

CI Alternative Credit Opportunities Fund

Management Report of Fund Performance for the period/year ended December 31, 2025

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the 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

No changes affecting the overall level of risk associated with investing in the Fund were made during the period/year. The risks of the Fund remain as discussed in the Fund's most recently filed simplified prospectus or its amendments. 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. Any change to the risk rating made during the period/year was as a result of such review and was not a result of any change to the investment objective, strategies or management of the Fund.

RESULTS OF OPERATIONS

As at December 31, 2025, the Fund's net asset value was \$72.5 million. The Fund had net sales of \$71.7 million for the period. The portfolio's performance increased assets by \$4.4 million. The Fund paid distributions totalling \$3.6 million.

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Following the U.S. administration's April 2025 tariff announcement, equity markets declined significantly. However, equity markets quickly rebounded, ending the year up. Fixed income markets steadily improved as earlier tariff-driven volatility faded and declining yields supported credit. Corporate spreads narrowed consistently, and strong new-issue activity added to positive performance. Despite recurring trade tensions and shifting geopolitical risks, markets generally focused on supportive policy expectations, solid earnings, low defaults and the prospect of U.S. tax and regulatory changes.

U.S. economic data pointed to a gradual cooling, and employment metrics weakened. These trends, alongside rising downside risks, prompted the U.S. Federal Reserve Board to resume interest rate cuts in September and again in October and December, while emphasizing a cautious, data-dependent stance. A U.S. government shutdown in October and November further clouded visibility by delaying key releases.

Canada faced persistent economic slack, with soft labour markets, easing inflation and contracting domestic demand. Although Canada-United States-Mexico Agreement provisions shielded many exports from tariff escalation, uncertainty weighed on activity. The Bank of Canada cut interest rates in September and October but signalled limited appetite for further monetary easing given expected fiscal support and a narrowing output gap. By December, stabilizing employment reinforced expectations that monetary policy would remain on hold.

RECENT DEVELOPMENTS

Despite intermittent volatility, especially around trade policy, the overall backdrop for credit remained positive, with spreads reaching cycle narrows by year-end as central banks maintained a broadly accommodative posture. Corporate earnings are projected to continue rising, but at a more moderate pace, while margins are likely to soften from record levels.

High-yield supply is set to surge in 2026, driven by leveraged buyouts, mergers and acquisitions activity, and artificial intelligence-related capital spending, creating potential market absorption challenges. Periods of spread widening and coupon-like returns are expected.

Independent Review Committee

Effective August 20, 2025, John Sheedy is no longer a member of the Independent Review Committee (IRC) of CI Funds.

Privatization

Effective August 12, 2025, Mubadala Capital, a global alternative asset management platform and subsidiary of Mubadala Investment Company, indirectly acquired all of the issued and outstanding shares of CI Financial Corp. pursuant to a statutory plan of arrangement under the Business Corporations Act (Ontario), representing 100% ownership.

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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 December 31, 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 Fund only offers Series I, 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.

The Manager received \$0.1 million in management fees and \$0.1 million in administration fees for the period.

As at December 31, 2025, the Fund accrued \$183,000 in performance fees.

Management Fees

Approximately 25% of total management fees were used to pay for sales and trailing commissions. The remaining 75% of management fees were used to pay for investment management and other general administration.

Inter Fund Trading

Inter fund trading occurs when a Fund purchases or sells a security of any issuer from or to another Fund managed by the Manager. These transactions are executed through market intermediaries and under prevailing market terms and conditions. The IRC reviews such transactions during scheduled meetings. During the period/year ended December 31, 2025, the Fund executed inter fund trades.

Independent Review Committee

The Manager, in respect of the Fund, received the following standing instructions from the 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 December 31, 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 that 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 December 31, 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 \$74.9 million (104.7% of net asset value).

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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 five period(s)/year(s), as applicable.

Net Assets per Unit (\$)	Increase (decrease) from operations:					Distributions:					Net assets at the end of the period/year shown	
	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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Series I ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾												
Commencement of operations March 25, 2025												
Dec. 31, 2025	10.00	0.57	(0.15)	0.26	0.13	0.81	(0.46)	(0.01)	(0.15)	-	(0.62)	10.19
Series IN ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾												
Commencement of operations March 25, 2025												
Dec. 31, 2025	10.00	0.57	(0.17)	0.07	0.33	0.80	(0.43)	(0.02)	(0.14)	-	(0.59)	10.19

(1) This information is derived from the Fund's audited 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 December 31, 2025.

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FINANCIAL HIGHLIGHTS (cont'd)

Ratios and Supplemental Data

	Total net assets \$000's	Number of units outstanding 000's	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 %
Series I ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾									
Commencement of operations March 25, 2025									
Dec. 31, 2025	162	16	1.12	0.06	1.18	13.00	0.68	0.36	195.13
Series IN ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾									
Commencement of operations March 25, 2025									
Dec. 31, 2025	72,288	7,091	1.43	0.09	1.52	11.79	1.15	0.36	195.13

(1) This information is derived from the Fund's audited 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 Dec. 31, 2025 the trading expense ratio including interest and dividends on short positions was 3.19%.

