ANNUAL INFORMATION FORM
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

SKYLON GROWTH & INCOME TRUST

March 28, 2019

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NAME, FORMATION AND HISTORY

Skylon Growth & Income Trust (the "Trust") is a closed-end investment trust established under the laws of Ontario pursuant to a Declaration of Trust dated as of January 30, 2004, as amended (the "Declaration of Trust") by Skylon Advisors Inc. as trustee. Skylon Advisors Inc. amalgamated with CI Investments Inc. on June 1, 2006. CI Investments Inc. acts as trustee (the "Trustee") and manager (the "Manager") of the Trust pursuant to the Declaration of Trust. The Trust's principal office is located at 2 Queen Street East, Twentieth Floor, Toronto, Ontario, M5C 3G7.

The beneficial interest in the net assets and net income of the Trust is divided into trust units of equal value (the "Units"). Holders of Units are referred to herein as "Unitholders". The Units are listed on the Toronto Stock Exchange (the "TSX") under the symbol SKG.UN.

The Trust closed its initial public offering on February 18, 2004, issuing 19,500,000 non-redeemable, transferable Units of the Trust. A further issuance of 1,030,000 Units was completed on March 3, 2004 following the exercise of the over-allotment option granted to the agents who offered the Units for sale.

On March 28, 2008, the Declaration of Trust was amended to add a monthly redemption right to the Units effective April 30, 2008. On April 13, 2009, the Declaration of Trust was further amended to add an annual redemption right to the Units, extend the termination date of the Trust to June 30, 2019 ("Termination Date"), and provide the Trustee the discretion to terminate the Trust if it believes the net asset value ("NAV") of the Trust falls to a level that is not beneficial to Unitholders.

INVESTMENT RESTRICTIONS AND PRACTICES

Investment Objectives

The investment objectives of the Trust are to: (i) provide Unitholders with monthly distributions; (ii) endeavour to preserve capital throughout the life of the Trust; and (iii) enhance the long-term total return of the portfolio of the Trust.

Investment Strategy

To provide the Trust with the means to meet the foregoing investment objectives, the Trust invests in a diversified portfolio of securities (the "Portfolio") consisting primarily of securities of income trusts, high yield debt, dividend paying common shares, other common shares, other securities and cash and instalment receipts or other rights to acquire any of the foregoing (the "Portfolio Securities"). The Portfolio is advised by Signature Global Asset Management, a division of CI Investments Inc. (the "Investment Advisor").

Investment Restrictions

The Trust is subject to and follows certain investment practices and restrictions outlined in securities legislation, including restrictions in National Instrument 81-102 – *Investment Funds* ("NI 81-102") of the Canadian securities administrators applicable to non-redeemable investment funds. This helps to ensure that the Trust's investments are diversified and relatively easy to trade. They also ensure proper administration of the Trust.

The Trust is also subject to certain investment restrictions set out in the Declaration of Trust. The investment restrictions provide that the Trust may not:

(a) purchase any security issued by any issuer (other than short-term debt securities issued or guaranteed by the Government of Canada or any Canadian province or municipality) if as a result more than 10% of the Trust's total assets would consist of securities issued by such issuer;

(b) borrow money and utilize other forms of leverage in excess of 25% of the Trust's NAV, at the time the borrowing or other transaction is entered into;

(c) purchase or sell commodities or commodity contracts;

(d) make loans or guarantee obligations, except that the Trust may purchase and hold debt obligations (including bank loans, bonds, debentures or other obligations and certificates of deposit, bankers' acceptances and fixed time deposits) in accordance with its investment objectives;

(e) participate in oil and gas or similar ventures (other than securities issued by issuers that invest in oil and gas);

(f) invest for the purpose of exercising control over management of any issuer;

(g) make or retain any investment that would result in the Trust failing to qualify as a "unit trust" within the meaning of The *Income Tax Act* (Canada) ("the Tax Act");

(h) hold securities which may be "foreign property" under the Tax Act unless, at the end of each month, the "cost amount" to the Trust of foreign property does not exceed 30% (or such other percentage specified from time to time for purposes of Part XI of the Tax Act) of the cost amount of all property held by the Trust or enter agreements that could give rise to tax liability under section 206.1 of Part XI of the Tax Act;

(i) hold securities of any non-resident corporation or trust or other entity if the Trust would be required to mark its investment in such securities to market in accordance with proposed section 94.2 of the Tax Act or to include any amounts in income pursuant to proposed section 94.1 or 94.3 of the Tax Act, as set forth in the proposed amendments to the Tax Act dealing with foreign investment entities released on October 30, 2003 (or amendments to such proposals, provisions as enacted into law or successor provisions thereto); or

(j) act as an underwriter except to the extent that the Trust may be deemed to be an underwriter in connection with the sale of securities in its Portfolio.

Use of Derivative Instruments

The Trust may invest in or use derivative instruments for hedging, investment or leverage purposes consistent with the investment objectives, investment strategy and investment restrictions of the Trust.

Risks to be hedged against may include fluctuations in currency values and interest rate changes. While the Trust may purchase forward contracts for such hedging, it is not precluded from using other derivatives, such as put and call options on foreign currencies, to do so.

In pursuing its investment objectives, it is expected that the Trust will also enter into swap agreements with respect to interest rates, currencies, securities indices and other assets and measures of risk or return. The Trust may also enter into options on swap agreements.

The Trust may take long and short positions in a wide variety of other derivative instruments, including derivative instruments related to fixed income securities and indices of fixed income securities. For example, the Trust may purchase and sell put options and call options on securities and securities indices, enter into interest rate and index futures contracts and purchase and sell options on such futures contracts.

The Trust may also invest in "structured" notes, which are privately negotiated debt obligations where the principal and/or interest is determined by reference to the performance of a benchmark asset or market, or in other types of "hybrid" instruments which combine the characteristics of securities, futures, and options.

The Trust may make short sales of securities as part of its overall Portfolio management strategy and/or to offset potential declines in long positions in Portfolio Securities.

The Trust may engage in intra-capital arbitrage which entails purchasing debt securities of an issuer while short-selling equity securities of the same issuer. Intra-capital arbitrage is also possible between different series of debt of the same issuer. The Trust also may write or purchase call options and put options on securities for hedging purposes.

The Trust may also invest in interest rate futures contracts and options thereon. The Trust may purchase and sell futures contracts on corporate debt obligations (to the extent they are available) and U.S. Government securities, as well as purchase put and call options which are standardized and traded on a U.S. or other exchange, board of trade, or similar entity, or quoted on an automated quotation system.

Loan Facility and Other Forms of Leverage

In order to provide a prudent level of leverage to enhance the Trust's return, the Trust may borrow pursuant to a loan facility (the "Loan Facility") from a chartered bank (the "Lender").

The Trust may also add leverage to its investment Portfolio by utilizing a variety of additional strategies, including but not limited to the use of reverse repurchase agreements, credit derivatives, and other derivative instruments.

The Trust may also enter into credit derivatives for investment purposes and to add leverage to the Trust's Portfolio.

The Loan Facility and other forms of leverage permit the Trust to borrow monies or employ other forms of leverage to purchase additional Portfolio securities in accordance with the Investment Guidelines. The Trust may use such leverage, when market conditions are appropriate, to attempt to increase the potential returns of the Trust by taking advantage of the spread between the potential return on additional investments in the Portfolio and the cost of borrowing the purchase price for such investments. The Manager will ensure that, in the event of default under any Loan Facility, the Lender's recourse will be limited to the assets of the Trust.

