CI Alternative Credit Opportunities Fund

Management Report of Fund Performance for the period/year ended June 30, 2025

This semi-annual management report of fund performance contains financial highlights but does not contain the complete semi-annual financial statements of the investment fund. You can get a copy of the semi-annual financial statements at your request, and at no cost, by calling 1-800-792-9355, by writing to us at CI Investments Inc., 15 York Street, Second Floor, Toronto, ON, M5J 0A3 or by visiting our website at www.ci.com or SEDAR+ at www.sedarplus.ca.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

INVESTMENT OBJECTIVE AND STRATEGIES

The investment objective of the CI Alternative Credit Opportunities Fund (the Fund) is to generate consistent positive total returns with an emphasis on capital preservation and capital appreciation. The Fund primarily invests in investment and non-investment grade fixed income instruments in the developed world.

The Fund may use leverage. The leverage may be created through the use of cash borrowings, short sales and derivative contracts. The Fund’s leverage must not exceed three times the Fund’s net asset value. The leverage is calculated in accordance with the methodology prescribed by securities laws, or any exemptions therefrom.

The Fund primarily invests in investment and non-investment grade fixed income instruments in the developed world. The portfolio adviser will purchase and manage a core portfolio primarily in investment grade and non-investment grade debt, the selection of which will be based on rigorous fundamental research and technical market conditions. The portfolio adviser believes that the inherent complexity and inefficiency of global corporate bond markets allows for consistent opportunities to execute on its investment strategy. The investment are allocated across multiple issuers, industry sectors and geographical locations, in all parts of the capital structure and maturity profile. The portfolio adviser will utilize leverage prudently to increase the expected yield of the portfolio while limiting expected volatility to be consistent with unlevered fixed income products.

The Fund may also invest in other fixed income securities including government bonds, preferred shares, floating rate debt instruments, asset-backed securities, and exchange-traded funds (ETFs). The Fund invests primarily in debt securities denominated in Canadian dollars, U.S. dollars and Euros. The Fund may also invest in derivative contracts, which may include interest rate and currency swaps, total return swaps, futures, forwards, options, credit default swaps and other credit related derivative products. The Fund’s portfolio is well diversified across issuer, sector and markets and maintains a high degree of liquidity by investing primarily in securities which are widely traded by multiple dealers.

The portfolio adviser may also engage in the short-selling of corporate debt, credit ETFs and the application of credit derivatives as an overlay to the portfolio. When engaging in short selling, the portfolio adviser may sell an instrument that the Fund does not own and would then borrow to meet its settlement obligations.

The portfolio adviser may execute currency hedges on foreign securities positions in order to minimize portfolio sensitivity to currency fluctuations.

The Fund employs a flexible approach to its use of derivative instruments and has the ability to opportunistically use options, swaps, futures and forward contracts for hedging and non-hedging purposes under different market conditions.

The Fund may invest up to 20% of its NAV in securities of a single issuer including exposure to that single issuer through specified derivative transactions or index participation units.

For a complete discussion of the Fund’s investment objective and strategies, please refer to the Fund’s most recently filed simplified prospectus.

RISK

The risks of the Fund remain as discussed in the Fund's most recently filed simplified prospectus. The Manager reviews the risk rating for the Fund on an annual basis, at a minimum, based on the methodology mandated by the Canadian Securities Administrators to determine the risk level of the Fund.

RESULTS OF OPERATIONS

As at June 30, 2025, the Fund’s net asset value were 52.5 million. The Fund had net sales of $51.6 million for the period. The portfolio's performance increased assets by $1.4 million. The Fund paid distributions totalling $0.5 million.

While the U.S. administration’s trade policy continued to dominate headlines, it took a temporary back seat after there was a 90-day pause on implementing tariffs. An economic “soft landing” is still anticipated, but risks to long-term yields from fiscal policy and lingering tariff effects grew during the period. In the United States, while sentiment indicators showed weakness early in the period, hard economic data held firm. Improving inflation trends could give the U.S. Federal Reserve Board more room to lower interest rates in the latter half of 2025, assuming that companies can absorb rising input costs rather than passing them on to consumers.

In Canada, both soft and hard economic data weakened. The Bank of Canada (BoC) held interest rates steady at 2.75%. Slightly improved mortgage renewal dynamics helped to support consumer spending and bank balance sheets. However, inflation ticked above 3%, and the BoC is likely to await further clarity before delivering more interest rate cuts. Fiscal stimulus from provincial and federal governments could offset trade challenges, but could also add inflationary pressure and weigh on longer-dated yields.

Exposures to high-yield and investment-grade corporate bonds contributed to the Fund's performance. A holding in Foot Locker Inc. 4.0% Oct. 1, 2029 bonds contributed to the Fund's performance following the company's sale to Dick's Sporting Goods Inc. in May 2025. Holding of Series R preferred shares issued by Brookfield Office Properties Inc. contributed to performance as a result of the company's improved earnings and forecasts.