(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 December 31, 2025.

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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.

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SUMMARY OF INVESTMENT PORTFOLIO as at December 31, 2025

Category	% of Net Assets	Category	% of Net Assets	Category	% of Net Assets
Country allocation		Sector allocation		Asset allocation	
Long Positions		Long Positions		Long Positions	
Canada	111.3	Corporate Bonds	165.4	Corporate Bonds	178.9
U.S.A.	62.6	Asset-Backed Securities	9.6	Canadian Government Bonds	5.7
U.K.	5.2	Canadian Government Bonds	5.7	Equities	4.4
Ireland	4.3	Foreign Government Bonds	3.9	Foreign Government Bonds	3.9
Cayman Islands	1.9	Term Loans	3.9	Other Net Assets (Liabilities)	1.4
Netherlands	1.7	Energy	1.5	Foreign Currency Forward Contract(s)	0.7
Israel	1.6	Financials	1.5	Option Contract(s)	0.0
Denmark	1.6	Other Net Assets (Liabilities)	1.4	Swaps Contract(s)	(0.7)
Other Net Assets (Liabilities)	1.4	Others (Individually less than 0.5%)	0.8	Cash & Cash Equivalents	(21.1)
Zambia	1.2	Foreign Currency Forward Contract(s)	0.7	Total Long Positions	173.2
Hong Kong	0.7	Communication Services	0.6	Short Positions	
Foreign Currency Forward Contract(s)	0.7	Option Contract(s)	0.0	Option Contract(s)	0.0
Congo	0.6	Swaps Contract(s)	(0.7)	Corporate Bonds	(2.1)
Others (Individually less than 0.5%)	0.2	Cash & Cash Equivalents	(21.1)	Foreign Government Bonds	(32.3)
Option Contract(s)	0.0	Total Long Positions	173.2	Canadian Government Bonds	(38.8)
Swaps Contract(s)	(0.7)	Short Positions		Total Short Positions	(73.2)
Cash & Cash Equivalents	(21.1)	Option Contract(s)	0.0		
Total Long Positions	173.2	Corporate Bonds	(2.1)		
Short Positions		Foreign Government Bonds	(32.3)		
Option Contract(s)	0.0	Canadian Government Bonds	(38.8)		
U.S.A.	(32.2)	Total Short Positions	(73.2)		
Canada	(41.0)				
Total Short Positions	(73.2)				

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

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SUMMARY OF INVESTMENT PORTFOLIO as at December 31, 2025 (cont'd)

Top 25 Holdings	% of Net Assets
Sagcor Financial Co., Ltd., 6.36%, June 20, 2029	3.0
T-Mobile USA Inc., 3.88%, April 15, 2030	2.8
Boeing Co. (The), 3.6%, May 01, 2034	2.6
Barclays PLC, Variable Rate, February 25, 2031	2.5
Canadian Imperial Bank of Commerce, Variable Rate, January 20, 2033	2.4
Avolon Holdings Funding Ltd., 4.95%, October 15, 2032	2.4
Capital Power US Holdings Inc., 5.26%, June 01, 2028	2.4
Netflix Inc., 4.88%, June 15, 2030	2.3
Uber Technologies Inc., 4.8%, September 15, 2034	2.3
Original Wempi Inc., 7.79%, October 04, 2027	2.2
Royal Bank of Canada, Variable Rate, February 04, 2035	2.1
CARDS II Trust, Series C, 5.81%, June 15, 2029	2.1
Bell Canada, 5.15%, August 24, 2034	2.0
Bank of America Corp., Variable Rate, February 12, 2036	2.0
General Motors Financial Co., Inc., 5.45%, July 15, 2030	2.0
Royal Caribbean Cruises Ltd., 5.63%, September 30, 2031	1.9
Enbridge Inc., Convertible, Variable Rate, January 19, 2082	1.9
Avolon Holdings Funding Ltd., 4.95%, January 15, 2028	1.9
Emera Inc., Series 16-A, Convertible, Variable Rate, June 15, 2076	1.9
Voya CLO Ltd., Class A1, Series 25-4A, Floating Rate, Callable, October 15, 2038	1.9
Loblaw Cos. Ltd., 3.56%, December 12, 2029	1.9
Primaris REIT, 6.37%, June 30, 2029	1.8
Government of Canada, 2.75%, September 01, 2030	1.8
AutoZone Inc., 6.55%, November 01, 2033	1.7
Toronto-Dominion Bank (The), Variable Rate, May 29, 2031	1.7
Total Net Assets (in \$000's)	\$72,450

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.