The aggregate amount of borrowings under the Loan Facility and other forms of leverage may not exceed 25% of the NAV of the Trust at the time the borrowing or other transaction is entered into. In the event that the total amount borrowed, or otherwise subject to leverage, by the Trust exceeds the 25% limit as a result of a decrease in the number of Units of the Trust, the Investment Advisor will reduce indebtedness

or other leverage on an orderly basis as soon as practicable so that the amount borrowed or otherwise subject to leverage does not exceed such limit.

Other than borrowings by the Trust under a Loan Facility, together with the other forms of leverage described above and short-term credits necessary for settlement of securities transactions (which are not considered borrowing), the Trust will not engage in borrowing.

Securities Lending

In order to generate additional returns, the Trust may lend securities to borrowers acceptable to the Trust pursuant to the terms of a securities lending agreement between the Trust and any such borrower. Under such an agreement: (i) the borrower will pay to the Trust a negotiated securities lending fee and will make compensation payments to the Trust equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loan must qualify as "securities lending arrangements" for the purposes of the Tax Act; and (iii) the securities loan must be fully collateralized. The minimum level of collateralization will be 102%.

The foregoing sections "Investment Objectives", "Investment Strategy" and "Investment Restrictions" are referred to collectively herein as the Trust's "Investment Policy". The Investment Policy of the Trust cannot be changed without the prior approval of Unitholders by a resolution passed by not less than two-thirds of the votes cast by Unitholders who voted in respect of that resolution whether by way of written resolution or at a meeting called for such purpose with two or more persons present in person or by proxy representing not less than 25% of the Units then outstanding (an "Extraordinary Resolution").

DESCRIPTION OF SECURITIES

The Units

The Trust is authorized to issue an unlimited number of transferable, non-redeemable Units of one class, each of which represents an equal, undivided interest in the net assets of the Trust. The Trust may issue fractional Units which shall have the same rights as whole Units on a proportional basis.

Each Unit entitles a Unitholder to the same rights and obligations as a Unitholder of any other Unit and no Unitholder is entitled to any privilege, priority or preference in relation to any other Unitholder. Each Unitholder is entitled to one vote for each Unit held and is generally entitled to participate equally with respect to any and all distributions made by the Trust. On termination, the Unitholders holding outstanding Units are entitled to participate equally with respect to the distribution of the remaining assets of the Trust remaining after payment of all debts, liabilities and liquidation or termination expenses of the Trust.

Unitholders will be permitted to vote on all matters that require Unitholder approval under the Declaration of Trust and applicable securities legislation including requirements under NI 81-102 applicable to non-redeemable investment funds. These matters currently are:

1. the amendment of any provision in the Declaration of Trust (other than those amendments that are permitted to be made by the Trustee, without Unitholder authorization, pursuant to the Declaration of Trust);

2. any increase in the fees payable out of the Trust property to the Trustee;

3. a change in the basis of the calculation of a fee or expense that is charged to the Trust or directly to its securityholders by the Trust or the Manager in connection with the holding of securities of the

Trust in a way that could result in an increase in the charges to the Trust or to its securityholders, other than where the Trust contracts with parties who are not related to the Trust within the meaning of the Tax Act, for all or part of the services it requires to carry on its operations provided that sixty (60) days' notice of any such change has been given to Unitholders before the effective date of the change;

4. the removal or replacement of the Trustee;

5. the appointment of an inspector to investigate and report of the performance by the Trustee of its duties with respect to the Trust;

6. any decrease in the frequency of calculating NAV and which results in the NAV being calculated less frequently than once each business day;

7. an additional issuance of Units subsequent to the Trust's initial public offering, in certain circumstances;

8. the extension of the Termination Date;

9. the termination of the Trust prior to the Termination Date;

10. any change in the fundamental investment objectives of the Trust, and any change to the Investment Policy as described herein;

11. in certain cases, if the Trust undertakes a reorganization with, or transfers its assets to, another form of issuer or acquires another issuer's assets;

12. the manager of the Trust is changed, unless the new manager of the Trust is an affiliate of the current manager of the Trust; and

13. the Trust implements a restructuring into a mutual fund or an issuer that is not an investment fund.

The Trustee may amend the Declaration of Trust without approval of the Unitholders, provided that such amendments may be made only if they will not materially adversely affect the interest of any Unitholder, for the following purposes:

1. to make any change or correction which is of a typographical nature or is required to cure or correct a clerical omission, mistake or manifest error; or

2. to amend the existing provisions or add provisions, provided that such amendments or additions are:

    (i) for the protection or benefit of the Unitholders or the Trust;

    (ii) for the purpose of curing an ambiguity in the Declaration of Trust;

    (iii) for the purpose of supplementing any provision which may be defective or inconsistent with another provision;

    (iv) for the purpose of complying with or removing any conflicts or any inconsistencies which may exist between any of the terms of the Declaration of Trust and any provisions of any applicable law, regulation, order, restriction or policy, of the regulatory authorities in

Canada having jurisdiction over the Trustee, the Trust, the investments of the Trust or the Units; or

(v) for the purpose of making any change or correction which is necessary or desirable for the purpose of bringing the Declaration of Trust into conformity with current practice or curing or correcting any administrative difficulty.

The Declaration of Trust may also be amended by the Trustee without the consent of Unitholders for the purpose of changing the Trust's taxation year-end as permitted under the Tax Act or providing the Trust with the right to acquire Units from any Unitholder for the purpose of maintaining the status of the Trust as a "mutual fund trust" for purposes of the Tax Act.

Scheduled Distributions

The Trust endeavours to pay monthly distributions. The Trust will annually determine and announce each December an indicative distribution amount for the following twelve months based upon the prevailing market conditions and the Manager's estimate of distributable cash flow for the year. Distributions will be made to Unitholders who were Unitholders of record as of 5:00 p.m. on the last business day of each applicable month ("Record Date"). Distributions will be paid to such Unitholders within fifteen (15) days of the Record Date.

If, in any taxation year after such distributions, there would otherwise remain in the Trust additional net income or net realized capital gains, the Trust intends to make, on or before December 31 of the calendar year in which such taxation year ends, a special distribution of such portion of the net income and net realized capital gains as is necessary to ensure that the Trust will not be liable for income tax thereon under the Tax Act.

Reinvestment of Distributions

The Trust has adopted a distribution reinvestment plan ("DRIP") so that all distributions may be automatically reinvested on each Unitholder's behalf, at the election of each such Unitholder, pursuant to the DRIP. Notwithstanding the DRIP, all distributions to non-resident Unitholders will be paid in cash and will not be reinvested.

Pursuant to the DRIP, distributions due to DRIP participants shall be applied, on behalf of DRIP participants, to purchase additional Units from the Trust. The Distributions will be paid to Computershare Trust Company of Canada (the "DRIP Agent") and the DRIP Agent will, after the relevant distribution date, apply distributions to the purchase of Units from treasury at a price equal to the average trading price of the Units on the TSX for the five trading days immediately preceding the relevant Distribution Date.

The Manager may terminate the DRIP in its sole discretion, upon not less than thirty days' written notice to the DRIP participants.

Market Purchases

Units of closed-end investment funds may trade at a discount from their net asset value. In recognition of the possibility that the Units may trade at a discount, the terms and conditions attaching to the Units have been designed to attempt to reduce or eliminate a market value discount from the NAV per Unit (as defined in the Declaration of Trust).

To that end, the Declaration of Trust provides that if at any time the market price at which Unitholders are then offering their Units for sale (the "Reference Closing Price") is less than 95% of the NAV per Unit determined as at the close of business in Toronto, Ontario on that day, then subject to certain exceptions described therein and compliance with any applicable regulatory requirements, the Trust will, on the following business day, purchase for cancellation any such Units offered in the market at or below the Reference Closing Price up to a maximum amount in any three month period of 1.25% of the number of Units outstanding at the beginning of such period.

