

# CI Galaxy Ethereum ETF

Management Report of Fund Performance for the period/year ended June 30, 2023 (Expressed in US\$)

This semi-annual management report of fund performance contains financial highlights but does not contain the complete semi-annual or annual financial statements of the investment fund. You can get a copy of the semi-annual or 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](http://www.ci.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

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.

## RESULTS OF OPERATIONS

The Fund's net assets increased by \$121.8 million to \$348.1 million from December 31, 2022 to June 30, 2023. The Fund had net redemptions of \$11.8 million for the period. The portfolio's performance increased assets by \$133.6 million. ETF US\$ Series units returned 60.6% after fees and expenses for the six-month period ended June 30, 2023. Over the same time period, the Fund's benchmark returned 60.7%. The benchmark is the Bloomberg Galaxy Ethereum Index (USD) (the Benchmark or the Index).

The performance of the Fund's other Series is substantially similar to that of ETF US\$ Series units, except for differences in the structure of fees and expenses. For the returns of the Fund's other Series, please refer to the "Past Performance" section.

The U.S. Federal Reserve Board's interest rate hiking cycle came to a halt during the period. With much of the increases having taken place in 2022, riskier assets, including cryptocurrencies, rebounded in 2023. A resilient labour force has kept the U.S. economy from recession and many analysts have shifted their opinions to include the possibility of an economic soft landing.

Ethereum's Shanghai and Capella upgrade (commonly referred to as "Shapella") took place April 12, 2023 and followed last year's Merge upgrade. The Merge transitioned the Beacon Chain to proof-of-stake consensus. It allowed validators to approve transactions and smart contracts by staking 32 Ethereum to secure the Beacon Chain. Shapella finally allowed validators to unlock their staked Ethereum, a monumental development for Ethereum to achieve security, decentralization and scalability.

Ethereum entered deflationary territory in 2023 with circulating supply falling by 286,827 tokens (approximately US\$559.3 million). Furthermore, Ethereum staking reached an all-time high of approximately 30.6% of total circulating supply. Burned and staked tokens are both deflationary pressures that should only increase alongside adoption and institutional demand.

As a single-asset fund, the Fund's performance was driven solely by the performance of Ethereum.

## RECENT DEVELOPMENTS

The Fund's mandate is to track the performance of Ethereum. As such, the Fund's portfolio is weighted 100% to Ethereum. We increased the Fund's position in Ethereum in line with share creations and trimmed the Fund's position in Ethereum in line with share redemptions.

## RELATED PARTY TRANSACTIONS

### **Manager, Portfolio Manager and Trustee**

CI Investments Inc. is the Manager, Portfolio Manager 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.

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Management fee rate/rates as at June 30, 2023, for Series/Class or each of the Series/Classes, as applicable, is/are shown below:

	Annual management fee rate (%)
ETF C\$ Unhedged Series	0.400
ETF US\$ Series	0.400

The Manager received \$0.6 million in management fees for the period.

## Management Fees

Approximately 26% of total management fees were used to pay for sales and trailing commissions. The remaining 74% of management fees were used to pay for investment management and other general administration.

## 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, 2023. 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.

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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 six 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	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ETF C\$ Unhedged Series</b> <sup>(1)(2)(3)(4)(5)</sup>												
Commencement of operations April 16, 2021												
Listed TSX: ETHX.B												
Jun. 30, 2023	5.87	-	(0.03)	(0.91)	4.46	3.52	-	-	-	-	-	9.23
Dec. 31, 2022	16.96	-	(0.08)	(4.12)	(8.40)	(12.60)	-	-	-	-	-	5.87
Dec. 31, 2021	10.00	-	(0.08)	0.40	3.05	3.37	-	-	-	-	-	16.96
<b>ETF US\$ Series</b> <sup>(1)(2)(3)(4)</sup>												
Commencement of operations April 16, 2021												
Listed TSX: ETHX.U												
Jun. 30, 2023	5.43	-	(0.03)	(0.84)	4.21	3.34	-	-	-	-	-	8.72
Dec. 31, 2022	16.77	-	(0.08)	(3.63)	(8.99)	(12.70)	-	-	-	-	-	5.43
Dec. 31, 2021	10.00	-	(0.08)	0.49	0.09	0.50	-	-	-	-	-	16.77

(1) This information is derived from the Fund's semi-annual and 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(s)/year(s) ended June 30, 2023 and December 31.

