daily
SERIES F FUND CODE	CIG 4359 (C\$) CIG 4461 (US\$)
SERIES A FUND CODE	CIG 2359 (C\$) CIG 2361 (US\$)
ETF TICKER	TSX: CMDO (C\$ hedged) CMDO.U (US\$ hedged)

USE OF LEVERAGE

GROSS EXPOSURE	167.7%
NET EXPOSURE	133.8%

Source: Marret Asset Management Inc., as of April 30, 2024.

U.S. economic data and the Federal Reserve’s cautious stance on rate adjustments complicated the global monetary policy landscape. The Fed’s projections continued to forecast three cuts in 2024, maintaining a relatively dovish stance in the face of strengthening growth and labor projections, alongside expectations for a gradual return of inflation to target levels.

Overall, bond markets in April navigated a complex interplay of robust growth, heightened inflation concerns, and divergent central bank policies, highlighting the delicate balance of risks that investors and policymakers are managing.

POSITIONING UPDATE

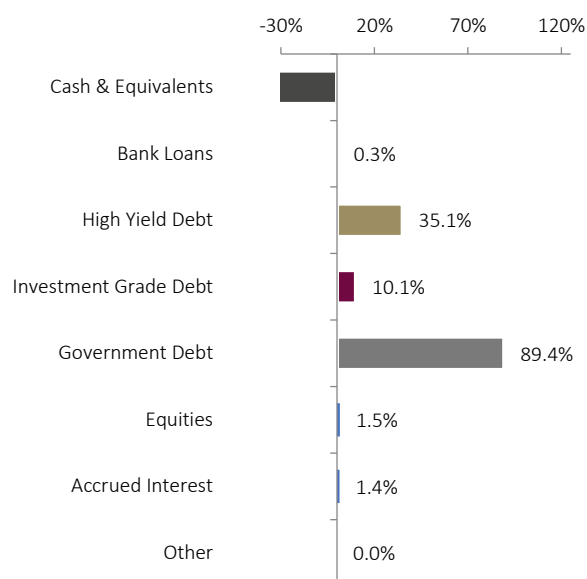
The Fund underperformed its benchmark in April as we remained underweight risk and retained a higher exposure to government bonds alongside a challenging rates backdrop. Despite the seemingly resilient U.S. economic backdrop, we are seeing underlying weakness emerging, particularly in rate sensitive sectors. With credit richly priced and erratic economic data, we continue to be patient with our late cycle positioning. The strategy ended the month with an average duration of 5.64 years and a credit duration of 0.44 years. We remain cautious as we await opportunities to rotate into credit tactically or on the back of a more persistent pullback.

OUTLOOK

Our outlook remains largely aligned with our views at the start of the year, anticipating a transition phase in monetary policy from a sustained hold to initial rate cuts. As this shift unfolds, we expect the data to remain volatile and, at times, contradictory, which could lead to heightened market sensitivity and overreactions to new information. On the surface the US backdrop has remained resilient, but ongoing restrictive policies are methodically exerting their intended effects. This could culminate in either a soft or a hard landing, depending on policy duration.

In our view, the persistence of such restrictive measures increases the likelihood of a harder economic outcome down the line. In the realm of fixed income, this prolonged pause in rate adjustments provides a unique opportunity to build consistent front-end yield. It also allows us to capitalize on value through range trading as we await more decisive investment opportunities. Our strategy remains prudently responsive, focusing on short-term credit opportunities and tactically positioned medium-term bonds, particularly in markets like Canada, which may be more sensitive to restrictive interest rates. Our approach is complemented by strategic placements in inflation-sensitive positions.