Exposure to the U.S. dollar detracted from the Fund's performance. The largest individual detractors from the Fund's performance were holdings in Teva Pharmaceutical Industries Ltd. 4.1% Oct. 1, 2046 and The Boeing Co. 3.75% Feb. 1, 2050 bonds. Both holdings were negatively affected by volatility in U.S. interest rates.

We added a new position in Brookfield Property Partners LP term loan May 14, 2030 because of the company's strong parent company support. A holding in CoreWeave Inc. 9.25% Jun. 1, 2030 bonds was also added to the Fund to help to facilitate growth for this newly public company. We eliminated the Fund's positions in The Goldman Sachs Group Inc. 4.937% Apr. 23, 2028 and Metro Inc. 3.998% Nov. 27, 2029 bonds to make way for investments with higher return potential.

RECENT DEVELOPMENTS

We will remain tactical in both government and corporate bond markets as the U.S. administration continues to use policy uncertainty as a negotiating tool. While we believe the overall direction of government bond yields is lower, the path forward will likely not be straight line. This is an environment that should reward sound strategy and disciplined security selection over outright risk-taking, conditions which favour our approach to active management of the Fund.

Privatization

On November 25, 2024, CI Financial Corp. announced that it had entered into a definitive agreement with an affiliate of Mubadala Capital, the alternative asset management subsidiary of Mubadala Investment Company, to acquire all issued and outstanding common shares of CI Financial Corp., other than shares held by members of senior management of CI Financial Corp. who enter into equity rollover agreements. The transaction was approved by shareholders of CI Financial Corp. on February 12, 2025, and the Ontario Superior Court of Justice (Commercial List) on February 18, 2025. CI Financial Corp. expects the transaction to close on or about August 12, 2025, subject to the satisfaction of the remaining customary conditions to closing. The Manager does not expect the transaction to impact it or the Fund's business, operations or affairs at this time.

RELATED PARTY TRANSACTIONS

Manager, Portfolio Adviser and Trustee

CI Investments Inc. is the Manager, Portfolio Adviser and Trustee of the Fund. CI Investments Inc. is a subsidiary of CI Financial Corp. The Manager, in consideration of management fees, provided management services required in the day-to-day operations of the Fund. The Manager bears all of the operating expenses of the Fund (other than taxes, borrowing costs, new governmental/regulatory fees, new types of costs and operating expenses considered outside of the normal business) in return for an administration fee.

Management fee and administration fee rates as at June 30, 2025, for the Series/Class or for each of the Series/Classes, as applicable, is/are shown below:

	Annual management fee rate (%):	Annual administration fee rate (%):
Series I	Paid directly by investor	Paid directly by investor
Series IN*	0.250	0.17

*Series IN is not available to retail or institutional investors.

The Manager received a nominal amount in management fees and a nominal amount in administration fees for the period.

As at June 30, 2025, the Fund accrued $69,401 in performance fees.

The Fund only offers Series I units, thus management and administration fees are negotiated directly with each investor and paid directly to the Manager as per Series I Account Agreement Fee. Please refer to Part A of the simplified prospectus for further details.

Independent Review Committee

The Manager, in respect of the Fund, received the following standing instructions from the Independent Review Committee (IRC) with respect to related party transactions:

The applicable standing instructions require, amongst others, that related party transactions be conducted in accordance with the Manager's policies and procedures and applicable law and that the Manager reports related party transactions periodically to the IRC and advise the IRC of any material breach of such policies. The Manager's policies and procedures require that investment decisions in respect of related party transactions (a) are free from any influence by an entity related to the Manager and without taking into account any consideration relevant to an entity related to the Manager; (b) represent the business judgment of the Manager, uninfluenced by considerations other than the best interests of the Fund; (c) do not exceed the limitations of the applicable legislation; and (d) achieve a fair and reasonable result for the Fund.

Except as otherwise noted above under Related Party Transactions section, the Fund was not a party to any related party transactions during the period/year ended June 30, 2025. If the Fund invested in related party transactions, it relied on the IRC's standing instructions regarding related party transactions during this reporting period/year.

LEVERAGE

When a Fund makes investments in derivatives, borrows cash for investment purposes, or uses physical short sales on equities or other portfolio assets, leverage may be introduced into the Fund. Leverage occurs when the Fund’s notional exposure to underlying assets is greater than the amount invested. It is an investment technique the magnifies gains and losses. Consequently, any adverse change in the value or level of the underlying asset, rate or index may amplify losses compared to those that would have been incurred if the underlying asset had been directly held by the Fund and may result in losses greater than the amount invested in the derivative itself. Leverage may increase volatility, may impair the Fund’s liquidity and may cause the Fund to liquidate positions at unfavorable times.

