

SEMI-ANNUAL  
FINANCIAL  
STATEMENTS  
2023

JUNE 30, 2023

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CI Investments Inc., the Manager of the Funds, appoints independent auditors to audit the Funds' Annual Financial Statements. Under Canadian securities laws (National Instrument 81-106), if an auditor has not reviewed the Semi-Annual Financial Statements, this must be disclosed in an accompanying notice.

The Funds' independent auditors have not performed a review of these Semi-Annual Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.

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# CI Galaxy Bitcoin ETF

Financial Statements (unaudited) (Expressed in US\$)

## Statements of Financial Position

(in \$000's except for per unit amounts and units outstanding)

	as at Jun. 30, 2023	as at Dec. 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Digital assets at fair value	342,407	147,855
Cash	53	30
Fees rebate receivable	3	2
Interest receivable	-	-
Receivable for digital assets sold	-	-
Receivable for unit subscriptions	4,988	-
	347,451	147,887
<b>Liabilities</b>		
<b>Current liabilities</b>		
Bank overdraft	-	-
Payable for digital assets purchased	-	-
Payable for unit redemptions	-	-
Distributions payable to holders of redeemable units	-	-
Management fees payable	88	52
Accounts payable and accrued liabilities	1,648	1,223
	1,736	1,275
<b>Net assets attributable to holders of redeemable units</b>	<b>345,715</b>	<b>146,612</b>

## Statements of Financial Position (cont'd)

(in \$000's except for per unit amounts and units outstanding)

	Net assets attributable to holders of redeemable units per Series/Class (Note 4):		Net assets attributable to holders of redeemable units per unit:		Number of redeemable units outstanding:	
	as at Jun. 30, 2023	as at Dec. 31, 2022	as at Jun. 30, 2023	as at Dec. 31, 2022	as at Jun. 30, 2023	as at Dec. 31, 2022
	ETF US\$ Series	132,929	59,012	5.72	3.12	23,255,314
ETF C\$						
Unhedged Series	212,786	87,600	5.98*	3.34*	47,124,000	35,525,000

\*Net assets attributable to holders of redeemable units per unit for ETF C\$ Unhedged Series are presented in Canadian dollars.

The accompanying notes are an integral part of these financial statements.

# CI Galaxy Bitcoin ETF

Financial Statements (unaudited) (Expressed in US\$)

## Statements of Comprehensive Income

for the period(s)/year(s) ended June 30

(in \$000's except for per unit amounts and number of units)

	2023	2022
<b>Income</b>		
Net gain (loss) on digital assets		
Interest for distribution purposes	1	-
Net realized gain (loss) on sale of digital assets	(20,677)	(35,500)
Change in unrealized appreciation (depreciation) in value of digital assets	145,302	(208,883)
<b>Total net gain (loss) on digital assets</b>	<b>124,626</b>	<b>(244,383)</b>
Other income		
Foreign exchange gain (loss) on cash	-	-
Fees rebate	19	16
<b>Total other income</b>	<b>19</b>	<b>16</b>
<b>Total income</b>	<b>124,645</b>	<b>(244,367)</b>
<b>Expenses</b>		
Management fees (Note 5)	467	650
Commissions and other portfolio transaction costs	-	-
Independent review committee fees	1	-
Interest expense	-	-
Custody fees	330	496
Unitholders reporting costs	8	14
Audit fees	18	19
Legal fees	5	5
Listing fees	2	3
Licensing fees	21	35
Harmonized sales tax	78	117
<b>Total expenses</b>	<b>930</b>	<b>1,339</b>
Expenses absorbed by the Manager (Note 5)	-	-
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>123,715</b>	<b>(245,706)</b>

## Statements of Comprehensive Income (cont'd)

for the period(s)/year(s) ended June 30

(in \$000's except for per unit amounts and number of units)

	Increase (decrease) in net assets attributable to holders of redeemable units per Series/Class:		Increase (decrease) in net assets attributable to holders of redeemable units per unit:		Weighted average number of units:	
	2023	2022	2023	2022	2023	2022
ETF US\$ Series	49,197	(110,683)	2.47	(5.35)	19,928,242	20,669,679
ETF C\$						
Unhedged Series	74,518	(135,023)	2.01	(4.15)	37,052,801	32,543,508

The accompanying notes are an integral part of these financial statements.

# CI Galaxy Bitcoin ETF

Financial Statements (unaudited) (Expressed in US\$)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units for the period(s)/year(s) ended June 30 (in \$000's)

	ETF US\$ Series		ETF C\$ Unhedged Series		Total Fund	
	2023	2022	2023	2022	2023	2022
<b>Net assets attributable to holders of redeemable units at the beginning of period/year</b>	59,012	209,917	87,600	205,757	146,612	415,674
Increase (decrease) in net assets attributable to holders of redeemable units	49,197	(110,683)	74,518	(135,023)	123,715	(245,706)
<b>Distributions to holders of redeemable units</b>						
From net investment income	-	(18)	-	-	-	(18)
From net realized gains	-	-	-	-	-	-
Return of capital	(20)	-	-	-	(20)	-
<b>Total distributions to holders of redeemable units</b>	(20)	(18)	-	-	(20)	(18)
<b>Redeemable unit transactions</b>						
Proceeds from redeemable units issued	53,062	57,074	58,913	55,199	111,975	112,273
Reinvestment of distributions to holders of redeemable units	-	-	-	-	-	-
Redemption of redeemable units	(28,322)	(89,736)	(8,245)	(28,944)	(36,567)	(118,680)
<b>Net increase (decrease) from redeemable unit transactions</b>	24,740	(32,662)	50,668	26,255	75,408	(6,407)
<b>Net increase (decrease) in net assets attributable to holders of redeemable units</b>	73,917	(143,363)	125,186	(108,768)	199,103	(252,131)
<b>Net assets attributable to holders of redeemable units at the end of period/year</b>	132,929	66,554	212,786	96,989	345,715	163,543

The accompanying notes are an integral part of these financial statements.

# CI Galaxy Bitcoin ETF

Financial Statements (unaudited) (Expressed in US\$)

## Statements of Cash Flows

for the period(s)/year(s) ended June 30 (in \$000's)

	2023	2022
<b>Cash flows from (used in) operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	123,715	(245,706)
Adjustments for:		
Net realized (gain) loss on sale of digital assets	20,677	35,500
Unrealized foreign exchange (gain) loss on cash	-	-
Commissions and other portfolio transaction costs	-	-
Change in unrealized (appreciation) depreciation in value of digital assets	(145,302)	208,883
Proceeds from sale of digital assets	28,192	97,795
Purchase of digital assets	(98,120)	(91,004)
(Increase) decrease in interest receivable	-	-
Increase (decrease) in management fees payable	36	(81)
Change in other accounts receivable and payable	424	(102)
<b>Net cash from (used in) operating activities</b>	<b>(70,378)</b>	<b>5,285</b>
<b>Cash flows from (used in) financing activities</b>		
Distributions paid to holders of redeemable units, net of reinvested distributions	(20)	(18)
Proceeds from issuance of redeemable units	106,987	112,272
Amounts paid on redemption of redeemable units	(36,566)	(117,508)
<b>Net cash from (used in) financing activities</b>	<b>70,401</b>	<b>(5,254)</b>
Unrealized foreign exchange gain (loss) on cash	-	-
Net increase (decrease) in cash	23	31
Cash (bank overdraft), beginning of period/year	30	28
<b>Cash (bank overdraft), end of period/year</b>	<b>53</b>	<b>59</b>
<b>Supplementary Information:</b>		
Interest received, net of withholding tax*	1	-
Interest paid*	-	-
Tax recoverable (paid)	-	-

\*Dividends and interest received as well as dividends and interest paid relate to operating activities of the Fund. The accompanying notes are an integral part of these financial statements.