The Declaration of Trust provides that the Trust will not be obligated to make such purchases if, among other things, (i) the Trust lacks the cash, debt capacity or other resources to make such purchases, or (ii) in the opinion of the Trustee, such market purchases would adversely affect the on-going activities of the Trust.

In addition, the Declaration of Trust provides that the Trust has the right (but not the obligation) exercisable in its sole discretion, at any time, to purchase for cancellation Units in the market, subject to any applicable regulatory requirements and limitations.

The Trust did not file a notice of intention to make a normal course issuer bid for 2018.

Termination of the Trust

The Trust was to terminate on June 30, 2009 ("Original Termination Date") unless terminated earlier in accordance with the terms of the Declaration of Trust or unless Unitholders determined to terminate the Trust prior to the Original Termination Date or to continue the Trust beyond the Original Termination Date by an extraordinary resolution at a meeting called for such purpose. On April 13, 2009, at a special meeting of Unitholders of the Trust, the Unitholders passed both (a) a resolution permitting a proposal to be made to Unitholders to extend the term of the Trust and (b) a resolution to extend the term of the Trust by 10 years to June 30, 2019, add an annual right of Unitholders to redeem their Units at their NAV, and authorize the Trustee, at any time after June 30, 2009, to terminate the Trust if the net asset value of the Trust falls to a level that the Trustee believes is not beneficial to the Unitholders.

The Trust shall, after paying or making adequate provision for all of the Trust's liabilities, distribute the net assets of the Trust to Unitholders, on a *pro rata* basis, as soon as practicable after the Termination Date.

On April 13, 2009, Unitholders approved an amendment to the Declaration of Trust to permit the Manager to present a proposal to Unitholders at any time prior to the Termination Date, providing for a deferral of the termination of the Trust to a date that is later than the Termination Date. Such proposal may include, without limitation, a proposal: (i) to continue the Trust beyond the Termination Date; or (ii) to exchange Units for securities of one or more mutual funds or closed-end investment funds on or after the Termination Date.

In the event of the approval of the proposal referred to above, any dissenting Unitholder may require the Trustee to redeem all (but not less than all) of his or her Units on the Termination Date at a price per Unit equal to the NAV per Unit (as defined herein) on the Termination Date. The termination of the Trust may not be extended beyond January 1, 2025.

VALUATION OF PORTFOLIO SECURITIES AND CALCULATION OF NET ASSET VALUE

The NAV of the Trust is calculated by RBC Investor Services Trust ("RBC") on each business day (a "Valuation Date") at 4:00 p.m. Eastern time by subtracting the aggregate amount of the Trust's liabilities from the total assets of the Trust. The total assets of the Trust will be valued as follows:

(a) the value of a money market instrument shall be determined by adjusting its cost of acquisition by a constant amortization to maturity of any discount or premium;

(b) the value of any cash on hand, on deposit or on call, bills, demand notes and accounts receivable, prepaid expenses, cash dividends and interest accrued and not yet received, shall be deemed to be the full amount thereof unless RBC has determined that any of the foregoing is not worth the full amount thereof, in which event the value thereof shall be deemed to be such value as RBC determines to be the fair value thereof;

(c) the value of any bond, term note, share, subscription right or other security which is listed or dealt in upon a stock exchange shall be determined by taking the latest available sale price (or lacking any sales or any record thereof, a price not higher than the latest available asked price and not lower than the latest available bid price therefore as RBC may from time to time determine) on the day as of which the NAV is being determined, as reported by any means in common use. The value of interlisted securities shall be computed in a manner which, in the opinion of RBC, most accurately reflects their fair value. If in the opinion of RBC, stock exchange quotations do not properly reflect the prices which would be received by the Trust upon the disposal of shares or securities necessary to effect any redemption or redemptions, RBC may place such value upon such shares or securities as appears to them to most closely reflect the fair value of such shares or securities;

(d) the value of any bond, term note, share, subscription right or other security or other property which is not listed or dealt in on a stock exchange shall be determined on the basis of such price quotations which, in the opinion of RBC, best reflect its fair value;

(e) the value of any bond, term note share, subscription right or other security or other property for which no price quotations are available as above provided, shall be the fair value thereof as determined from time to time in such manner as RBC may determine;

(f) the value of any restricted securities, as defined in NI 81-102, shall be valued at the lesser of:

  (i) the value based on reported quotations in common use; and

  (ii) that percentage of the market value of the securities of the class or series of a class of which the restricted security forms part that are not restricted securities, equal to the percentage that the Trust's acquisition cost was of the market value of the securities at the time of acquisition, but taking into account, if appropriate, the amount of time remaining until the restricted securities will cease to be restricted securities.

(g) long positions in clearing corporation options, options of futures, over-the-counter options, debt-like securities and listed warrants shall be valued at the current market value thereof;

(h) any premium received by the Trust for a written covered clearing corporation option, option on futures or over-the-counter option shall be reflected as a deferred credit which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the counter option that would have the effect of closing the position. The deferred credit shall be deducted in arriving at the NAV of the Trust. The securities, if any, which are the subject of a written clearing corporation option or over-the-counter option shall be valued in accordance with these rules;

(i) futures contracts and forward contracts shall be valued according to the gain or loss with respect thereto that would be realized if, on the Valuation Date, the position in the futures contract or forward contract, as the case may be, were to be closed out unless daily limits are in effect, in which case fair value shall be based on the current market value of the underlying interest;

(j) all Trust property valued in a foreign currency and all liabilities and obligations of the Trust payable by the Trust in a foreign currency shall be converted into Canadian currency by applying the rate of exchange obtained from the best available sources to RBC, including, but not limited to, RBC or any of its affiliates.

The NAV per Unit is the amount obtained by dividing the NAV as of a particular date by the total number of Units outstanding on that date. The NAV and the NAV per Unit are available at www.ci.com and upon request by any Unitholder, at no cost, by calling: 1-800-268-9374 or e-mailing: service@ci.com.

PURCHASES AND REDEMPTIONS

Units are listed for trading on the TSX under the symbol SKG.UN. Unitholders can purchase or sell Units at any time the TSX is open for business by contacting their financial advisor. The Trust is not redeemable except as described in this annual information form and Units cannot be switched with another fund managed by the Manager.

Effective April 30, 2008, the Declaration of Trust was amended to provide a monthly redemption right. Unitholders are entitled to surrender Units at any time for redemption (a "Monthly Redemption") on the last Business Day of each month (a "Monthly Valuation Date"). The redemption price per Unit for Monthly Redemptions is equal to the lesser of: (a) 94% of the "market price" per Unit on the applicable Monthly Valuation Date (10 day average trading price); and (b) the "closing market price" per Unit on the applicable Monthly Valuation Date.

The Trustee may suspend the redemption of Units or payment in respect thereof (i) for the whole or any part of a period during which normal trading is suspended on a stock exchange, options exchange or futures exchange or other market within or outside Canada on which securities are listed and traded, or on which derivatives are traded, if those securities or derivatives represent more than 50% by value, or underlying market exposure, of the total assets of the Trust without allowance for liabilities and if those securities or derivatives are not traded on any other exchange or market that represents a reasonably practical alternative for the Trust; or (ii) subject to regulatory approval for any period not exceeding 120 days during which the Trustee determines that conditions exist which render impractical the sale of assets of the Trust or which impair the ability of the Trustee to determine the value of the assets of the Trust. Such suspension may, at the sole discretion of the Trustee, apply to all requests for redemption received prior to such suspension but as for which payment has not been made as well as to all requests received while the suspension is in effect. All Unitholders making redemption requests during such periods shall be advised of the suspension and of their right to withdraw their request for redemption. Redemptions so suspended will be effected as of the first date that NAV is calculated following termination of the suspension at a price calculated as of such date. The suspension shall terminate on the first day on which the condition giving right to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists.

