CI LIQUID ALTERNATIVE INVESTMENT STRATEGIES

CI Marret Alternative Enhanced Yield Fund

FEBRUARY 2025

CI Marret Alternative Enhanced Yield Fund (the Fund) seeks to provide income with low volatility regardless of market conditions. The Fund invests primarily in fixed income across the credit spectrum including cash and cash equivalents. The Fund's active management targets low correlation with both equity and traditional fixed income.

PERFORMANCE SUMMARY (as of February 28, 2025)

	1 MONTH	3 MONTHS	YTD	1 YEAR	2 YEAR	3 YEAR	SINCE INCEPTION
CI MARRET ALTERNATIVE ENHANCED YIELD FUND SERIES F	0.8%	1.5%	1.5%	6.9%	5.8%	3.3%	3.2%
FTSE CANADA SHORT CORPORATE BOND INDEX	0.4%	1.8%	1.3%	8.4%	7.1%	4.0%	3.0%

Source: Morningstar Research Inc. Inception date: May 14, 2020.

GLOBAL MACRO UPDATE

February marked a shift in market sentiment, as the optimism of January gave way to caution. Strong labor data and positive sentiment had characterized the start of the year, but February saw investor confidence wane due to ongoing trade risks and concerns around tariffs.

In the US, growth expectations dimmed as trade tensions and the potential impact of tariffs took center stage. The AI sector was particularly volatile, with a sharp decline in stocks following DeepSeek's breakthrough, which threatened to disrupt the AI landscape. Microsoft CEO Satya Nadella added to the uncertainty, questioning the tangible value of AI software and warning that infrastructure development could outstrip software demand if investment didn't focus on practical applications.

US 10-year bond yields, which had peaked at 4.8% in January, fell and then rebounded to 4.6% in February, driven by a stronger CPI print and an impending tariff deadline. In Canada, the Bank of Canada took a cautious stance, cutting rates in late January due to tariff concerns. Markets remained on edge, awaiting further tariff announcements from President Trump.

Overall, February highlighted the growing uncertainty surrounding the trade war and its impact on business investment. The "Fog of Trump" continues to cloud the outlook, and unless US policies shift, the ongoing volatility from tariffs is likely to keep investor sentiment cautious. US rates may have room to fall if inflation or labor markets weaken, while Canadian rates appear attractive only if tariffs are fully implemented.

As markets navigate this uncertainty, the path forward remains unclear, with investors seeking clarity on trade and policy.

FUND SUMMARY

KEY FACTS	
NAV/UNIT (SERIES F)	$9.77
MANAGEMENT FEE (SERIES F)	0.80%
PERFORMANCE FEE	10% of returns (net of MER) above the hurdle rate subject to a high-water mark
HURDLE RATE	Yield on FTSE Canada Short Term Government Bond Index +1%
YTM	6.64%
AVERAGE CREDIT RATING	BBB
AVERAGE DURATION	3.07 years
LIQUIDITY	Daily
SERIES F FUND CODE	CIG 4195 (C$) CIG 4196 (US$)
SERIES A FUND CODE	CIG 2195 (C$) CIG 2196 (US$)
ETF TICKER	TSX: CMEY (C$ hedged) CMEY.U (US$ hedged)

USE OF LEVERAGE

GROSS EXPOSURE	153.2%
NET EXPOSURE	126.5%

Source: Marret Asset Management Inc.as of February 28, 2025.

POSITIONING UPDATE

The Fund delivered strong returns in February, notably outperforming its benchmark. This outperformance was driven by strong credit performance and an overweight position in government bonds relative to the index. At the end of the month, the portfolio had a credit duration of 1.36 years and an overall duration about half a year longer than the index (3.07 vs. 2.68 years). Despite some volatility related to tariff concerns, the Fund's relatively short-term credit positioning contributed to its strong performance, given both its price stability, and performing yield. Additionally, the Fund maintained about 35% exposure to government bonds, which performed well, particularly in the 5-year segment of the U.S. curve where rates declined sharply. We remain confident that the strategy offers an attractive risk/reward profile, thanks to its short-term, well-anchored credit exposures, attractive yield-to-maturity, and stability hedges, including rates.