# CI Galaxy Bitcoin ETF

Schedule of Investment Portfolio as at June 30, 2023 (unaudited) (Expressed in US\$)

Number of Bitcoin	Description	Average Cost (\$)	Fair Value (\$)	% of Net Assets
	<b>DIGITAL ASSET(S)</b>			
11,261	Bitcoin	454,909,741	342,407,179	
<b>Total Digital Asset(s)</b>		<b>454,909,741</b>	<b>342,407,179</b>	<b>99.0</b>
<b>Total Investment Portfolio before Commissions and other portfolio transaction costs</b>		<b>454,909,741</b>	<b>342,407,179</b>	<b>99.0</b>
Commissions and other portfolio transaction costs		-		
<b>Total Investment Portfolio</b>		<b>454,909,741</b>	<b>342,407,179</b>	<b>99.0</b>
Other Net Assets (Liabilities)			3,307,589	1.0
<b>Net Assets Attributable to Holders of Redeemable Units</b>			<b>345,714,768</b>	<b>100.0</b>

Percentages shown relate investments at fair value to net assets attributable to holders of redeemable units of the Fund.

# CI Galaxy Bitcoin ETF

Fund Specific Notes to Financial Statements (unaudited) (Expressed in US\$)

## Commissions (Note 2)

for the period(s)/year(s) ended June 30 (in \$000's)

	2023	2022
Brokerage commissions	-	-
Soft dollar commissions <sup>†</sup>	-	-

## Redeemable Unit Transactions (Note 4)

for the period(s)/year(s) ended June 30

	ETF US\$ Series		ETF C\$ Unhedged Series	
	2023	2022	2023	2022
<b>Number of redeemable units at the beginning of period/year</b>	18,905,314	23,955,314	35,525,000	29,725,000
Redeemable units issued	10,050,000	6,900,000	13,999,000	9,800,000
Redeemable units issued for reinvested distributions	-	-	-	-
Redeemable units redeemed	(5,700,000)	(12,250,000)	(2,400,000)	(5,200,000)
<b>Number of redeemable units at the end of period/year</b>	<b>23,255,314</b>	<b>18,605,314</b>	<b>47,124,000</b>	<b>34,325,000</b>

<sup>†</sup>A portion of brokerage commissions paid was used to cover research and market data services, termed soft dollar commissions. This amount has been estimated by the Manager of the Fund. The accompanying notes are an integral part of these financial statements.



# CI Galaxy Bitcoin ETF

Fund Specific Notes to Financial Statements (unaudited) (Expressed in US\$)

## Management Fee Rate (Note 5) as at June 30, 2023 (%)

	Annual management fee rate:
ETF US\$ Series	0.400
ETF C\$ Unhedged Series	0.400

The accompanying notes are an integral part of these financial statements.

# CI Galaxy Bitcoin ETF

Fund Specific Notes to Financial Statements (unaudited) (Expressed in US\$)

## Financial Instruments Risks (Note 10)

### Concentration Risk

For Concentration Risk as at June 30, 2023, refer to the Schedule of Investment Portfolio.

The table/tables below summarizes/summarize the Fund's exposure to concentration risk.

as at December 31, 2022

Categories	Net Assets (%)
Digital Asset(s)	100.9
Other Net Assets (Liabilities)	(0.9)
<b>Total</b>	<b>100.0</b>

### Credit Risk

As at June 30, 2023 and December 31, 2022, the Fund did not have a significant exposure to credit risk as all of its assets were invested in bitcoin.

### Other Price Risk

As at June 30, 2023 and December 31, 2022, the Fund was predominantly invested in bitcoin and therefore the Fund was sensitive to changes in bitcoin prices.

As at June 30, 2023, had the fair value of the bitcoin increased or decreased by 10% (December 31, 2022 - 10%), with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have increased or decreased, respectively, by approximately \$34,241,000 (December 31, 2022 - \$14,786,000). In practice, the actual results may differ from this analysis and the difference may be material.

### Currency Risk

As at June 30, 2023 and December 31, 2022, the Fund's investments were denominated in U.S. dollars, the functional currency of the Fund. As a result, the Fund was not exposed to currency risk.

### Interest Rate Risk

As at June 30, 2023 and December 31, 2022, the Fund was not exposed to interest rate risk as all of its assets were invested in bitcoin.

## Fair Value Hierarchy

The table/tables below summarizes/summarize the inputs used by the Fund in valuing the Fund's investments and derivatives carried at fair value.

Long Positions at fair value as at June 30, 2023

	Level 1 (in \$000's)	Level 2 (in \$000's)	Level 3 (in \$000's)	Total (in \$000's)
Digital assets at fair value	-	342,407	-	342,407
<b>Total</b>	<b>-</b>	<b>342,407</b>	<b>-</b>	<b>342,407</b>

## Fair Value Hierarchy (cont'd)

Long Positions at fair value as at December 31, 2022

	Level 1 (in \$000's)	Level 2 (in \$000's)	Level 3 (in \$000's)	Total (in \$000's)
Digital assets at fair value	-	147,855	-	147,855
<b>Total</b>	<b>-</b>	<b>147,855</b>	<b>-</b>	<b>147,855</b>

There were no transfers between Level 1, 2 and 3 during the period ended June 30, 2023 and the year ended December 31, 2022.

The accompanying notes are an integral part of these financial statements.

# CI Galaxy Ethereum ETF

Financial Statements (unaudited) (Expressed in US\$)

## Statements of Financial Position

(in \$000's except for per unit amounts and units outstanding)

	as at Jun. 30, 2023	as at Dec. 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Digital assets at fair value	350,243	229,149
Cash	30	26
Fees rebate receivable	3	2
Interest receivable	-	-
Receivable for digital assets sold	-	-
Receivable for unit subscriptions	348	-
	350,624	229,177
<b>Liabilities</b>		
<b>Current liabilities</b>		
Bank overdraft	-	-
Payable for digital assets purchased	-	-
Payable for unit redemptions	-	814
Distributions payable to holders of redeemable units	-	-
Management fees payable	107	87
Accounts payable and accrued liabilities	2,444	1,935
	2,551	2,836
<b>Net assets attributable to holders of redeemable units</b>	<b>348,073</b>	<b>226,341</b>

## Statements of Financial Position (cont'd)

(in \$000's except for per unit amounts and units outstanding)

	Net assets attributable to holders of redeemable units per Series/Class (Note 4):		Net assets attributable to holders of redeemable units per unit:		Number of redeemable units outstanding:	
	as at Jun. 30, 2023	as at Dec. 31, 2022	as at Jun. 30, 2023	as at Dec. 31, 2022	as at Jun. 30, 2023	as at Dec. 31, 2022
	ETF US\$ Series	106,324	71,900	8.72	5.43	12,200,000
ETF C\$						
Unhedged Series	241,749	154,441	9.23*	5.87*	34,700,000	35,600,000

\*Net assets attributable to holders of redeemable units per unit for ETF C\$ Unhedged Series are presented in Canadian dollars.

The accompanying notes are an integral part of these financial statements.

# CI Galaxy Ethereum ETF

Financial Statements (unaudited) (Expressed in US\$)

## Statements of Comprehensive Income

for the period(s)/year(s) ended June 30

(in \$000's except for per unit amounts and number of units)

	2023	2022
<b>Income</b>		
Net gain (loss) on digital assets		
Interest for distribution purposes	-	-
Net realized gain (loss) on sale of digital assets	(34,117)	(92,044)
Change in unrealized appreciation (depreciation) in value of digital assets	168,823	(516,208)
<b>Total net gain (loss) on digital assets</b>	<b>134,706</b>	<b>(608,252)</b>
Other income		
Foreign exchange gain (loss) on cash	-	-
Fees rebate	17	15
<b>Total other income</b>	<b>17</b>	<b>15</b>
<b>Total income</b>	<b>134,723</b>	<b>(608,237)</b>
<b>Expenses</b>		
Management fees (Note 5)	617	1,211
Independent review committee fees	1	-
Interest expense	1	-
Custody fees	403	890
Unitholders reporting costs	8	20
Audit fees	17	18
Legal fees	4	6
Listing fees	4	6
Licensing fees	26	70
Harmonized sales tax	97	180
<b>Total expenses</b>	<b>1,178</b>	<b>2,401</b>
Expenses absorbed by the Manager (Note 5)	-	-
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>133,545</b>	<b>(610,638)</b>

## Statements of Comprehensive Income (cont'd)

for the period(s)/year(s) ended June 30

(in \$000's except for per unit amounts and number of units)

	Increase (decrease) in net assets attributable to holders of redeemable units per Series/Class:		Increase (decrease) in net assets attributable to holders of redeemable units per unit:		Weighted average number of units:	
	2023	2022	2023	2022	2023	2022
ETF US\$ Series	41,178	(241,190)	3.34	(12.39)	12,326,519	19,465,470
ETF C\$						
Unhedged Series	92,367	(369,448)	2.66	(9.61)	34,712,983	38,454,834

The accompanying notes are an integral part of these financial statements.

