CI LIQUID ALTERNATIVE INVESTMENT STRATEGIES

CI Alternative Diversified Opportunities Fund

DECEMBER 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 December 31, 2024)

	1 MONTH	3 MONTHS	YTD	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
CI ALTERNATIVE DIVERSIFIED OPPORTUNITIES FUND (SERIES Y)	-0.64%	0.24%	4.17%	4.17%	2.73%	5.38%	5.04%
BENCHMARK*	-0.40%	0.50%	7.30%	7.30%	1.95%	3.09%	3.53%

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

In 2024, market narratives shifted several times as investors balanced economic resilience, a slower than expected disinflationary process, and a softening labor market. Central banks grappled with tough decisions on potential rate cuts in the face of these mixed economic signals.

Early in the year, strong labor data from the U.S. and Canada—including robust non-farm payrolls and rising wages—kept inflation concerns front and center. Despite markets pricing in multiple rate cuts in the U.S., the Federal Reserve ("Fed") remained cautious, emphasizing the need for more data before adjusting policy. The Fed's cautious stance shaped investor sentiment and worked to drive rates higher until the end of April.

Throughout the second quarter, inflation remained sticky, complicating the outlook in the U.S. While the Fed acknowledged some progress on inflation, it remained more cautious than peers about easing monetary policy. The Bank of Canada ("BoC") led the Group of Seven by cutting rates in June, just ahead of the European Central Bank. By contrast, the Fed only revised its 2024 rate cut projections. Gradually, concerns about a potential global slowdown grew and a cooling U.S. labor market appeared to be taking shape. August began with a notable risk-off episode, driven by concerns over Japanese carry trades and disappointing U.S. payrolls data.

FUND SUMMARY

KEY FACTS	
NAV/UNIT (SERIES F)	$9.62
MANAGEMENT FEE (SERIES F)	0.80%
PERFORMANCE FEE	15% of returns (net of MER) above the hurdle rate subject to a high-water mark
HURDLE RATE	10-year Canadian government bond yield +2%
YTM	5.45%
AVERAGE CREDIT RATING	A+
AVERAGE DURATION	4.38 years
LIQUIDITY	Daily
SERIES F FUND CODE	CIG 4359 (C$) 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	172.6%
NET EXPOSURE	132.5%

Source: Marret Asset Management Inc., as of December 31, 2024.

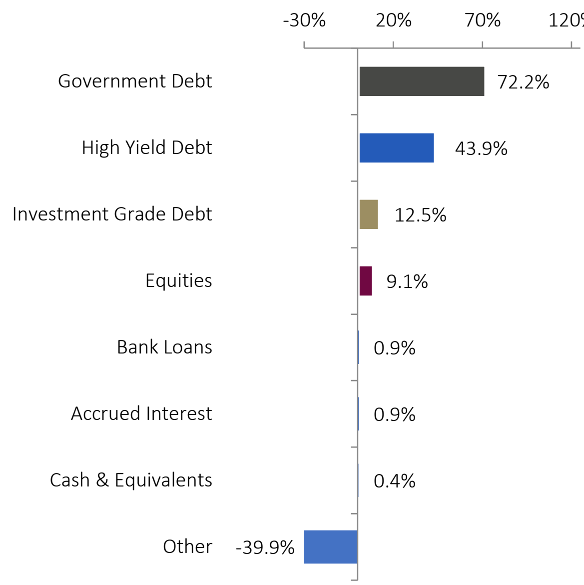
In the latter half of the year, market volatility increased due to political uncertainty, especially in the U.S. The presidential election introduced additional unpredictability, with President Biden's decision to withdraw from the race and Kamala Harris's subsequent entry. Despite a risk-on tone early in the second half, weaker data, including softer job numbers and rising unemployment, spurred the Fed to lower rates in September, though it refrained from committing to an aggressive easing cycle. Through to year end, the Fed and BoC both lowered rates further, signaling caution considering evolving economic and geopolitical risks.

Overall, 2024 was a year of cautious central bank maneuvering due to mixed data signals and competing hard/soft landing narratives. Typical of periods where central banks transition from a sustained hold in rates to initial cuts, investors faced conflicting data and volatile market reactions. On the surface, the economic backdrop remained resilient but ongoing restrictive policy methodically exerted its influence and achieved it's intended effect – namely a disinflationary path and a better balance of risks with respect to price stability and maximum employment.