On April 13, 2009, the Declaration of Trust was amended to provide an annual redemption right (each, an "Annual Redemption"). Unitholders are entitled to surrender Units not more than 60 days, and at least 30 days prior to December 31 of each year (the "Annual Redemption Date") commencing with December 21, 2010. The redemption price per Unit for Annual Redemptions is equal to the NAV per Unit determined as

at such Annual Redemption Date. Unitholders were also entitled to a one-time right to redeem all (but not less than all) of the Units registered in the name of such holders on June 30, 2009.

RESPONSIBILITY FOR TRUST OPERATIONS

Trustee

CI Investments Inc. is the trustee of the Trust pursuant to the provisions of the Declaration of Trust. The address of the Trustee is 2 Queen Street East, Twentieth Floor, Toronto, Ontario, M5C 3G7. The Trustee is responsible for certain aspects of the day-to-day administration of the Trust as described in the Declaration of Trust. The Trustee is entitled to receive an annual fee for services rendered to the Trust and to be reimbursed for all expenses and liabilities which are properly incurred by the Trustee in connection with the activities of the Trust.

The Trustee or any successor trustee may resign upon 60 days' written notice to the Manager or may be removed with the approval of Unitholders by way of Extraordinary Resolution. Any such resignation or removal shall become effective only on the appointment of a successor trustee. The Trustee shall be deemed to have resigned if the Trustee (a) ceases to be resident in Canada for purposes of the Tax Act, (b) ceases to be qualified to act as trustee, (c) consents or makes a general assignment for the benefit of creditors, or makes a proposal to creditors under any insolvency laws, or (d) is declared bankrupt, or if a liquidator or trustee in bankruptcy, custodian or receiver or other officer with similar powers is appointed in respect of the Trustee.

Manager

Pursuant to the Declaration of Trust, the Manager is the manager of the Trust and will perform the management functions for the Trust. The address, telephone numbers, e-mail address and website address of the Manager are shown on the back page of this Annual Information Form. The Manager has exclusive authority to manage the operations and affairs of the Trust and to make all decisions regarding the business of the Trust, and has authority to bind the Trust. The Manager may, pursuant to the terms of the Declaration of Trust, delegate certain of its powers to third parties where, in the discretion of the Manager, it would be in the best interests of the Trust to do so. Among other restrictions imposed on the Manager, it may not dissolve the Trust or wind up the Trust's affairs except in accordance with the provisions of the Declaration of Trust. As compensation for management services rendered to the Trust, the Manager is entitled to the fees disclosed in the Trust's initial public offering prospectus.

Directors and Executive Officers of the Manager

The following is a list of the individuals who are the directors and executive officers of the Manager. No payments or reimbursements have been made by any of the Manager's funds to such directors and executive officers.

Name and municipality of residence	**Office held with CI Investments Inc.**	**Principal occupation***
Sheila A. Murray Toronto, Ontario	President and Ultimate Designated Person	President and Ultimate Designated Person, CI Investments Inc. since October 2016

Name and municipality of residence	Office held with CI Investments Inc.	Principal occupation*
		Director and President, CI Financial Corp. since June 2018. The Manager is a wholly owned subsidiary of CI Financial Corp.
Douglas J. Jamieson Toronto, Ontario	Director, Executive Vice-President and Chief Financial Officer	Director, Executive Vice-President and Chief Financial Officer, CI Investments Inc. since February 2016 Executive Vice-President and Chief Financial Officer, CI Financial Corp. since June 2013
David C. Pauli Mississauga, Ontario	Director	Director, CI Investments Inc. since December 2017
Darie Urbanky Toronto, Ontario	Executive Vice-President and Chief Operating Officer	Executive Vice-President and Chief Operating Officer, CI Investments Inc. and CI Financial Corp. since September 2018
Edward Kelterborn Toronto, Ontario	Director, Senior Vice-President and General Counsel	Director, Senior Vice-President and General Counsel, CI Investments Inc. since February 2019 Chief Legal Officer, CI Financial Corp. since September 2018 Before September 2016, Senior Vice-President, Legal & Operations, First Asset Investment Management Inc. since July 2012
Anne Ramsay Toronto, Ontario	Senior Vice President, Compliance and Chief Compliance Officer	Senior Vice President, Compliance and Chief Compliance Officer, CI Investments Inc. since February 2018 Before August 2016, Senior Associate, Stikeman Elliot LLP since June 2011

*Except where another company is disclosed above, all directors and executive officers have held position(s) with CI Investments Inc. for the last five (5) consecutive years. Where a director or executive officer has held multiple positions within CI Investments Inc. or another company for the last five (5) consecutive years, the above table generally sets out only the current or most recently-held position(s) held at such company. The start date for each position generally refers to the date on which the director or executive officer commenced the applicable position(s).

Portfolio Advisor

The Manager, through its division, Signature Global Asset Management, is the portfolio advisor to the Trust.

The following individuals are principally responsible for managing the Portfolio:

Name and Title	Length of Service with Investment Advisor	Principal Occupation in the last five years
Eric B. Bushell Chief Investment Officer and Senior Vice-President, Signature Global Asset Management	24 years	Chief Investment Officer and Senior Vice-President, Signature Global Asset Management, CI Investments Inc. since 2002
Geofrey Marshall Senior Vice-President and Portfolio Manager, Signature Global Asset Management	11 years	Senior Vice-President and Portfolio Manager, Signature Global Asset Management, CI Investments Inc. since January 2015 Before January 2015, Vice-President and Portfolio Manager, Signature Global Asset Management, CI Investments Inc. since October 2006

Brokerage Arrangements

The Investment Advisor may receive research and order execution goods and services in return for brokerage transactions for the Trust to registered dealers. When the Investment Advisor does so, it ensures that the goods or services are used by the Trust to assist with investment or trading decisions, or with effecting securities transactions, on behalf of the Trust. The Investment Advisor conducts trade cost analysis by an independent third party firm to ensure that the Trust receives a reasonable benefit considering the use of the research and order execution goods and services, as applicable, and the amount of the brokerage commission paid. The Investment Advisor also makes a good faith determination that the Trust receives reasonable benefit considering the use of the goods and services, the amount of brokerage commissions paid, the range of services and quality of research received. The Investment Advisor uses the same criteria in selecting registered dealers, regardless of whether the dealer is an affiliate of CI Investments Inc. These arrangements are always subject to "best execution", which includes a number of considerations such as price, volume, speed and certainty of execution, and total transaction costs.

Since March 28, 2017, dealers or third parties provided research and order execution goods and services that included advice, analyses and reports regarding various subject matters relating to investments (including portfolio strategy, economic analysis, and statistic data about capital markets and securities). These reports and advice were provided either directly or through publications or writings, including

electronic publications, telephone contacts and personal meetings with security analysts, economists and corporate and industry spokespersons, and included analysis and reports concerning issuers, industries, securities, economic factors and trends, accounting and tax law interpretations and political developments. The research and order execution goods and services also included trading software, market data, and custody, clearing and settlement services that were directly related to executed orders, as well as databases and software that supported these goods and services. Dealers and third parties may provide the same or similar goods and services in the future. The users of these research and order execution goods and services are portfolio advisors, analysts and traders.