ASSET CLASS BREAKDOWN



FUND EXPOSURE

ISSUER COUNTRY	GROSS EXPOSURE*
CANADA	37.7%
UNITED STATES	60.7%
OTHER	1.6%

TOP FIVE HOLDINGS

HOLDING	WEIGHT
U.S. TREASURY BOND 4 02/15/34	16.0%
CANADIAN GOVERNMENT BOND 3 1/4 12/01/33	12.4%
CANADIAN GOVERNMENT BOND 3 06/01/34	11.8%
U.S. TREASURY BOND 4 01/31/29	11.0%
U.S.A. TIPS 1 3/4 01/15/34	5.2%

YEARS TO MATURITY	GOVERNMENT BONDS	CORPORATE BONDS
0 to 3	0.1%	41.2%
3 to 5	24.1%	5.3%
5 to 10	56.1%	-1.0%
10+	9.1%	-0.3%

Source: Marret Asset Management Inc., as of April 30, 2024.
*Ex-cash

GLOSSARY OF TERMS

Credit rating/risk: An assessment of the creditworthiness of a borrower in general terms or with respect to a particular debt or financial obligation. Credit risk is the risk of default on a debt that may arise from a borrower failing to make requirement payment.

Duration: A measure of the sensitivity of the price of a fixed income investment to a change in interest rates. Duration is expressed in number of years. The price of a bond with a longer duration would be expected to rise (fall) more than the price of a bond with lower duration when interest rates fall (rise).

Leverage: An investment strategy of using borrowed money - specifically, the use of various financial instruments or borrowed capital - to increase the potential return of an investment.

Liquidity: The degree to which an asset or security can be quickly bought or sold in the market without affecting the asset's price. Cash is considered to be the most liquid asset, while things like fine art or rare books would be relatively illiquid.

Return (relative): The performance of one investment versus another. The most commonly reported relative returns are mutual fund returns relative to their benchmark indexes.

Return (risk-adjusted): A measure of investment performance taking into consideration how much risk/volatility was assumed to generate it. Consider two investments, both of which return 10% over a given time period. The investment with the greater risk-adjusted return would be the one that experienced less price fluctuation. Two of the most commonly used measures of risk adjusted returns are Sharpe and Sortino ratios.

Volatility: Measures how much the price of a security, derivative, or index fluctuates. The most commonly used measure of volatility when it comes to investment funds is standard deviation.

Yield to maturity (YTM): The total expected return from a bond when it is held until maturity – including all interest, coupon payments, and premium or discount adjustments.

IMPORTANT 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.

This document is provided as a general source of information and should not be considered personal, legal, accounting, tax or investment advice, or construed as an endorsement or recommendation of any entity or security discussed. Every effort has been made to ensure that the material contained in this document is accurate at the time of publication. Market conditions may change which may impact the information contained in this document. All charts and illustrations in this document are for illustrative purposes only. They are not intended to predict or project investment results. Individuals should seek the advice of professionals, as appropriate, regarding any particular investment. Investors should consult their professional advisors prior to implementing any changes to their investment strategies.

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 Global Asset Management and the portfolio manager believe to be reasonable assumptions, neither CI Global Asset Management 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 the Fund 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 Fund and the stated indexes 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 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.

Certain names, words, titles, phrases, logos, icons, graphics, or designs in this document may constitute trade names, registered or unregistered trademarks or service marks of CI Investments Inc., its subsidiaries, or affiliates, used with permission. All other marks are the property of their respective owners and are used with permission.

The CI Exchange-Traded Funds (ETFs) are managed by CI Global Asset Management, a wholly-owned subsidiary of CI Financial Corp. (TSX: CIX).

© 2024 Morningstar Research Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

CI Global Asset Management ("CI GAM") is the portfolio manager of CI Alternative Diversified Opportunities Fund and Marret Asset Management Inc. is the portfolio subadvisor to the Fund. CI GAM is responsible for the investment advice provided by the portfolio subadvisors.

Marret Asset Management Inc. is a majority owned subsidiary of CI Financial Corp. and an affiliate of CI Global Asset Management.

CI Global Asset Management is a registered business name of CI Investments Inc.

© CI Investments Inc. 2024. All rights reserved.

Published May 28, 2024.