POSITIONING UPDATE

The Fund generated a positive return but underperformed its benchmark this year. Underperformance was primarily driven by a more conservative risk profile with less exposure to tightening credit spreads and equity appreciation, partially offset by tactical curve and duration positioning in interest rates. With global central banks expected to shift from a "Tight Pause" to the "Initial Cuts" phase, both soft and hard landing scenarios remained possible at the beginning of the year. As a result, we modestly increased credit exposure for a potential soft landing but kept a more aggressive rate position, ~106% weighting in government bonds, early in the year. Inflation proved stickier than expected, keeping our structural rates position under pressure until late April when restrictive monetary policies started to have a clearer impact. From April to September, our rates positioning performed well, reaching our soft-landing target for the U.S. 10-year, at which point we reduced duration closer to 2 years. Believing rates had overshot, the Fund shifted to a more tactical approach, seeing a greater likelihood for higher rates and increased credit volatility. Following the Fed's jumbo rate cut in September and the Republican sweep, much of this outlook materialized, although credit spreads weakened less than expected. With U.S. rates offering better relative value, we rotated into U.S. Treasuries from Canadian government bonds, which had already eased more due to a weaker economic backdrop. Focusing on alpha-generating trades, we expanded our use of the strategy's 20% diversified opportunities allocation, taking on attractively priced exposures in MBS, bank loans, emerging market equities, high-dividend stocks, and credit shorts. By year-end, about 7% of this bucket was utilized on a net basis. The portfolio's duration stood at approximately 4.4 years, with credit

ASSET CLASS BREAKDOWN



FUND EXPOSURE

ISSUER COUNTRY	GROSS EXPOSURE*
CANADA	27.8%
UNITED STATES	68.4%
OTHER	3.9%

TOP FIVE HOLDINGS

HOLDING	WEIGHT
U.S. TREASURY BOND 0 03/31/25	21.2%
U.S. TREASURY BOND 0 03/31/25	13.2%
U.S. TREASURY BOND 4 3/8 05/15/34	6.6%
U.S. TREASURY BOND 4 1/4 11/15/34	5.2%
U.S. TREASURY BOND 4 3/8 12/31/29	4.7%

YEARS TO MATURITY	GOVERNMENT BONDS	CORPORATE BONDS
0 to 3	14.2%	41.2%
3 to 5	31.5%	15.5%
5 to 10	24.5%	-0.6%
10+	2.1%	0.2%

Source: Marret Asset Management Inc., as of December 31, 2024.
*Ex-cash

exposure at 50%, and a credit duration of less than one year, ensuring a position decoupled from broader credit risk. We continue to prioritize alpha generation while minimizing beta exposure. Despite the underperformance in 2024, we're confident that the Fund is well positioned to outperform through the cycle.

OUTLOOK

The market is now fully pricing in a "higher for longer" interest rate environment, with 2-year to 30-year yields ending the year above the Fed Funds rate and only 1-2 rate cuts expected in the U.S. during 2025. These rates suggest that the recession premium has been fully priced out of bonds. The term premium has also returned, increasing a little over 100bps in 2024, reaching its highest level in the post-COVID era after spending most of the decade in negative territory. Inflation expectations, as reflected in interest rate swaps, have stabilized around 2.25-2.5%, down from over 3% in 2022. Markets are now focused on the trajectory of interest rates in both Canada and the U.S. Strong growth in the U.S. and resilience in the labor market will likely lead the Federal Reserve to adopt a more cautious and gradual approach to rate cuts. In contrast, Canada's economic outlook appears more vulnerable, suggesting the BoC may need to adopt a stimulative policy stance and lower rates further. The BoC's path will be shaped by both domestic conditions and U.S. trade actions, as tariffs could hurt already weakened Canadian growth. A retaliatory tariff response could also fuel inflationary pressures in Canada.

Geopolitical risks remain a key concern for markets, with ongoing issues in North Korea, Ukraine, Israel, and Iran likely to persist. Global leaders often test new administrations during transitions, which could add uncertainty to the economic outlook. On the political front, incoming president Donald Trump is the largest wild card. To begin 2025, his offbeat remarks—such as suggesting the U.S. could buy Greenland, annex the Panama Canal, or exert economic force over Canada—have contributed to volatility and market unease. With nothing seemingly off the table, we expect his actions and rhetoric to continue amplifying both opportunities and risks in the year ahead.

Monetary policy uncertainty, fiscal policy uncertainty, and geopolitical uncertainty all lead us to expect further volatility in the coming year. While credit investors remain relatively complacent, areas of fixed income have become more attractive given the significant rise in interest rates. However, recent sharp moves across government bond markets also highlight the need to trade tactical ranges while being selective with curve positioning. Both will be crucial for managing risk and generating alpha in 2025. The Fund is currently focused on harvesting front end yield and layering uncorrelated diversified opportunities in addition to building exposure to higher quality credit, while we await broader market spreads to adjust to better compensate for some of these uncertainties. We have been active using credit to rebuild some of our structural yield, given interest rate volatility has led to modest spread widening and rising all-in yields have provided more attractive opportunities. Looking forward, our bias is to continue to add duration if yields rise further due to fiscal policy or inflation concerns as we feel the term premium offered is becoming quite attractive. At the same time, if rates rise abruptly from here, we feel risk markets will most likely stumble which may provide an opportunity to increase our exposure to credit or equities if either were to become sufficiently attractive.

Sources: Marret Asset Management, Morningstar Research Inc., and Bloomberg Finance L.P., as of December 31, 2024.

GLOSSARY OF TERMS

Alpha: A measure of performance often considered the active return on an investment. It gauges the performance of an investment against a market index or benchmark which is considered to represent the market's movement as a whole. The excess return of an investment relative to the return of a benchmark index is the investment's alpha.

Beta: A measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.

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 (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

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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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.

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