OUTLOOK

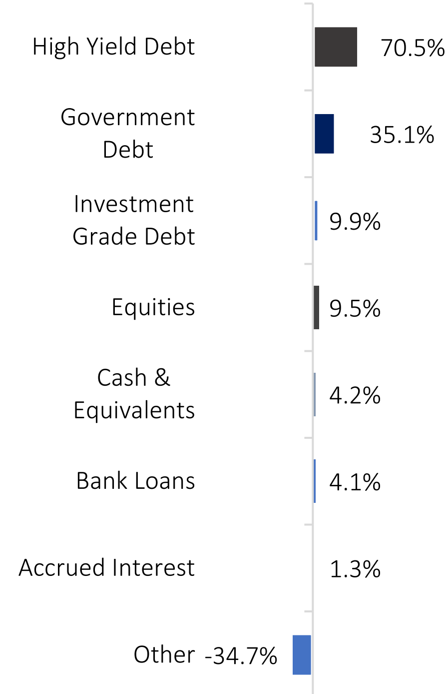
As we navigate the current market landscape, credit markets appear richly priced, with elevated volatility expected to persist. To mitigate these risks, we're positioning ourselves in higher-yielding, short-term credit positions that offer steady returns while minimizing exposure to broader credit risks. By balancing our structural credit base with tactical rate trades and some credit hedges, we're well-equipped to manage volatility and capitalize on potential downside risks as they emerge.

The US market has shifted its focus from monetary policy to the Trump administration's tariff threats and executive orders. Although this policy shift has introduced uncertainty, it hasn't yet led to significant volatility. Markets remain in a benign trading environment, with rate curves reflecting a positive economic outlook. However, we believe the administration will continue to take bold steps to secure grand bargains, even if it means straining market sentiment, as long as markets remain somewhat calm.

Reshaping global trade could strengthen the US economy, but it also entails substantial risks. Tariffs, tax cuts, and targeted spending could trigger inflationary pressures, while changes to immigration and social policies could expose vulnerabilities in the labor market. The administration's unpredictability may erode investor confidence and weaken the broader economic outlook.

Treasury Secretary Scott Bessent's recent remarks imply that the administration is willing to tolerate short-term market volatility in pursuit of the Administration's broader objectives. In response, we're adopting a balanced approach that prioritizes maintaining our structural carry while managing risk exposure in today's uncertain environment.

ASSET CLASS BREAKDOWN



FUND EXPOSURE

ISSUER COUNTRY	GROSS EXPOSURE*
CANADA	33.7%
U.S.	60.6%
OTHER	5.7%

TOP FIVE HOLDINGS

HOLDING	WEIGHT
U.S. TREASURY NOTE 0 03/31/25	22.7%
CANADIAN GOVERNMENT NOTE 0 6/19/2025	8.6%
SHYG	5.3%
BKLN	4.3%
U.S. TREASURY NOTE 0 6/19/2025	3.3%

Source: Marret Asset Management Inc., as of February 28, 2025.
*Does not include cash holdings.

MARRET ASSET MANAGEMENT INC.

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.

Correlation: A statistical measure of how two securities move in relation to one another. Positive correlation indicates similar movements, up or down, while negative correlation indicates opposite movements (when one rises, the other falls).

Duration: A measure of the sensitivity of the price of a fixed income investment to a change in interest rates. Duration is expressed as 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).

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 required payment.

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.

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 curve: A line that plots the interest rates of bonds having equal credit quality but differing maturity dates. A normal or steep yield curve indicates that long-term interest rates are higher than short-term interest rates. A flat yield curve indicates that short-term rates are in line with long-term rates, whereas an inverted yield curve indicates that short-term rates are higher than long-term rates.

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

not necessarily reflect the constituents of and their weights within the comparable indices or investment fund. Indices are unmanaged and their returns do not include any sales charges or fees. It is not possible to invest directly in market indices.

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