# CI Galaxy Ethereum ETF

Financial Statements (unaudited) (Expressed in US\$)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units for the period(s)/year(s) ended June 30 (in \$000's)

	ETF US\$ Series		ETF C\$ Unhedged Series		Total Fund	
	2023	2022	2023	2022	2023	2022
<b>Net assets attributable to holders of redeemable units at the beginning of period/year</b>	71,900	420,805	154,441	570,686	226,341	991,491
Increase (decrease) in net assets attributable to holders of redeemable units	41,178	(241,190)	92,367	(369,448)	133,545	(610,638)
<b>Distributions to holders of redeemable units</b>						
From net investment income	-	-	-	-	-	-
From net realized gains	-	-	-	-	-	-
Return of capital	(18)	(16)	-	-	(18)	(16)
<b>Total distributions to holders of redeemable units</b>	(18)	(16)	-	-	(18)	(16)
<b>Redeemable unit transactions</b>						
Proceeds from redeemable units issued	24,996	55,094	21,418	81,395	46,414	136,489
Reinvestment of distributions to holders of redeemable units	-	-	-	-	-	-
Redemption of redeemable units	(31,732)	(161,853)	(26,477)	(159,609)	(58,209)	(321,462)
<b>Net increase (decrease) from redeemable unit transactions</b>	(6,736)	(106,759)	(5,059)	(78,214)	(11,795)	(184,973)
<b>Net increase (decrease) in net assets attributable to holders of redeemable units</b>	34,424	(347,965)	87,308	(447,662)	121,732	(795,627)
<b>Net assets attributable to holders of redeemable units at the end of period/year</b>	106,324	72,840	241,749	123,024	348,073	195,864

The accompanying notes are an integral part of these financial statements.

# CI Galaxy Ethereum ETF

Financial Statements (unaudited) (Expressed in US\$)

## Statements of Cash Flows

for the period(s)/year(s) ended June 30 (in \$000's)

	2023	2022
<b>Cash flows from (used in) operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	133,545	(610,638)
Adjustments for:		
Net realized (gain) loss on sale of digital assets	34,117	92,044
Unrealized foreign exchange (gain) loss on cash	-	-
Change in unrealized (appreciation) depreciation in value of digital assets	(168,823)	516,208
Proceeds from sale of digital assets	48,539	269,419
Purchase of digital assets	(34,928)	(76,307)
(Increase) decrease in interest receivable	-	-
Increase (decrease) in management fees payable	21	(308)
Change in other accounts receivable and payable	508	9
<b>Net cash from (used in) operating activities</b>	<b>12,979</b>	<b>190,427</b>
<b>Cash flows from (used in) financing activities</b>		
Distributions paid to holders of redeemable units, net of reinvested distributions	(18)	(16)
Proceeds from issuance of redeemable units	46,065	136,258
Amounts paid on redemption of redeemable units	(59,022)	(326,484)
<b>Net cash from (used in) financing activities</b>	<b>(12,975)</b>	<b>(190,242)</b>
Unrealized foreign exchange gain (loss) on cash	-	-
Net increase (decrease) in cash	4	185
Cash (bank overdraft), beginning of period/year	26	(18)
<b>Cash (bank overdraft), end of period/year</b>	<b>30</b>	<b>167</b>
<b>Supplementary Information:</b>		
Interest received, net of withholding tax*	-	-
Interest paid*	-	-
Tax recoverable (paid)	-	-

\*Dividends and interest received as well as dividends and interest paid relate to operating activities of the Fund. The accompanying notes are an integral part of these financial statements.

# CI Galaxy Ethereum ETF

Schedule of Investment Portfolio as at June 30, 2023 (unaudited) (Expressed in US\$)

Number of Ethereum	Description	Average Cost (\$)	Fair Value (\$)	% of Net Assets
	<b>DIGITAL ASSET(S)</b>			
181,714	Ethereum	503,966,676	350,242,723	
<b>Total Digital Asset(s)</b>		<b>503,966,676</b>	<b>350,242,723</b>	<b>100.6</b>
<b>Total Investment Portfolio before Commissions and other portfolio transaction costs</b>		<b>503,966,676</b>	<b>350,242,723</b>	<b>100.6</b>
Commissions and other portfolio transaction costs		-		
<b>Total Investment Portfolio</b>		<b>503,966,676</b>	<b>350,242,723</b>	<b>100.6</b>
Other Net Assets (Liabilities)			(2,170,082)	(0.6)
<b>Net Assets Attributable to Holders of Redeemable Units</b>			<b>348,072,641</b>	<b>100.0</b>

Percentages shown relate investments at fair value to net assets attributable to holders of redeemable units of the Fund.

# CI Galaxy Ethereum ETF

Fund Specific Notes to Financial Statements (unaudited) (Expressed in US\$)

## Commissions (Note 2)

for the period(s)/year(s) ended June 30 (in \$000's)

	2023	2022
Brokerage commissions	-	-
Soft dollar commissions <sup>†</sup>	-	-

## Redeemable Unit Transactions (Note 4)

for the period(s)/year(s) ended June 30

	ETF US\$ Series		ETF C\$ Unhedged Series	
	2023	2022	2023	2022
<b>Number of redeemable units at the beginning of period/year</b>	13,250,000	25,100,000	35,600,000	42,575,000
Redeemable units issued	3,150,000	4,350,000	3,300,000	8,300,000
Redeemable units issued for reinvested distributions	-	-	-	-
Redeemable units redeemed	(4,200,000)	(13,700,000)	(4,200,000)	(17,600,000)
<b>Number of redeemable units at the end of period/year</b>	<b>12,200,000</b>	<b>15,750,000</b>	<b>34,700,000</b>	<b>33,275,000</b>

<sup>†</sup>A portion of brokerage commissions paid was used to cover research and market data services, termed soft dollar commissions. This amount has been estimated by the Manager of the Fund. The accompanying notes are an integral part of these financial statements.



# CI Galaxy Ethereum ETF

Fund Specific Notes to Financial Statements (unaudited) (Expressed in US\$)

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## Management Fee Rate (Note 5)

as at June 30, 2023 (%)

	Annual management fee rate:
ETF US\$ Series	0.400
ETF C\$ Unhedged Series	0.400

The accompanying notes are an integral part of these financial statements.

# CI Galaxy Ethereum ETF

Fund Specific Notes to Financial Statements (unaudited) (Expressed in US\$)

## Financial Instruments Risks (Note 10)

### Concentration Risk

For Concentration Risk as at June 30, 2023, refer to the Schedule of Investment Portfolio.

The table/tables below summarizes/summarize the Fund's exposure to concentration risk.

as at December 31, 2022

Categories	Net Assets (%)
Digital Asset(s)	101.2
Other Net Assets (Liabilities)	(1.2)
<b>Total</b>	<b>100.0</b>

### Credit Risk

As at June 30, 2023 and December 31, 2022, the Fund did not have a significant exposure to credit risk as all of its assets were invested in ETH.

### Other Price Risk

As at June 30, 2023 and December 31, 2022, the Fund was predominantly invested in ETH and therefore the Fund was sensitive to changes in ETH prices.

As at June 30, 2023, had the fair value of the ETH increased or decreased by 10% (December 31, 2022 - 10%), with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have increased or decreased, respectively, by approximately \$35,024,000 (December 31, 2022 - \$22,915,000). In practice, the actual results may differ from this analysis and the difference may be material.

### Currency Risk

As at June 30, 2023 and December 31, 2022, the Fund's investments were denominated in U.S. dollars, the functional currency of the Fund. As a result, the Fund was not exposed to currency risk.

### Interest Rate Risk

As at June 30, 2023 and December 31, 2022, the Fund was not exposed to interest rate risk as all of its assets were invested in ETH.

## Fair Value Hierarchy

The table/tables below summarizes/summarize the inputs used by the Fund in valuing the Fund's investments and derivatives carried at fair value.