To achieve its investment objective the Fund exercise leverage through participating in short selling transactions.

The Fund’s aggregated amount of leverage must not exceed three times the Fund’s net asset value.

During the period/year ended June 30, 2025, the lowest aggregated fair value amount of the leverage exercised by the Fund was $8.7 million (51.3% of net asset value) and the highest aggregated fair value amount of the leverage used during the period/year was $53.5 million (101.8% of net asset value).

CI Alternative Credit Opportunities Fund

Management Report of Fund Performance for the period/year ended June 30, 2025

FINANCIAL HIGHLIGHTS

The following table/tables shows/show selected key financial information about the Fund and is/are intended to help you understand the Fund's financial performance for the past six period(s)/year(s), as applicable.

Net Assets per Unit ($)		Increase (decrease) from operations:					Distributions:					
	Net assets at the beginning of period/ year	Total revenue	Total expenses (excluding distributions)	Realized gains (losses) for the period/ year	Unrealized gains (losses) for the period/ year	**Total increase (decrease) from operations**	From net investment income (excluding dividends)	From dividends	From capital gains	Return of capital	**Total distributions**	**Net assets at the end of the period/ year shown**
	$	$	$	$	$	$	$	$	$	$	$	$
Series I (1)(2)(3)(4)												
Commencement of operations March 25, 2025												
Jun. 30, 2025	10.00	0.22	(0.06)	0.39	(0.18)	0.37	(0.15)	-	-	-	(0.15)	10.21
Series IN (1)(2)(3)(4)												
Commencement of operations March 25, 2025												
Jun. 30, 2025	10.00	0.23	(0.07)	0.37	(0.06)	0.47	(0.14)	-	-	-	(0.14)	10.21

(1) This information is derived from the Fund's semi-annual financial statements.

(2) Net assets per unit and distributions per unit are based on the actual number of units outstanding for the relevant Series/Class at the relevant time. The increase (decrease) in net assets from operations per unit is based on the weighted average number of units outstanding for the relevant Series/Class over the fiscal period/year.

(3) Distributions are automatically reinvested in additional units of the Fund.

(4) This information is provided for the period ended June 30, 2025.

FINANCIAL HIGHLIGHTS (cont'd)

Ratios and Supplemental Data

	Total net assets	Number of units outstanding	Management expense ratio before taxes	Harmonized sales tax	Management expense ratio after taxes	Effective HST rate for the period/year	Management expense ratio excluding performance fees and applicable taxes, after taxes	Trading expense ratio	Portfolio turnover rate
	$000's	000's	%	%	%	%	%	%	%
Series I (1)(2)(3)(4)(5)									
Commencement of operations March 25, 2025									
Jun. 30, 2025	155	15	0.56	0.03	0.59	13.00	0.34	0.16	96.32
Series IN (1)(2)(3)(4)(5)									
Commencement of operations March 25, 2025									
Jun. 30, 2025	52,378	5,128	0.96	0.08	1.04	13.00	0.81	0.16	96.32

(1) This information is derived from the Fund's semi-annual financial statements.

(2) Management expense ratio is calculated based on expenses charged to the Fund (excluding commissions and other portfolio transaction costs) and is expressed as an annualized percentage of daily average net assets for the period/year, including the Fund's proportionate share of any underlying fund(s) expenses, if applicable. The Effective HST tax rate is calculated using the attribution percentage for each province based on unitholder residency and can be different from 13%.

(3) The trading expense ratio represents total commissions and other portfolio transaction costs including securities borrowing fees expressed as an annualized percentage of daily average net assets during the period/year, including the Fund's proportionate share of such expenses of any underlying fund(s), if applicable. As of June 30, 2025 the trading expense ratio including interest and dividends on short positions was 2.53%.

(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the fiscal period/year. The higher a Fund's portfolio turnover rate in a period/year, the greater the trading costs payable by the Fund in the period/year, and the greater the chance of an investor receiving taxable capital gains in the period/year. There is not necessarily a relationship between a higher turnover rate and the performance of a Fund. Portfolio turnover rate is calculated by dividing the lesser of the cost of purchases and the proceeds of sales of portfolio securities for the period/year, and excluding cash and short-term investments maturing in less than one year, and before assets acquired from a merger, if applicable, by the average of the monthly fair value of investments during the period/year.

(5) This information is provided for the period ended June 30, 2025.

PAST PERFORMANCE

In accordance with National Instrument 81-106, Investment Fund Continuous Disclosure, "PAST PERFORMANCE" disclosure consisting of "Year-by-Year Returns" and "Annual Compound Returns" is not required if a Fund has been a reporting issuer for less than a year.