The names of such dealers and third parties are available upon request by calling toll-free at 1-800-268-9374, by sending an email to service@ci.com or by writing to the Manager.

Brokers

When the Trust buys and sells securities, it completes the transactions through brokers. The portfolio advisor makes the decisions about portfolio transactions, including selecting the brokers, but these decisions are ultimately the responsibility of CI Investments Inc. The portfolio advisor can select a broker that provides services, including research, statistical and other services, to the Trust as long as the terms that the broker offers are comparable with other brokers and dealers offering similar services.

Custodian

The custodian for the Trust is RBC Investor Services Trust (the "Custodian") of Toronto, Ontario. The Custodian holds the assets of the Trust in safekeeping. The Custodian's services are governed by a third amended and restated custodian agreement dated as of July 1, 2011, as amended (the "Custodian Agreement"). The Custodian Agreement gives the Custodian the right to appoint sub-custodians. The Custodian also provides portfolio valuation, trust accounting and securities lending services to the Trust. The Custodian is independent of the Manager.

Auditor

PricewaterhouseCoopers LLP of Toronto, Ontario is the auditor of the Trust. The auditor is independent of the Manager.

Registrar and Transfer Agent

Computershare Investor Services Inc. acts as registrar and transfer agent for the registered Unitholders of Units at its principal office in Toronto, Ontario.

Securities Lending Agent

The Trust's Custodian acts as securities lending agent for the Trust (the "Securities Lending Agent") in administering the securities lending, repurchase and reverse repurchase transactions of the Trust pursuant to an amended and restated securities lending agency agreement dated July 1, 2011, as amended (the "Securities Lending Agreement"). The Securities Lending Agreement requires the Trust to deliver collateral having a market value equal to no less than 102% of the market value of the loaned securities. The Securities Lending Agreement requires the Securities Lending Agent to indemnify the Trust for certain losses incurred in connection with its failure to perform its obligations. The Manager may terminate the Securities Lending Agreement by giving the Securities Lending Agent 12 months' notice, subject to certain conditions. Either party has the right to terminate the Securities Lending Agreement immediately if the other party commits certain acts or fails to perform its duties under the Securities Lending Agreement.

CONFLICTS OF INTEREST

Principal Holders of Securities

As of February 28, 2019, the Manager was wholly-owned by CI Financial Corp., owning of record and beneficially 7,276,724,805 common shares representing 100% of the common shares of the Manager. CI Financial Corp. is a public corporation, the shares of which are traded on the TSX. As at February 28, 2019, to the knowledge of the Manager, no person owned of record more than 10% of the Units other than CDS & Co., the nominee of CDS Clearing and Depository Services Inc., which holds all of the Units as registered owner for various brokers and other persons on behalf of their clients and others. The names of the beneficial owners of such Units are not known to the Manager.

TRUST GOVERNANCE

Set out below is a list of the individuals who comprise the independent review committee (the "IRC") for the Trust.

Name and municipality of residence	**Principal occupation in the last 5 years**
James M. Werry Toronto, Ontario	Chair of the IRC Corporate director since 2003 Prior to December 2016, Chief Executive Officer of Aston Hill Financial Inc. since February 2016
Tom Eisenhauer Toronto, Ontario	Chief Executive Officer of Bonnefield Financial Inc. since 2009
Stuart P. Hensman Toronto, Ontario	Corporate director since June 2004
Karen Fisher Newcastle, Ontario	Corporate director
John R. Reucassel Toronto, Ontario	President, The International Group since March 2014 Prior to March 2014, Managing Director at BMO Capital Markets since November 2002

James Werry became Chair effective April 1, 2018. Christopher Hopper's term as an IRC member expired on April 3, 2018. Karen Fisher joined effective April 3, 2018. Tom Eisenhauer joined effective September 20, 2018. Mary Robertson resigned as an IRC member on October 15, 2018.

Each member of the IRC is independent of the Manager, its affiliates and the Trust. The IRC provides independent oversight and impartial judgment on conflicts of interest involving the Trust. Its mandate is to consider matters relating to conflicts of interest and recommend to the Manager what action the Manager should take to achieve a fair and reasonable result for the Trust in those circumstances; and to review and

advise on or consent to, if appropriate, any other matter required by applicable securities laws, regulations and rules. The IRC meets quarterly.

Among other matters, the IRC prepares, at least annually, a report of its activities for Unitholders of the Trust which will be available on the Internet at www.ci.com and upon request by any Unitholder, at no cost, by calling: 1-800-792-9355 or e-mailing to: service@ci.com.

National Instrument 81-107 – *Independent Review Committee for Investment Funds* requires the Manager to have policies and procedures relating to conflicts of interest. The IRC has reviewed, commented upon and approved the Manager's Code of Business Conduct and Ethics and CI Personal Trading Policy (the "Codes"), which establish rules of conduct designed to ensure fair treatment of the Unitholders of the Trust and to ensure that at all times the interests of the Trust and its Unitholders are placed above personal interests of the employees, officers and directors of the Manager, and each of the Manager's subsidiaries and affiliates and portfolio advisors. The Codes apply the highest standards of integrity and ethical business conduct. The objective is not only to remove any potential for real conflict of interest, but also to avoid any perception of conflict. The Codes address the area of investments, which cover personal trading by employees, conflict of interest, and confidentiality among departments and portfolio advisors, and also address confidentiality, fiduciary duty, enforcement of rules of conduct and sanctions for violations.

The IRC members perform a similar function as the independent review committee for other investment funds managed by the Manager and its affiliates. IRC members are paid a fixed annual fee for their services. The annual fees are determined by the IRC and disclosed in its annual report to Unitholders of the Trust. For the year ended December 31, 2018, members of the IRC were paid, in aggregate, $387,600 and individually as follows: Mr. Hopper: $18,000; Ms. Robertson: $55,500; Mr. Werry: $84,000; Mr. Eisenhauer: $28,100; Ms. Fisher: $54,000; Mr. Hensman: $76,000; and Mr. Reucassel: $72,000. Members of the IRC are also reimbursed for their expenses which are typically nominal and associated with travel and the administration of meetings. Members of the IRC did not make any claims for reimbursement for these expenses for the year ended December 31, 2018. Their annual fees were allocated across all investment funds managed by the Manager and its affiliates with the result that only a small portion of such fees were allocated to any single fund.

The individuals who comprise the IRC also perform a function similar to an audit committee for the Trust.

As of February 28, 2019, the members of the IRC did not beneficially own, directly or indirectly, in aggregate (i) any units of the Trust, (ii) any class or series of voting or equity securities of the Manager or (iii) any material amount of any class or series of voting or equity securities of any material service provider to the Trust or to the Manager.

Short-Term Trading

As Units of the Trust are not available for purchase from the Trust on a continuous basis, the Manager believes that Unitholders are not exposed to the adverse effects of short-term trading and therefore the Trust does not restrict short-term trading in Units of the Trust. The Manager has no formal or informal arrangements with any person or company to permit short-term trading in Units of the Trust by such person or company.

Policies on the use of derivatives

Derivatives are used by the Trust only as permitted by applicable securities legislation. The Manager maintains written policies and procedures (including risk management procedures), trading limits and controls relating to such use of derivatives. These policies, procedures, limits and controls are set and

reviewed from time to time (and daily in the case of certain specific limits and controls) by one or more officers designated by the Manager who also generally review the risks associated with specific derivatives trading decisions. The individuals named under *Responsibility for Trust Operations - Portfolio Advisor* above are responsible for authorizing derivatives trading by the Trust.

Policies on securities lending transactions

The Trust may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions only as permitted under securities law.