Long Positions at fair value as at June 30, 2023

	Level 1 (in \$000's)	Level 2 (in \$000's)	Level 3 (in \$000's)	Total (in \$000's)
Digital assets at fair value	-	350,243	-	350,243
<b>Total</b>	<b>-</b>	<b>350,243</b>	<b>-</b>	<b>350,243</b>

## Fair Value Hierarchy (cont'd)

Long Positions at fair value as at December 31, 2022

	Level 1 (in \$000's)	Level 2 (in \$000's)	Level 3 (in \$000's)	Total (in \$000's)
Digital assets at fair value	-	229,149	-	229,149
<b>Total</b>	<b>-</b>	<b>229,149</b>	<b>-</b>	<b>229,149</b>

There were no transfers between Level 1, 2 and 3 during the period ended June 30, 2023 and the year ended December 31, 2022.

The accompanying notes are an integral part of these financial statements.

# CI Galaxy Multi-Crypto ETF

Financial Statements (unaudited) (Expressed in US\$)

## Statements of Financial Position

(in \$000's except for per unit amounts and units outstanding)

	as at	
	Jun. 30, 2023	Dec. 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Investments	7,883	2,252
Cash	68	3,874
Fees rebate receivable	2	1
Interest receivable	-	-
Receivable for investments sold	-	-
Receivable for unit subscriptions	-	-
	7,953	6,127
<b>Liabilities</b>		
<b>Current liabilities</b>		
Bank overdraft	-	-
Payable for investments purchased	-	-
Payable for unit redemptions	-	-
Distributions payable to holders of redeemable units	-	-
Management fees payable	3	3
Accounts payable and accrued liabilities	11	8
	14	11
<b>Net assets attributable to holders of redeemable units</b>	<b>7,939</b>	<b>6,116</b>

## Statements of Financial Position (cont'd)

(in \$000's except for per unit amounts and units outstanding)

	Net assets attributable to holders of redeemable units per Series/Class (Note 4):		Net assets attributable to holders of redeemable units per unit:		Number of redeemable units outstanding:	
	as at	as at	as at	as at	as at	as at
	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2022
ETF US\$ Series	736	528	7.36	5.29	100,000	100,000
ETF C\$						
Unhedged Series	7,203	5,588	7.63*	5.60*	1,250,000	1,350,000

\*Net assets attributable to holders of redeemable units per unit for ETF C\$ Unhedged Series are presented in Canadian dollars.

The accompanying notes are an integral part of these financial statements.

# CI Galaxy Multi-Crypto ETF

Financial Statements (unaudited) (Expressed in US\$)

## Statements of Comprehensive Income

for the period(s)/year(s) ended June 30

(in \$000's except for per unit amounts and number of units)

	2023	2022
<b>Income</b>		
Net gain (loss) on investments and derivatives		
Interest for distribution purposes	40	-
Net realized gain (loss) on sale of investments and derivatives	1,701	(512)
Change in unrealized appreciation (depreciation) in value of investments and derivatives	736	(456)
<b>Total net gain (loss) on investments and derivatives</b>	<b>2,477</b>	<b>(968)</b>
Other income		
Foreign exchange gain (loss) on cash	-	-
Securities lending revenue (Note 6)	-	-
Fees rebate	12	-
<b>Total other income</b>	<b>12</b>	<b>-</b>
<b>Total income</b>	<b>2,489</b>	<b>(968)</b>
<b>Expenses</b>		
Management fees (Note 5)	19	6
Commissions and other portfolio transaction costs	40	4
Independent review committee fees	1	-
Custody fees	13	15
Unitholders reporting costs	3	3
Audit fees	2	2
Legal fees	3	3
Listing fees	1	2
Interest expense	-	-
Harmonized sales tax	3	1
<b>Total expenses</b>	<b>85</b>	<b>36</b>
Expenses absorbed by the Manager (Note 5)	(21)	(19)
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>2,425</b>	<b>(985)</b>

## Statements of Comprehensive Income (cont'd)

for the period(s)/year(s) ended June 30

(in \$000's except for per unit amounts and number of units)

	Increase (decrease) in net assets attributable to holders of redeemable units per Series/Class:		Increase (decrease) in net assets attributable to holders of redeemable units per unit:		Weighted average number of units:	
	2023	2022	2023	2022	2023	2022
ETF US\$ Series	208	(393)	2.07	(2.83)	100,000	138,667
ETF C\$						
Unhedged Series	2,217	(592)	1.69	(2.43)	1,310,497	243,667

The accompanying notes are an integral part of these financial statements.

# CI Galaxy Multi-Crypto ETF

Financial Statements (unaudited) (Expressed in US\$)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units for the period(s)/year(s) ended June 30 (in \$000's)

	ETF US\$ Series		ETF C\$ Unhedged Series		Total Fund	
	2023	2022	2023	2022	2023	2022
<b>Net assets attributable to holders of redeemable units at the beginning of period/year</b>	528	-	5,588	-	6,116	-
Increase (decrease) in net assets attributable to holders of redeemable units	208	(393)	2,217	(592)	2,425	(985)
<b>Distributions to holders of redeemable units</b>						
From net investment income	-	-	-	-	-	-
From net realized gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
<b>Total distributions to holders of redeemable units</b>	-	-	-	-	-	-
<b>Redeemable unit transactions</b>						
Proceeds from redeemable units issued	-	1,512	-	2,292	-	3,804
Reinvestment of distributions to holders of redeemable units	-	-	-	-	-	-
Redemption of redeemable units	-	(396)	(602)	-	(602)	(396)
<b>Net increase (decrease) from redeemable unit transactions</b>	-	1,116	(602)	2,292	(602)	3,408
<b>Net increase (decrease) in net assets attributable to holders of redeemable units</b>	208	723	1,615	1,700	1,823	2,423
<b>Net assets attributable to holders of redeemable units at the end of period/year</b>	736	723	7,203	1,700	7,939	2,423

The accompanying notes are an integral part of these financial statements.

# CI Galaxy Multi-Crypto ETF

Financial Statements (unaudited) (Expressed in US\$)

## Statements of Cash Flows

for the period(s)/year(s) ended June 30 (in \$000's)

	2023	2022
<b>Cash flows from (used in) operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	2,425	(985)
Adjustments for:		
Net realized (gain) loss on sale of investments and derivatives	(1,701)	512
Unrealized foreign exchange (gain) loss on cash	-	-
Commissions and other portfolio transaction costs	40	4
Change in unrealized (appreciation) depreciation in value of investments and derivatives	(736)	456
Proceeds from sale and maturity of investments and derivatives	20,024	4,943
Purchase of investments and derivatives	(23,860)	(4,711)
(Increase) decrease in interest receivable	-	-
Increase (decrease) in management fees payable	-	4
Change in other accounts receivable and payable	2	1
<b>Net cash from (used in) operating activities</b>	<b>(3,806)</b>	<b>230</b>
<b>Cash flows from (used in) financing activities</b>		
Distributions paid to holders of redeemable units, net of reinvested distributions	-	-
Proceeds from issuance of redeemable units	-	2,230
Amounts paid on redemption of redeemable units	-	(319)
<b>Net cash from (used in) financing activities</b>	<b>-</b>	<b>1,911</b>
Unrealized foreign exchange gain (loss) on cash	-	-
Net increase (decrease) in cash	(3,806)	2,141
Cash (bank overdraft), beginning of period/year	3,874	-
<b>Cash (bank overdraft), end of period/year</b>	<b>68</b>	<b>2,141</b>
<b>Supplementary Information:</b>		
Dividends received, net of withholding tax*	-	-
Interest received, net of withholding tax*	40	-
Dividends paid*	-	-
Interest paid*	-	(2)
Tax recoverable (paid)	-	-

\*Dividends and interest received as well as dividends and interest paid relate to operating activities of the Fund. The accompanying notes are an integral part of these financial statements.

# CI Galaxy Multi-Crypto ETF

Schedule of Investment Portfolio as at June 30, 2023 (unaudited) (Expressed in US\$)

Number of Units	Description	Average Cost (\$)	Fair Value (\$)	% of Net Assets
	<b>EXCHANGE-TRADED FUND(S)</b>			
697,879	CI Galaxy Bitcoin ETF (ETF US\$ Series)	3,611,705	4,005,826	
444,635	CI Galaxy Ethereum ETF (ETF US\$ Series)	3,750,743	3,877,217	
<b>Total Exchange-Traded Fund(s)</b>		<b>7,362,448</b>	<b>7,883,043</b>	<b>99.3</b>
<b>Total Investment Portfolio before Commissions and other portfolio transaction costs</b>		<b>7,362,448</b>	<b>7,883,043</b>	<b>99.3</b>
Commissions and other portfolio transaction costs		(6,142)		
<b>Total Investment Portfolio</b>		<b>7,356,306</b>	<b>7,883,043</b>	<b>99.3</b>
Other Net Assets (Liabilities)			55,830	0.7
<b>Net Assets Attributable to Holders of Redeemable Units</b>			<b>7,938,873</b>	<b>100.0</b>

Percentages shown relate investments at fair value to net assets attributable to holders of redeemable units of the Fund.