The Fund has been in existence for less than a year thus the “PAST PERFORMANCE” disclosure is not presented.

SUMMARY OF INVESTMENT PORTFOLIO as at June 30, 2025

Category	% of Net Assets
Country allocation	
Long Positions	
Canada	129.0
U.S.A.	88.6
U.K.	10.5
Netherlands	3.2
Zambia	3.2
Ireland	3.1
Israel	3.0
Congo	1.8
Burkina Faso	1.5
Macau	1.5
Hong Kong	1.3
Switzerland	0.8
Foreign Currency Forward Contract(s)	0.2
Bermuda	0.1
Swaps Contract(s)	(2.0)
Other Net Assets (Liabilities)	(4.7)
Cash & Cash Equivalents	(39.3)
Total Long Positions	**201.8**
Short Positions	
U.S.A.	(34.1)
Canada	(67.7)
Total Short Positions	**(101.8)**

Category	% of Net Assets
Sector allocation	
Long Positions	
Corporate Bonds	225.5
Term Loans	9.0
Canadian Government Bonds	4.7
Asset-Backed Securities	2.9
Financials	2.5
Energy	1.3
Foreign Government Bonds	0.6
Communication Services	0.5
Real Estate	0.5
Foreign Currency Forward Contract(s)	0.2
Utilities	0.1
Swaps Contract(s)	(2.0)
Other Net Assets (Liabilities)	(4.7)
Cash & Cash Equivalents	(39.3)
Total Long Positions	**201.8**
Short Positions	
Corporate Bonds	(2.9)
Foreign Government Bonds	(34.1)
Canadian Government Bonds	(64.8)
Total Short Positions	**(101.8)**

Category	% of Net Assets
Asset allocation	
Long Positions	
Corporate Bonds	237.4
Equities	4.9
Canadian Government Bonds	4.7
Foreign Government Bonds	0.6
Foreign Currency Forward Contract(s)	0.2
Swaps Contract(s)	(2.0)
Other Net Assets (Liabilities)	(4.7)
Cash & Cash Equivalents	(39.3)
Total Long Positions	**201.8**
Short Positions	
Corporate Bonds	(2.9)
Foreign Government Bonds	(34.1)
Canadian Government Bonds	(64.8)
Total Short Positions	**(101.8)**

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund and updates will be available on a quarterly basis.

CI Alternative Credit Opportunities Fund

Management Report of Fund Performance for the period/year ended June 30, 2025

SUMMARY OF INVESTMENT PORTFOLIO as at June 30, 2025 (cont'd)

Top 25 Holdings	% of Net Assets
Uber Technologies Inc., 4.8%, September 15, 2034	3.1
Barclays PLC, Variable Rate, February 25, 2031	2.9
Royal Bank of Canada, Variable Rate, February 04, 2035	2.9
JPMorgan Chase & Co., Variable Rate, October 22, 2035	2.8
Canadian Imperial Bank of Commerce, Variable Rate, January 20, 2033	2.8
T-Mobile USA Inc., 3.88%, April 15, 2030	2.8
Boeing Co. (The), 3.6%, May 01, 2034	2.7
Capital Power US Holdings Inc., 5.26%, June 01, 2028	2.7
Ford Credit Canada Co., 6.78%, September 15, 2025	2.7
ENMAX Corp., 3.77%, June 06, 2030	2.7
First Quantum Minerals Ltd., 8%, March 01, 2033	2.7
Netflix Inc., 4.88%, June 15, 2030	2.7
Enbridge Inc., Convertible, Variable Rate, January 19, 2082	2.6
Loblaw Cos. Ltd., 3.56%, December 12, 2029	2.6
RHP Hotel Properties LP/RHP Finance Corp., 6.5%, June 15, 2033	2.4
Nissan Canada Inc., 2.1%, September 22, 2025	2.4
Gildan Activewear Inc., 4.36%, November 22, 2029	2.3
Government of Canada, 4%, May 01, 2026	2.3
Bell Canada, 3.8%, August 21, 2028	2.3
Toronto-Dominion Bank (The), Variable Rate, May 29, 2031	2.3
Videotron Ltd., 3.63%, June 15, 2028	2.3
Pembina Pipeline Corp., 3.62%, April 03, 2029	2.3
Home Depot Inc. (The), 1.88%, September 15, 2031	2.2
Inter Pipeline Ltd., 5.76%, February 17, 2028	2.2
Bell Canada, 5.15%, August 24, 2034	2.2
Total Net Assets (in $000's)	**$52,533**

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund and updates will be available on a quarterly basis.

A NOTE ON FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words “may,” “could,” “should,” “would,” “suspect,” “outlook,” “believe,” “plan,” “anticipate,” “estimate,” “expect,” “intend,” “forecast,” “objective,” and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made by the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchanges rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.