The Trust will not enter into a securities lending transaction or a repurchase transaction if, immediately thereafter, the aggregate market value of all securities loaned by the Trust and not yet returned to it or sold by the Trust in a repurchase transaction and not yet repurchased would exceed 50% of the NAV of the Trust (exclusive of collateral held by the Trust for securities lending transactions and cash held by the Trust for repurchase transactions).

The risks associated with these transactions will be managed by requiring that the Securities Lending Agent enter into such transactions for the Trust with reputable and well-established Canadian and foreign brokers, dealers and institutions. The Securities Lending Agent is required to maintain internal controls, procedures and records including a list of approved third parties based on generally accepted creditworthiness standards, transaction and credit limits for each third party, and collateral diversification standards. Each day, the Securities Lending Agent will determine the market value of both the securities loaned by the Trust under a securities lending transaction or sold by the Trust under a repurchase transaction and the cash or collateral held by the Trust for such transactions. If on any day the market value of the cash or collateral is less than 102% of the market value of the borrowed or sold securities, on the next day the borrower will be required to provide additional cash or collateral to the Trust to make up the shortfall.

The Manager, the IRC and the Securities Lending Agent will review at least annually the policies and procedures described above to ensure that the risks associated with securities lending, repurchase and reverse repurchase transactions are being properly managed.

Policies on the use of short selling

The Trust may engage in short selling from time to time as described under *Investment Restrictions and Practices – Investment Restrictions*.

The Manager has developed written policies and procedures, including risk management procedures, relating to short selling by the funds. Any agreements, policies and procedures that are applicable to the Trust relating to short selling have been prepared and reviewed by senior management of the Manager. The IRC will be kept informed of the Manager's short selling policies. The decision to effect any particular short sale will be made by senior portfolio managers and reviewed and monitored as part of the Manager's ongoing compliance procedures and risk control measures.

Proxy voting policies and guidelines

Policies and Procedures

The Manager delegates proxy voting to the Investment Advisor as part of the Investment Advisor's general management of the Trust assets, subject to oversight by the Manager. It is the Manager's position that the Investment Advisor must vote all proxies in the best interest of the Unitholders, as determined solely by the

Investment Advisor and subject to the Manager's proxy voting policy and guidelines (the "Guidelines") and applicable legislation.

The Manager has established the Guidelines that have been designed to provide general guidance, in compliance with the applicable legislation, for the voting of proxies and for the creation of the Investment Advisor's own proxy voting policies. The Guidelines set out the voting procedures to be followed in voting routine and non-routine matters, together with general guidelines suggesting a process to be followed in determining how and whether to vote proxies. Although the Guidelines allow for the creation of a standing policy for voting on certain routine matters, each routine and non-routine matter must be assessed on a case-by-case basis to determine whether the applicable standing policy or general Guidelines should be followed. The Guidelines also address situations in which the Investment Advisor may not be able to vote, or where the costs of voting outweigh the benefits. The Investment Advisor is required to develop its own voting guidelines and keep adequate records of all matters voted or not voted.

A copy of the Guidelines is available upon request, at no cost, by calling the Manager toll-free at 1-800-268-9347 or by writing to CI Investments Inc. at 2 Queen Street East, Twentieth Floor, Toronto, Ontario M5C 3G7.

Conflicts of Interest

Situations may exist in which, in relation to proxy voting matters, the Manager or the Investment Advisor may be aware of an actual, potential, or perceived conflict between the interests of the Investment Advisor and the interests of Unitholders. Where the Investment Advisor is aware of such a conflict, the Investment Advisor must bring the matter to the attention of the IRC. The IRC will, prior to the vote deadline date, review any such matter, and will take the necessary steps to ensure that the proxy is voted in accordance with what the IRC believes to be the best interests of Unitholders, and in a manner consistent with the Guidelines. Where it is deemed advisable to maintain impartiality, the IRC may choose to seek out and follow the voting recommendation of an independent proxy research and voting service.

Disclosure of Proxy Voting Record

After August 31 of each year, Unitholders may obtain upon request to the Manager, free of charge, the proxy voting record of the Trust for the year ended June 30 in that year. These documents also will be made available on the Manager's website at www.ci.com.

INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Units by an individual Unitholder (other than a trust) who, for the purposes of the Tax Act and at all relevant times, is resident in Canada, deals at arm's length with and is not affiliated with the Trust and holds Units as capital property. Generally, Units will be considered to be capital property to an individual provided that the individual does not hold such Units in the course of carrying on a business of buying and selling securities and has not acquired such Units in one or more transactions considered to be an adventure or concern in the nature of trade. Certain individuals who might not otherwise be considered to hold Units as capital property may, in certain circumstances, be entitled to have such Units and all other "Canadian securities" owned in the year of the election or subsequently acquired by such individual treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. This summary does not apply to a Unitholder who has entered or will enter into a "derivative forward agreement" as that term is defined in the Tax Act with respect to the Units.

This summary also assumes that the Trust has complied and will continue to comply with its investment restrictions at all relevant times, that none of the issuers of the securities in the Trust's portfolio is a foreign affiliate of the Trust or of any Unitholder and that none of the securities in the Trust's portfolio is a "tax shelter investment" within the meaning of section 143.2 of the Tax Act.

Further, this summary assumes that none of the securities in the Trust's portfolio is an "offshore investment fund property" (or an interest in a partnership that holds such property) that would require the Trust (or the partnership) to include significant amounts in income pursuant to section 94.1 of the Tax Act, or an interest in a trust (or a partnership which holds such an interest) which would require the Trust (or the partnership) to report significant amounts of income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act, or an interest in a non-resident trust other than an "exempt foreign trust" as defined in section 94 of the Tax Act (or a partnership which holds such an interest).

This summary assumes that the Trust qualifies at all times as a ''mutual fund trust'' within the meaning of the Tax Act. If the Trust were not to qualify as a mutual fund trust at all times, the income tax consequences described below would in some respects be materially and adversely different.

This summary is also based on the assumption that the Trust will at no time be a "SIFT trust" as defined in the provisions of the Tax Act providing for a tax on certain income distributed by a "SIFT trust" (the "SIFT Rules"). Provided that the Trust does not hold "non-portfolio property" as defined in the SIFT Rules, it will not be a SIFT trust.

This summary is based on the facts set out herein, the current provisions of the Tax Act and the regulations thereunder and an understanding of the current published administrative policies and assessing practices of the CRA made publicly available prior to the date hereof. It takes into account all specific proposals to amend the Tax Act and regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals"). It does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice, whether by legislative, governmental or judicial action, nor does it take into account other federal or any provincial, territorial or foreign income tax legislation or considerations. There is no assurance that the Tax Proposals will be enacted in the form proposed or at all.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units and does not describe the income tax considerations relating to the deductibility of interest on money borrowed by a Unitholder to acquire Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary depending on the Unitholder's particular circumstances including the province or territory in which the Unitholder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any Unitholder. Unitholders should consult their own tax advisors for advice, based on their particular circumstances.

Taxation of the Trust

The Trust has elected to have a taxation year that ends on December 15 of each calendar year. The Trust is subject to tax under Part I of the Tax Act in each taxation year on its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to Unitholders in the calendar year in which the taxation year ends. An amount will be considered to be payable to a Unitholder in a calendar year if it is paid in the year by the Trust or the Unitholder is entitled in that year to enforce payment of the amount. The Trust generally intends to deduct, in computing its income in each taxation year, the full amount available for deduction in each year. Therefore, provided the Trust makes distributions to its Unitholders in each calendar year of its net income for tax purposes and net

realized capital gains, it will generally not be liable in the taxation year for income tax under Part I of the Tax Act.