# CI Galaxy Multi-Crypto ETF

Fund Specific Notes to Financial Statements (unaudited) (Expressed in US\$)

## Interest in Unconsolidated Structured Entities (Note 2)

The following table/tables presents/present the Fund's interest in Unconsolidated Structured Entities.

as at June 30, 2023

Unconsolidated Structured Entities	Fair Value of the Underlying Fund(s) / ETF(s) (in \$000's)	Fair Value of the Fund's Investment in the Underlying Fund(s) / ETF(s) (in \$000's)	Ownership in the Underlying Fund(s) / ETF(s) (%)
CI Galaxy Bitcoin ETF	345,715	4,006	1.2
CI Galaxy Ethereum ETF	348,073	3,877	1.1

as at December 31, 2022

Unconsolidated Structured Entities	Fair Value of the Underlying Fund(s) / ETF(s) (in \$000's)	Fair Value of the Fund's Investment in the Underlying Fund(s) / ETF(s) (in \$000's)	Ownership in the Underlying Fund(s) / ETF(s) (%)
CI Galaxy Bitcoin ETF	146,612	1,477	1.0
CI Galaxy Ethereum ETF	226,341	775	0.3

## Commissions (Note 2)

for the period(s)/year(s) ended June 30 (in \$000's)

	2023	2022
Brokerage commissions	40	4
Soft dollar commissions <sup>†</sup>	-	-

## Redeemable Unit Transactions (Note 4)

for the period(s)/year(s) ended June 30

	ETF US\$ Series		ETF C\$ Unhedged Series	
	2023	2022	2023	2022
<b>Number of redeemable units at the beginning of period/year</b>	100,000	-	1,350,000	-
Redeemable units issued	-	150,000	-	300,000
Redeemable units issued for reinvested distributions	-	-	-	-
Redeemable units redeemed	-	(50,000)	(100,000)	-
<b>Number of redeemable units at the end of period/year</b>	100,000	100,000	1,250,000	300,000

<sup>†</sup>A portion of brokerage commissions paid was used to cover research and market data services, termed soft dollar commissions. This amount has been estimated by the Manager of the Fund. The accompanying notes are an integral part of these financial statements.



# CI Galaxy Multi-Crypto ETF

Fund Specific Notes to Financial Statements (unaudited) (Expressed in US\$)

## Management Fee Rate (Note 5)

as at June 30, 2023 (%)

	Annual management fee rate:
ETF US\$ Series	0.500
ETF C\$ Unhedged Series	0.500

## Related Party Investments (Note 9)

as at June 30 (in \$000's)

Investments	2023
CI Galaxy Bitcoin ETF (ETF US\$ Series)	4,006
CI Galaxy Ethereum ETF (ETF US\$ Series)	3,877

Investments	2022
CI Galaxy Bitcoin ETF (ETF US\$ Series)	166
CI Galaxy Ethereum ETF (ETF US\$ Series)	126

The accompanying notes are an integral part of these financial statements.

# CI Galaxy Multi-Crypto ETF

Fund Specific Notes to Financial Statements (unaudited) (Expressed in US\$)

## Financial Instruments Risks (Note 10)

### Concentration Risk

The table/tables below summarizes/summarize the Fund's exposure to concentration risk.

as at June 30, 2023

Funds	Net Assets (%)
CI Galaxy Bitcoin ETF (ETF US\$ Series)	50.5
CI Galaxy Ethereum ETF (ETF US\$ Series)	48.8
Other Net Assets (Liabilities)	0.7
<b>Total</b>	<b>100.0</b>

as at December 31, 2022

Funds	Net Assets (%)
Other Net Assets (Liabilities)	63.2
CI Galaxy Bitcoin ETF (ETF US\$ Series)	24.1
CI Galaxy Ethereum ETF (ETF US\$ Series)	12.7
<b>Total</b>	<b>100.0</b>

### Other Price Risk

As at June 30, 2023 and December 31, 2022, the Fund indirectly bears the other price risk exposure of the Underlying Funds.

As at June 30, 2023, had the fair value of the Underlying Funds increased or decreased by 10% (December 31, 2022 - 10%), with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have increased or decreased, respectively, by approximately \$788,000 (December 31, 2022 - \$225,000). In practice, the actual results may differ from this analysis and the difference may be material.

Refer to Note 10 for discussion of other financial instrument risks.

## Fair Value Hierarchy

The table/tables below summarizes/summarize the inputs used by the Fund in valuing the Fund's investments and derivatives carried at fair value.

Long Positions at fair value as at June 30, 2023

	Level 1 (in \$000's)	Level 2 (in \$000's)	Level 3 (in \$000's)	Total (in \$000's)
Exchange-Traded Fund(s)	7,883	-	-	7,883
<b>Total</b>	<b>7,883</b>	<b>-</b>	<b>-</b>	<b>7,883</b>

Long Positions at fair value as at December 31, 2022

	Level 1 (in \$000's)	Level 2 (in \$000's)	Level 3 (in \$000's)	Total (in \$000's)
Exchange-Traded Fund(s)	2,252	-	-	2,252
<b>Total</b>	<b>2,252</b>	<b>-</b>	<b>-</b>	<b>2,252</b>

There were no transfers between Level 1, 2 and 3 during the periods ended June 30, 2023 and December 31, 2022.

The accompanying notes are an integral part of these financial statements.

# Notes to the Financial Statements (unaudited)

## 1. THE FUNDS

The following funds (the Funds) are exchange-traded mutual funds created under the laws of Province of Ontario pursuant to the Declaration of the Trust.

The CI Galaxy Bitcoin ETF, the CI Galaxy Ethereum ETF and the CI Galaxy Multi-Crypto ETF are an alternative mutual funds within the meaning of National Instrument 81-102: *Investment Funds* (NI 81-102).

The following table indicates the date upon which each series of securities of each Fund started trading on the Toronto Stock Exchange (TSX):

Funds	Series	TSX Ticker	
		Symbol	Inception Date
CI Galaxy Bitcoin ETF	ETF US\$ Series	BTCX.U	05-Mar-21
	ETF C\$ Unhedged Series	BTCX.B	05-Mar-21
CI Galaxy Ethereum ETF	ETF US\$ Series	ETHX.U	16-Apr-21
	ETF C\$ Unhedged Series	ETHX.B	16-Apr-21
CI Galaxy Multi-Crypto ETF	ETF US\$ Series	CMCX.U	28-Jan-22
	ETF C\$ Unhedged Series	CMCX.B	28-Jan-22

CI Investments Inc. is the manager and the trustee (the Manager and the Trustee) to the Funds. The Manager is a wholly owned subsidiary of CI Financial Corp. (TSX: CIX). CIBC Mellon Trust Company is the valuation agent (the Valuation Agent) of the Funds.

The Funds' registered office address is 15 York Street, Second Floor, Toronto, Ontario, M5J 0A3.

The Manager has retained Galaxy Digital Capital Management LP to act as the sub-advisor (the Sub-advisor) for the CI Galaxy Bitcoin ETF and the CI Galaxy Ethereum ETF, Cidel Trust Company to act as custodian (the Custodian) to the CI Galaxy Bitcoin ETF and the CI Galaxy Ethereum ETF, and Gemini Trust Company, LLC to act as the sub-custodian (the Sub-custodian) of the CI Galaxy Bitcoin ETF and the CI Galaxy Ethereum ETF.

The Custodian is a federally regulated trust company based in Calgary, Alberta that provides services to the CI Galaxy Bitcoin ETF and the CI Galaxy Ethereum ETF from its office in Toronto, Ontario. The Custodian is a wholly owned subsidiary of Cidel Bank Canada, a Schedule II Bank regulated by the Office of the Superintendent of Financial Institutions (OSFI). The Sub-Custodian is a trust company licensed and regulated by the New York State Department of Financial Services (NYDFS) and is qualified to act as a sub-custodian of the Fund for the assets held outside of Canada in accordance with NI 81-102.