(5) Per units amounts are presented in Canadian dollars.

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## FINANCIAL HIGHLIGHTS (cont'd)

### Ratios and Supplemental Data

	Total net assets	Number of units outstanding	Management expense ratio before waivers or absorptions after taxes	Management expense ratio before taxes	Harmonized sales tax	Management expense ratio after taxes	Effective HST rate for the period/ year	Trading expense ratio	Portfolio turnover rate	Closing market price
	\$000's	000's	%	%	%	%	%	%	%	\$
<b>ETF C\$ Unhedged Series</b> <sup>(1)(2)(3)(4)(5)(6)(7)</sup>										
Commencement of operations April 16, 2021										
Listed TSX: ETHX.B										
Jun. 30, 2023	241,749	34,700	0.77	0.70	0.07	0.77	9.84	-	11.21	9.25
Dec. 31, 2022	154,441	35,600	0.81	0.75	0.06	0.81	8.49	-	31.91	5.81
Dec. 31, 2021	570,686	42,575	0.77	0.68	0.06	0.74	8.90	-	21.82	16.96
<b>ETF US\$ Series</b> <sup>(1)(2)(3)(4)(5)(6)</sup>										
Commencement of operations April 16, 2021										
Listed TSX: ETHX.U										
Jun. 30, 2023	106,324	12,200	0.75	0.70	0.05	0.75	7.45	-	11.21	8.72
Dec. 31, 2022	71,900	13,250	0.81	0.75	0.06	0.81	7.67	-	31.91	5.38
Dec. 31, 2021	420,805	25,100	0.76	0.67	0.06	0.73	8.78	-	21.82	16.74

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

(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(s)/year(s) ended June 30, 2023 and December 31.

(6) Closing market price.

(7) Per unit amounts are presented in Canadian dollars.

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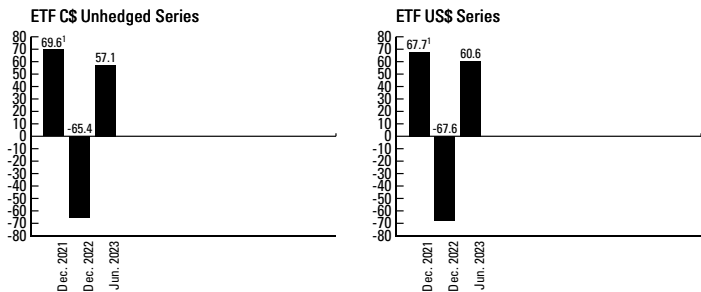
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## PAST PERFORMANCE

This section describes how the Fund has performed in the past. Remember, past returns do not indicate how the Fund will perform in the future. The information shown assumes that distributions made by the Fund in the period(s)/year(s) shown were reinvested in additional units of the Fund or relevant Series/Class of the Fund, as applicable. In addition, the information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance.

### Year-by-Year Returns

The following chart/charts shows/show the Fund's semi-annual and annual performance for each of the period(s)/year(s) shown and illustrates/illustrate how the Fund's performance has changed from period/year to period/year. In percentage terms, the chart/charts shows/show how much an investment made on the first day of each financial period/year would have grown or decreased by the last day of each financial period/year, except where noted.



1 2021 return is for the period from April 16, 2021 to December 31, 2021.

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## SUMMARY OF INVESTMENT PORTFOLIO as at June 30, 2023

Category	% of Net Assets	Category	% of Net Assets	Top Holdings	% of Net Assets
<b>Country allocation</b>		<b>Sector allocation</b>			
Digital Asset(s) .....	100.6	Digital Asset(s) .....	100.6	Ethereum .....	100.6
Cash & Cash Equivalents .....	0.0	Cash & Cash Equivalents .....	0.0	Cash & Cash Equivalents .....	0.0
Other Net Assets (Liabilities) .....	(0.6)	Other Net Assets (Liabilities) .....	(0.6)	<b>Total Net Assets (in \$000's)</b>	<b>\$348,073</b>

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.