The Trust will be required to include in its income for each taxation year all interest that accrues (or is deemed to accrue) to it to the end of the year (or until the disposition of the indebtedness in the year), or becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing its income for a preceding taxation year.

The Trust will be required to include in its income for a taxation year all dividends received in the year on shares of corporations.

With respect to an issuer that is a trust resident in Canada whose units are included in the Trust's portfolio and held as capital property for the purposes of the Tax Act, and that is not subject in a taxation year to tax under the SIFT Rules, the Trust is required to include in its income such portion of the net income and the taxable portion of net realized capital gains of such issuer as is paid or becomes payable to the Trust in the calendar year in which the Trust's taxation year ends, notwithstanding that certain of such amounts may be reinvested in additional units of the issuer. Provided that appropriate designations are made by the issuer, any net taxable capital gains realized by the issuer, any foreign source income of the issuer and taxable dividends received by the issuer from taxable Canadian corporations that are paid or become payable to the Trust will effectively retain their character as such in the hands of the Trust.

The Trust is generally required to reduce the adjusted cost base of the units of such issuer structured as a trust resident in Canada to the extent that all amounts paid or payable in a calendar year by such issuer to the Trust exceed the sum of the amounts included in the income of the Trust for the year plus the Trust's share of the non-taxable portion of capital gains of such issuer for the year, the taxable portion of which was designated in respect of the Trust in the year. To the extent that the adjusted cost base to the Trust of the unit of such issuer would otherwise be less than zero, the negative amount is deemed to be a capital gain realized by the Trust and the Trust's adjusted cost base of such unit is increased by the amount of such deemed capital gain to zero.

Under the SIFT Rules, each issuer in the Trust's portfolio that is a "SIFT trust" as defined under the SIFT Rules (which generally includes income trusts, other than certain real estate investment trusts, the units of which are listed or traded on a stock exchange or other public market) is subject to a special tax in respect of (i) income from business carried on in Canada, and (ii) certain income and capital gains respecting "non-portfolio properties" as defined in the Tax Act (collectively, "Non-Portfolio Earnings"). Non-Portfolio Earnings that are distributed by a SIFT trust to its unitholders are taxed at a rate that is equivalent to the federal general corporate tax rate plus a prescribed amount on account of provincial tax. Any Non-Portfolio Earnings that become payable by a SIFT trust are taxed as a taxable dividend from a taxable Canadian corporation and are deemed to be an "eligible dividend" eligible for the enhanced gross-up and tax credit rules under the Tax Act.

Losses incurred by the Trust may not be allocated to Unitholders but may be carried forward and deducted in computing the taxable income of the Trust in accordance with the detailed rules and limitations contained in the Tax Act.

In determining the income of the Trust, gains or losses realized upon dispositions of securities will constitute capital gains or capital losses of the Trust in the year realized unless the Trust were considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Trust acquired the securities in a transaction or transactions considered to be an adventure or concern in the nature of trade. The Trust purchases securities with the objective of earning interest and income

thereon and takes the position that gains and losses realized on the disposition thereof are capital gains and capital losses.

If the Trust's portfolio has a high turnover rate, the Trust may recognize gains and losses for tax purposes more frequently than a trust with a lower turnover rate.

One-half of the amount of any capital gain (a "taxable capital gain") realized by the Trust in a taxation year on the disposition of securities in the Trust's portfolio that are capital property of the Trust must be included in computing the Trust's income for the year, and one-half of the amount of any capital loss (an "allowable capital loss") realized by the Trust in a taxation year must be deducted against any taxable capital gains realized by the Trust in the year. Allowable capital losses for a taxation year in excess of taxable capital gains may be carried back and deducted by the Trust in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net realized taxable capital gains in accordance with the provisions of the Tax Act.

The Trust is entitled for each taxation year throughout which it is a mutual fund trust for purposes of the Tax Act to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Units during the year (the "Capital Gains Refund"). The Capital Gains Refund in a particular taxation year may not completely offset the tax liability of the Trust for such taxation year which may arise upon the sale or other disposition of securities in the Trust's portfolio in connection with the redemption of Units.

Generally, the Trust will include gains and deduct losses on income account in connection with investments made through certain derivatives, including short sales of securities other than Canadian securities, except where such derivatives are used to hedge securities in the Trust's portfolio held on capital account provided there is sufficient linkage, subject to the DFA Rules discussed below, and will recognize such gains or losses for tax purposes at the time they are realized by the Trust. Pursuant to Tax Proposals released on March 22, 2017, the Trust may elect to realize gains and losses on "eligible derivatives" (as defined in such Tax Proposals) of the Trust on a mark-to-market basis. The Manager will consider whether such election would be advisable for the Trust.

The Trust may own securities that are not denominated in Canadian dollars. Proceeds of disposition of securities, distributions, interest and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars at the exchange rate prevailing at the time of the transaction. The Trust may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars. Subject to the discussion below regarding the DFA Rules, gains or losses in respect of currency hedges entered into in respect of amounts invested in the Trust's portfolio will constitute capital gains and capital losses to the Trust if the securities in the Trust's portfolio are capital property to the Trust provided there is sufficient linkage.

The Tax Act contains rules (the "DFA Rules") that target certain financial arrangements (described in the DFA Rules as "derivative forward agreements") that seek to reduce tax by converting, through the use of derivative contracts, the return on an investment that would have the character of ordinary income to capital gains. The DFA Rules are broad in scope and could apply to other agreements or transactions (including certain forward currency contracts, subject to the proposed amendments to the Tax Act discussed in the preceding paragraph). If the DFA Rules were to apply in respect of derivatives utilized by the Trust, gains realized in respect of the property underlying such derivatives could be treated as ordinary income rather than capital gains.

The Trust may derive income or gains from investments in countries other than Canada and, as a result, may be liable to pay income or profits tax to such countries. To the extent that such foreign tax paid does

not exceed 15% of such amount and has not been deducted in computing the Trust's income, the Trust may designate a portion of its foreign source income in respect of a Unitholder so that such income and a portion of the foreign tax paid by the Trust may be regarded as foreign source income of, and foreign tax paid by, the Unitholder for the purposes of the foreign tax credit provisions of the Tax Act. To the extent that such foreign tax paid by the Trust exceeds 15% of the amount included in the Trust's income from such investments, such excess may generally be deducted by the Trust in computing its income for the purposes of the Tax Act.

Taxation of Unitholders

A Unitholder will generally be required to include in computing income for a taxation year, the amount of the Trust's net income, including net realized taxable capital gains, paid or payable to the Unitholder in the taxation year, whether received in cash, Units or reinvested in additional Units including pursuant to the DRIP. Amounts paid or payable by the Trust to a Unitholder after December 15 and before the end of the calendar year are deemed to have been paid or become payable to the Unitholder on December 15.

Under the Tax Act, the Trust is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions of income for the calendar year to the extent necessary to enable the Trust to utilize, in the taxation year, losses from prior years without affecting the ability of the Trust to distribute its income annually. Such amount distributed to a Unitholder but not deducted by the Trust will not be included in the Unitholder's income. The non-taxable portion of the Trust's net realized capital gains, the taxable portion of which was designated by the Trust to a Unitholder, paid or payable to the Unitholder for the taxation year and any other amount in excess of the Trust's net income for a taxation year paid or payable to the Unitholder for the taxation year will generally not be included in the Unitholder's income. Such amount, however, will generally reduce the adjusted cost base of the Unitholder's Units, except to the extent such amount is the non-taxable portion of a capital gain of the Trust the taxable portion of which was designated by the Trust to the Unitholder. To the extent that the adjusted cost base of a Unit would otherwise be a negative amount, the negative amount will be deemed to be a capital gain and the adjusted cost base of the Unit to the Unitholder will be increased to nil.