These financial statements were authorized for issue by the Manager on August 16, 2023.

The CI Galaxy Bitcoin ETF's investment objective is to provide unitholders with exposure to bitcoin (BTC) through an institutional-quality fund platform. To achieve this investment objective, the Fund invests directly in BTC and utilizes high-quality service providers in the digital assets sector (e.g., digital asset custodians, trading platforms and trading counterparties) in order to manage the assets of the Fund.

The CI Galaxy Ethereum ETF's investment objective is to provide unitholders with exposure to ethereum (ETH) through an institutional-quality fund platform. To achieve this investment objective, the Fund invests directly in ETH and utilizes high-quality service providers in the digital assets sector (e.g., digital asset custodians, trading platforms and trading counterparties) in order to manage the assets of the Fund.

The CI Galaxy Multi-Crypto ETF's investment objective is to provide unitholders with managed exposure to certain digital assets as selected by the Manager, using a rules-based, momentum signalling strategy.

The Funds are offering U.S. dollar-denominated unhedged units (the ETF US\$ Series units) and Canadian dollar-denominated unhedged units (the ETF C\$ Unhedged Series units). They are for sale on a continuous basis.

The Statements of Financial Position are as at June 30, 2023 and December 31, 2022. The Statements of Comprehensive Income, Changes in Net Assets Attributable to Holders of Redeemable Units and Cash Flows are for the periods ended June 30, 2023 and 2022.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with *International Financial Reporting Standards* (IFRS) as published by the International Accounting Standards Board.

The following is a summary of the significant accounting policies of the Funds.

### a. Digital assets

Digital assets are cryptocurrencies such as Bitcoin and ETH, which are an open-source software-based online system where transactions are recorded in a public ledger (blockchain) using its own unit of account. Refer to Note 3 for discussion of the Funds' accounting policy in respect of digital assets inventory and the judgment made in determining that such inventory is carried as commodity broker-trader inventory.

The Funds measure digital assets inventory at its fair value less costs to sell, with any change in fair value less costs to sell being recognized in profit or loss in the period of the change. Costs to sell digital assets inventory are immaterial and no allowance is made for such costs.

Digital assets inventory is derecognized when the Funds dispose of the inventory through their trading activities. All unrealized gains (losses) arising from digital assets holdings are recorded as part of "Change in unrealized appreciation (depreciation) in value of digital assets" in the Statements of Comprehensive Income until the digital asset holdings are sold, at which time the gains (losses) are realized and reflected in the Statements of Comprehensive Income in "Net realized gain (loss) on sale of digital assets".

The CI Galaxy Bitcoin ETF's digital assets are priced based on, and the Fund's NAV is calculated using, the Bloomberg Galaxy Bitcoin Index (the BTC) or such other index as the Manager may select from time to time, in its discretion. The BTC is designed to measure the performance of a single bitcoin traded in U.S. dollar and is owned and administered by Bloomberg Index Services Limited (Bloomberg) and is co-branded with the Sub-advisor; however, the Sub-advisor has no input into the pricing of the BTC. The BTC is calculated using Bloomberg Crypto Fixing (CFIX) as its primary input. CFIX is a pricing algorithm that uses bid and ask quotes between 16:00:00 and 16:15:00 EST and are derived from multiple pricing sources approved by Bloomberg. In the event that the Manager determines that it is in the best interest of the Fund to select another pricing source for the bitcoin held by the Fund from time to time, the Manager will, in selecting such alternative pricing source, have regard for the appropriateness and reliability of the data to be relied upon with particular regard for the adequacy of Anti-Money Laundering and Know Your Client protections, and the protocols designed to address potential price manipulation. As it is the Fund's intention to invest in bitcoin on a passive basis, the Fund's holdings will not be actively managed and accordingly, will not be hedged or repositioned to attempt to take defensive positions if the price of bitcoin declines or is expected to decline. Bitcoin is purchased for the Fund from bitcoin trading platforms and over-the-counter (OTC) market through counterparties approved by the Sub-advisor.

# Notes to the Financial Statements (unaudited) (cont'd)

The CI Galaxy Ethereum ETF's digital assets are priced based on, and the Funds' NAV is calculated using, the Bloomberg Galaxy Ethereum Index (the ETH Index or such other index as the Manager may select from time to time, in its discretion. The ETH Index is designed to measure the performance of a single ETH traded in U.S. dollars and is owned and administered by Bloomberg and is co-branded with the Sub-advisor; however, the Sub-advisor has no input into the pricing of the ETH Index. The ETH Index is calculated using CFIX as its primary input. CFIX is a pricing algorithm that uses bid and ask quotes between 16:00:00 and 16:15:00 EST and are derived from multiple pricing sources approved by Bloomberg. In the event that the Manager determines that it is in the best interest of the Fund to select another pricing source for the ETH held by the Fund from time to time, the Manager will, in selecting such alternative pricing source, have regard for the appropriateness and reliability of the data to be relied upon with particular regard for the adequacy of Anti-Money Laundering and Know Your Client protections and the protocols designed to address potential price manipulation. As it is the Fund's intention to invest in ETH on a passive basis, the Fund's holdings will not be actively managed and accordingly, will not be hedged or repositioned to attempt to take defensive positions if the price of ETH declines or is expected to decline. ETH is purchased for the Fund from ETH trading platforms and OTC market through counterparties approved by the Sub-advisor.

## **b. Classification and recognition of financial instruments**

The Funds classify and measure their investments (such as fixed-income securities, equity securities, investment fund(s), exchange-traded fund(s) and derivatives) based on both the Funds' business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Funds' portfolios of financial assets are managed, and performance is evaluated on a fair value basis. The Funds are primarily focused on fair value information and use that information to assess the assets' performance and to make decisions. The contractual cash flows of the Funds' debt securities are solely principal and interest; however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Funds' business model's objective. Consequently, all investments and derivatives are measured at fair value through profit or loss (FVTPL). Short sales are classified as financial liabilities at FVTPL. Derivative contracts that have a negative fair value are presented as liabilities at FVTPL.

The Funds' obligations for net assets attributable to holders of redeemable units are presented at the redemption amount, which approximates their fair value. All other financial assets and liabilities are measured at amortized cost, which approximates their fair value. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the effective rate of interest.

## **c. Fair value of financial instruments**

All financial assets and liabilities are measured at amortized cost, which approximates their fair value. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the effective rate of interest. Underlying Fund(s) are valued on each business day at their NAV as reported by the Underlying Fund's/Funds' managers.

## **d. Cash**

Cash comprises of cash on deposit and bank overdraft.

## **e. Cost of digital asset**

Cost of digital asset represents fair value of the digital assets at the time of purchase.

Cost of investments represents the amount paid for each security and is determined on an average cost basis excluding commissions and transactions costs.

## **f. Functional and presentation currency**

The Funds' functional and presentation currency is U.S. dollar.

## **g. Investment transactions and income recognition**

Investment transactions are recorded on the trade date, which is the date on which a Fund commits to purchase or sell the investment. The "Interest for distribution purposes" shown on the Statements of Comprehensive Income represents the coupon interest received by the Funds and is accounted for on an accrual basis. The Funds do not amortize premiums paid or discounts received on the purchase of fixed-income securities except for zero-coupon bonds, which are amortized on a straight-line basis. Interest earned on cash is included in "Interest for distribution purposes" shown on the Statements of Comprehensive Income.

Distributions from investments are recognized on the ex-distribution date.

Distributions received from Underlying Fund(s) holdings are recorded as income, capital gains or a return of capital, based on the best information available to the Manager. Due to the nature of these investments, actual allocations could vary from this information. Distributions from Underlying Fund(s) that are treated as a return of capital for income tax purposes reduce the average cost of the Underlying Fund(s).

## **h. Foreign exchange**

Foreign currency amounts are translated into the functional currency as follows: fair value of investments, foreign currency forward contracts and other assets and liabilities at the closing rate of exchange on each business day; income and expenses, purchases and sales and settlements of investments at the rate of exchange prevailing on the respective dates of such transactions. Foreign exchange gains (losses) relating to cash are presented as "Foreign exchange gain (loss) on cash" and those relating to other financial assets and liabilities are presented within "Net realized gain (loss) on sale of investments" and "Change in unrealized appreciation (depreciation) in value of investments" in the Statements of Comprehensive Income.

## **i. Unit valuation**

NAV per unit of each series is calculated at the end of each business day on which the TSX is open for business by dividing the total NAV of each series by the number of units of that series outstanding.

The NAV of each series is computed by calculating the value of that series' proportionate share of the Funds' assets less that series' proportionate share of the Funds' common liabilities and less series-specific liabilities. Expenses directly attributable to a series are charged to that series. Other income and expenses, and gains and losses, are allocated to each series proportionately based upon the relative total NAV of each series.

As at June 30, 2023, December 31, 2022 and June 30, 2022, there were no differences between the NAV used for transactions with unitholders and the net assets used for reporting purposes under IFRS.

## **j. Classification of units**

The units of the Funds are classified as financial liabilities in accordance with IAS 32, *Financial Instruments: Presentation* (IAS 32), as they do not meet the definition of puttable instruments to be classified as equity in accordance with IAS 32 for financial reporting purposes.

## **k. Commissions and other portfolio transaction costs**

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities, are included in "Commissions and other portfolio transaction costs" in the Statements of Comprehensive Income.

# Notes to the Financial Statements (unaudited) (cont'd)

Funds that invest only in units of Underlying Fund(s) are not subject to transaction costs.

## **I. Increase (decrease) in net assets per unit**

"Increase (decrease) in net assets attributable to holders of redeemable units per unit" in the Statements of Comprehensive Income is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units of each series of the Funds by the weighted average number of units outstanding during the period of that series.

## **m. Investments in associates, joint ventures, subsidiaries and unconsolidated structured entities**

Subsidiaries are entities, including investments in other investment entities, over which a Fund has control. A Fund controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to affect those returns through its power over the entity. Associates and joint ventures are investments over which a Fund has significant influence or joint control. A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factors in deciding who controls the entity, or when voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

The Manager has determined that Underlying Fund(s) or exchange-traded fund(s) (ETF(s)) held typically by the Funds meet the definition of unconsolidated structured entities. The Funds account for its investments in unconsolidated structured entities at FVTPL.

The Funds that invest in Underlying Fund(s) are subject to the terms and conditions of the respective underlying fund's/funds' offering documents and are susceptible to market price risk arising from uncertainties about future values of those Underlying Fund(s). All of the Underlying Fund(s) in the investment portfolio are managed by portfolio managers who are compensated by the respective Underlying Fund(s) for their services. Such compensation generally consists of an asset-based fee and is reflected in the valuation of each of the Underlying Fund(s), except when the Funds invest in certain classes of the Underlying Fund(s) where the compensation to portfolio managers is negotiated and paid outside each of the Underlying Fund(s). The Underlying Fund(s) finance their operations by issuing redeemable units that entitle the holders to an equal beneficial interest in the corresponding underlying fund. The Funds can redeem its investments in the Underlying Fund(s) on a daily basis. These investments are included in "Investments" at FVTPL in the Statements of Financial Position. All unrealized gains (losses) arising from these investments are recorded as part of "Change in unrealized appreciation (depreciation) in value of investments and derivatives" in the Statements of Comprehensive Income until these investments are sold, at which time the gains (losses) are realized and reflected in the Statements of Comprehensive Income in "Net realized gain (loss) on sale of investments and derivatives". The Funds' maximum exposure to loss from its interest in Underlying Fund(s) is equal to the total fair value of its investments in Underlying Fund(s).

The Funds invest in ETF(s), which are disclosed on the Schedule of Investment Portfolio. The Funds have determined that their investments in ETF(s) meet definition of unconsolidated structured entities. These ETF(s) finance their operations by issuing redeemable shares that are puttable at the holder's option and entitle the holder to a proportional stake in each ETF's NAV. The ETF(s) are domiciled in Canada and listed on recognized public stock exchanges. The Funds' maximum exposure to loss from its interest in ETF(s) is equal to the total fair value of its investments in the ETF(s).

Information related to Interest in Unconsolidated Structured Entities for the Funds appears under the Fund Specific Notes to Financial Statements.

## **n. Harmonized sales tax**

Certain provinces including Ontario, Prince Edward Island, Nova Scotia, New Brunswick and Newfoundland and Labrador (each a Participating Tax Jurisdiction) have harmonized their provincial sales tax (PST) with the federal goods and services tax (GST). The Harmonized Sales Tax (HST) combines the federal GST rate of 5% with the PST rate of the participating province. The Province of Quebec also applies the Quebec sales tax (QST). The provincial HST liability or refund is calculated using the residency of unitholders and the value of their interest in the Funds as at specific times, rather than the physical location of the Funds. The effective sales tax rate charged to the Funds is based on the unitholders' proportionate investments by province, using each province's HST rate, GST rate in the case of non-participating provinces and/or QST rate. All amounts are presented as "Harmonized sales tax" in the Statements of Comprehensive Income.

## **3. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES**

The preparation of these financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities at the reporting date and the reported amounts of income and expenses during its reporting period.

The following discusses the most significant accounting judgments and estimates that the Funds have made in preparing its financial statements:

### **Digital assets inventory**

The topic of digital assets and the accounting for digital assets continues to be considered by the International Accounting Standards Board (IASB) and the Manager continues to monitor new comments and interpretations released by IASB and other standard setters from around the world.

The Manager considers that the Funds' digital assets are a commodity and the Funds as a commodity broker-trader. Therefore, subsequent to initial recognition, digital assets inventory is held at fair value less costs to sell, in accordance with IAS 2 *Inventories*. Changes in the amount of digital assets inventory based on fair value are included in profit or loss for the period.

### **Fair value measurement of investments and derivatives not quoted in active market**

The fair value of investments in Underlying Fund(s) that are not quoted in active markets is determined primarily by reference to the latest available NAV of such units for each underlying fund, as determined by the underlying fund's/funds' managers.

## **IFRS 10, Consolidated Financial Statements (IFRS 10)**

In accordance with IFRS 10, the Manager has determined that the Funds meet the definition of an investment entity, which requires that the Funds obtain funds from one or more investors for the purpose of providing investment management services, commit to their investors that their business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and measure and evaluate the performance of their investments on a fair value basis. Consequently, the Funds do not consolidate their investment in subsidiaries, if any, but instead measure these at FVTPL, as required by the accounting standard.

## **4. UNITS**

Units issued and outstanding represent the capital of the Funds.

The Funds are authorized to issue an unlimited number of redeemable, transferable units of an unlimited number of series of units, each of which represents an undivided interest in the net assets of the Funds. The relevant changes pertaining to subscription and redemption of the Funds' units are disclosed in

# Notes to the Financial Statements (unaudited) (cont'd)

the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units. In accordance with the objectives and risk management policies outlined in Notes 1 and 9, the Funds endeavour to invest subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions through utilizing a short-term borrowing facility or disposal of investments when necessary.

## *Redemptions*

On any trading day, unitholders may redeem units of the corresponding Fund for cash at a redemption price per unit equal to 95% of the closing price for the units on the TSX on the effective day of the redemption, subject to a maximum redemption price per unit equal to the NAV per unit on the effective date of the redemption, less any applicable redemption fee determined by the Manager, in its sole discretion, from time to time.

Units' transactions information appears in the Fund Specific Notes to Financial Statements.

## **5. FEES AND OTHER EXPENSES**

### *Management fees*

The Manager of the Funds in consideration for management fees, provides management services required in the day-to-day operations of the Fund, including management of the investment portfolios of the Funds and provision of key management personnel.

The management fee is calculated daily and payable monthly in arrears, plus applicable taxes, will be paid to the Manager. The Sub-advisor of the Funds is remunerated by the Manager out of the management fee.

Refer to the Management Fee Rate table in the Fund Specific Notes to the Financial Statements for the management fee rates applicable to each series of the Funds.

### *Issue costs*

All expenses related to the issuance of units are borne by the Funds unless otherwise waived or reimbursed by the Manager.