Provided that appropriate designations are made by the Trust, such portion of: (i) the net realized taxable capital gains of the Trust; (ii) the foreign source income of the Trust; and (iii) the taxable dividends received, or deemed to be received, by the Trust on shares of taxable Canadian corporations, as is paid or payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the gross-up and dividend tax credit rules (including the enhanced gross-up and dividend tax credit in respect of "eligible dividends") will apply.

A Unitholder who acquires additional Units, including on the reinvestment of distributions pursuant to the DRIP, may become taxable on the Unitholder's share of any income and gains of the Trust that have accrued or been realized but have not been made payable at the time the additional Units are acquired. Further, where a Unitholder acquires Units in a calendar year after December 15 of such year, such Unitholder may become taxable on income earned or capital gains realized in the taxation year of the Trust ending on December 15 of such calendar year but that had not been made payable before the Units were acquired.

On the disposition or deemed disposition of Units, a Unitholder will realize a capital gain (or capital loss) to the extent that the Unitholder's proceeds of disposition exceed (or are exceeded by) the aggregate of the adjusted cost base of the Units and any reasonable costs of disposition. Any additional Units acquired by a Unitholder on a distribution satisfied by the issuance of additional Units or on the reinvestment of distributions will generally have a cost equal to the amount distributed or reinvested, as the case may be. If a Unitholder participates in the DRIP and the Unitholder acquires a Unit from the Trust at a price that is

less than the then fair market value of the Unit, it is the administrative position of the CRA that the Unitholder must include the difference in income and that the cost of the Unit will be correspondingly increased**.** For the purpose of determining the adjusted cost base to a Unitholder of Units, when a Unit is acquired, the cost of the newly-acquired Unit will be averaged with the adjusted cost base of all of the Units owned by the Unitholder as capital property immediately before that time.

One-half of any capital gain ("taxable capital gain") realized on the disposition of Units or a taxable capital gain designated in respect of a Unitholder will be included in the Unitholder's income and one-half of any capital loss ("allowable capital loss") realized by the Unitholder in a taxation year of the Unitholder must be deducted from taxable capital gains realized by the Unitholder or designated by the Trust in respect of the Unitholder in the taxation year in accordance with the detailed provisions of the Tax Act. Allowable capital losses for a taxation year in excess of taxable capital gains for that taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net realized taxable capital gains in accordance with the provisions of the Tax Act.

Amounts designated as taxable dividends from taxable Canadian corporations and net realized capital gains paid or payable to a Unitholder by the Trust or realized on the disposition of Units may increase the Unitholder's liability for alternative minimum tax.

Eligibility for Investment

Provided the Trust qualifies at all times as a mutual fund trust for purposes of the Tax Act, the Units will be qualified investments for a trust governed by a registered retirement savings plan, registered retirement income fund, registered disability savings plan, registered education savings plan, deferred profit sharing plan or a tax-free savings account, each as defined in the Tax Act (collectively, "Registered Plans").

The Units will not be a "prohibited investment" for trusts governed by a tax-free savings account, registered retirement savings plan or registered retirement income fund unless the holder of the tax- free savings account or the annuitant under the registered retirement savings plan or registered retirement income fund, as applicable, (i) does not deal at arm's length with the Trust for purposes of the Tax Act; or (ii) has a "significant interest" as defined in the Tax Act in the Trust. Generally, a holder or annuitant, as the case may be, will not have a significant interest in the Trust unless the holder or annuitant, as the case may be, owns interests as a beneficiary under the Trust that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Trust, either alone or together with persons and partnerships with which the holder or annuitant, as the case may be, does not deal at arm's length. In addition, the Units will not be a "prohibited investment" if the Units are "excluded property" as defined in the Tax Act for trusts governed by a tax-free savings account, registered retirement savings plan or registered retirement income fund. Pursuant to Tax Proposals released on March 22, 2017, the rules in respect of "prohibited investments" also apply to (i) registered disability savings plans and the holders thereof and (ii) registered education savings plans and the subscribers thereof.

Holders, annuitants or subscribers should consult their own tax advisors with respect to whether Units would be prohibited investments, including with respect to whether the Units would be excluded property.

INTERNATIONAL INFORMATION REPORTING

Pursuant to the *Foreign Account Tax Compliance Act* and the passing of the *Hiring Incentives to Restore Employment Act* in 2010, the Canada-US Intergovernmental Agreement and its implementing provisions under the Tax Act, Unitholders (and their controlling entities, but excluding Registered Plans) may be required to provide identity and residency information with respect to the Trust, and Unitholders (and their controlling entities, but excluding Registered Plans) may be required to provide other financial information

with respect to the Trust, all of which may be provided to the Canada Revenue Agency, which will in turn provide such information to the U.S. tax authorities**.**

Pursuant to the provisions of the Tax Act that implement the Organization for Economic Co-operation and Development Common Reporting Standard (the "CRS Provisions"), "Canadian financial institutions" (as defined in the CRS Provisions) would be required to have procedure in place to identify accounts held by residents of foreign countries (other than the U.S.) or by certain entities the "controlling persons" of which are resident in a foreign country (other than the U.S.) and to report required information to the CRA. Such information would be exchanged on a reciprocal, bilateral basis with the countries that have agreed to a bilateral information exchange with Canada under the Common Reporting Standard in which the account holders or such controlling persons are resident. Under the CRS Provisions, since June 30, 2017, Unitholders are required to provide certain information regarding their investment in the Trust for the purposes of such information exchange (which information exchange is expected to occur beginning in May 2018), unless the investment in held within Registered Plans.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

2016 OSC Settlement

In April 2015, the Manager discovered an administrative error affecting certain CI Funds. Approximately $156.1 million of interest had not been properly recorded as an asset in the accounting records of certain CI Funds, on total assets of approximately $9.8 billion as of May 29, 2015, with the result being that the NAVs of these CI Funds, and any mutual funds that had invested in the CI Funds, had been understated for several years. The interest at all times remained in bank accounts as an asset of these CI Funds and was never comingled with the property of the Manager. Once the error was discovered, the Manager, with the assistance of an independent consulting firm, undertook a comprehensive investigation into how the error occurred and developed a plan to put affected investors into the economic position they would have been in if the interest had been recorded (the "*Plan*"). The Manager also enhanced its systems and processes to help prevent similar errors from occurring in the future. The Manager self-reported the error to the Ontario Securities Commission ("*OSC*"). On February 10, 2016, the Manager entered into a no-contest settlement agreement with the OSC in connection with the administrative error. As part of the no-contest settlement agreement, the Manager agreed to, among other things, implement the Plan and make a voluntary payment of $8 million (and $50,000 towards costs) to the OSC.

MATERIAL CONTRACTS

The following contracts can reasonably be regarded as material to an investor in Units. Copies of the contracts may be inspected at the Manager's head office shown on the back page during regular business hours:

(i) the Declaration of Trust, as amended*;* and

(ii) the Custodian Agreement.

SKYLON GROWTH & INCOME TRUST

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Additional information about the Trust is available in the Trust's management reports of Trust performance and financial statements.

Unitholders can get a copy of these documents, at no cost by calling us toll-free at 1-800-268-9374 or by e-mail at service@ci.com, or by asking their financial advisor. The financial statements of the Trust can be found on the CI Investments website at www.ci.com.

These documents and other information about the Trust, such as information circulars and material contracts, are also available at www.sedar.com.