### *Operating expenses*

The Funds pay for all ordinary expenses incurred in connection with its operation and administration. The Funds' expenses include, as applicable, without limitation: all costs and expenses associated with the execution of transactions in respect of the Funds' investment in Underlying Fund(s); audit fees; fees payable to third-party service providers; trustee and custodial expenses including fees payable to the Custodian and Sub-Custodian; valuation, accounting and record-keeping costs; legal expenses; prospectus preparation and filing expenses; costs associated with delivering documents to unitholders; listing fees and expenses and other administrative expenses and costs incurred in connection with the continuous public filing requirements; costs and expenses of preparing financial and other reports; costs and expenses arising as a result of complying with all applicable laws, regulations and policies; depository fees; bank-related fees and interest charges; extraordinary expenses; reports to unitholders and servicing costs; registrar and transfer agent fees; fees and expenses of the members of the Independent Review Committee (IRC) of the Funds; expenses related to compliance with National Instrument NI 81-107: *Independent Review Committee for Investment Funds* (NI 81-107); fees and expenses relating to the voting of proxies by a third party; premiums for directors' and officers' insurance coverage for the members of the IRC; income taxes; sales taxes; brokerage expenses and commissions; and withholding taxes. Such expenses also include expenses of any action, suit or other proceedings in which or in relation to which the Manager, the Sub-Advisor, the Custodian, the IRC and/or any of their respective officers, directors, employees, consultants or agents are entitled to indemnity by the Funds.

### *Investments in underlying fund(s)*

A Fund that invests in units/shares of underlying fund(s) will not pay a duplicate management and administration fee on the portion of assets that are invested in units/shares of underlying fund(s). During the reporting period, a Fund may have received a management and/or administration fee rebate from the underlying fund's/funds' Manager relating to its investment in an underlying fund. The management and/or administration fee rebates, if applicable, are included in "Fees rebate receivable" and in "Fees rebate" as reflected in the Statements of Financial Position and Statements of Comprehensive Income of each Fund, if applicable.

## **6. INCOMETAXES**

The Funds, except for the CI Galaxy Multi-Crypto ETF qualify as mutual fund trust under the provisions of the *Income Tax Act* (Canada). The Funds' net income for tax purposes and net capital gains realized in any year are required to be distributed to unitholders such that no income tax is payable by the Funds. As a result, the Funds do not record income taxes. Since the Funds do not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statements of Financial Position as a deferred income tax asset. Income tax on net realized capital gains not paid or payable will generally be recoverable by virtue of refunding provisions contained in the *Income Tax Act* (Canada) and provincial income tax legislation, as redemptions occur. Occasionally, the Funds may distribute more than it earns. This excess distribution is a return of capital and is not taxable to unitholders.

The CI Galaxy Multi-Crypto ETF qualifies as a unit trust under the provisions of the *Income Tax Act* (Canada) and is not subject to tax on its net income, including net realized capital gains for the taxation period, which is paid or payable to its unitholders at the end of the taxation year. However, such part of the Fund's taxable income and net realized capital gains that is not so paid or payable to its unitholders will be taxable to that Fund. It is the intention of the Fund to distribute all net taxable income and sufficient net realized capital gains so that the Fund will not be subject to income tax. As a result, the Fund does not record income taxes. Since the Fund does not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statements of Financial Position as a deferred income tax asset. Occasionally, the Fund may distribute more than it earns. This excess distribution is a return of capital and is not taxable to unitholders.

## **7. REINVESTMENT OF DISTRIBUTIONS**

It is not anticipated that the Funds will make cash distributions.

The Funds may pay special distributions. Such special distributions may be paid in the form of units and/or cash. Any special distributions payable in units will increase the aggregate adjusted cost base of a unitholder's units. Immediately following payment of such a special distribution in units, the number of units outstanding will be automatically consolidated such that the number of units outstanding after such distribution will be equal to the number of units outstanding immediately prior to such distribution, except in the case of a non-resident unitholder to the extent tax was required to be withheld in respect of the distribution.

## **8. RELATED PARTY TRANSACTIONS**

The Manager manages and administers the business operations and affairs of the Funds, except for investment advisory and portfolio management services required by the Funds. These services are in the normal course of operations and are recorded at the amount of the consideration agreed to by the parties.

### *Related fund trading*

Related fund trading occurs when a Fund purchases or sells units/shares of another Fund managed by the Manager. During the periods ended June 30, 2023 and 2022, certain funds engaged in related fund trading and held position(s) in related fund(s) at the end of the periods.

# Notes to the Financial Statements (unaudited) (cont'd)

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## 9. FINANCIAL INSTRUMENTS RISK

### Ukraine-Russian Federation conflict

The conflict between Ukraine and the Russian Federation has resulted in significant volatility and uncertainty in financial markets. NATO, EU and G7 member countries, including Canada, have imposed severe and coordinated sanctions against Russia. Restrictive measures have also been imposed by Russia and some securities have materially declined in value and/or may no longer be tradable. These actions have resulted in significant disruptions to investing activities and businesses with operations in Russia. The longer-term impact to geopolitical norms, supply chains and investment valuations is uncertain.

While the situation remains fluid, the Manager continues to monitor ongoing developments and the impact to investment strategies.

### Risk management

The Funds are exposed to a variety of financial instruments risks: concentration risk, credit risk, liquidity risk, risk associated with the custody both Bitcoin/ETH and market risk (including other price risk, currency risk and interest rate risk). The CI Galaxy Bitcoin ETF and the CI Galaxy Ethereum ETF investment objectives are to provide unitholders with exposure to Bitcoin/ETH through an institutional-quality fund platform. Bitcoin/ETH prices can fluctuate daily as a result of changes in prevailing economic and market conditions, political changes and global. Investing in Bitcoin/ETH is highly speculative and volatile. The CI Galaxy Multi-Crypto ETF invests in Underlying Fund(s) and is exposed to a variety of financial instrument risk depending on the investment objective and type of investments held by the Underlying Fund(s). The level of risk to which the Funds are exposed depends on the investment objective and the type of investments held by the Underlying Fund(s). The value of investments within an underlying fund portfolio can fluctuate daily as a result of changes in prevailing interest rates, economic and market conditions and company-specific news related to investments held by the underlying fund and this will affect the value of the Funds. The manager of the underlying fund may minimize potential adverse effects of these risks by, but not limited to, regular monitoring of the underlying fund's positions and market events, diversification of the investment portfolio by asset type, country, sector, term to maturity within the constraints of the stated objectives, and through the usage of derivatives to hedge certain risk exposures.

The Funds that invest in units of Underlying Fund(s) are indirectly exposed to financial instruments risks mentioned above.

### Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is a geographical allocation, product type, industry sector or counterparty.

The CI Galaxy Bitcoin ETF's investment objective is to provide unitholders with exposure to bitcoin and the Fund is not expected to have exposure to any other investments or assets. Other than cash or cash equivalents, the Fund will invest substantially all of its assets in bitcoin. The NAV of the Fund may be more volatile than the value of a more broadly diversified portfolio or investment fund and may fluctuate substantially over short period of time. This may have negative impact on the NAV of the Fund.

The CI Galaxy Ethereum ETF's investment objective is to provide unitholders exposure to ETH and the Fund is not expected to have exposure to any other investments or assets. Other than cash or cash equivalents, the Fund will invest substantially all of its assets in ETH. The NAV of the Fund may be more volatile than the value of a more broadly diversified portfolio or investment fund and may fluctuate substantially over short period of time. This may have negative impact on the NAV of the Fund.

The CI Galaxy Multi-Crypto ETF's investment objective is to provide the unitholders with managed exposure to certain digital assets as selected by the Manager, using a rules-based, momentum signalling strategy. The Fund currently invests primarily in the CI Galaxy Bitcoin ETF and the CI Galaxy Ethereum ETF, each of which is a Fund currently managed by the Manager. As a result, the Fund's holdings are not diversified. The NAV of the Fund may be more volatile than the value of a more broadly diversified portfolio or investment fund and may fluctuate substantially over short period of time. This may have negative impact on the NAV of the Fund.

Details of the Funds' exposure to concentration risk are available in the Fund Specific Notes to Financial Statements of the Funds.

### Liquidity risk

Liquidity risk is the risk that the Funds may not be able to settle or meet its obligations, on time or at a reasonable price. To maintain liquidity the Funds will dispose of its assets if necessary. All financial liabilities are due within three months.

### Credit risk

Credit risk is the risk that a security issuer or counterparty to a financial instrument will fail to meet its financial obligations. The fair value of a debt instrument includes consideration for the creditworthiness of the debt issuer.

The CI Galaxy Multi-Crypto ETF invests only in units/shares of Underlying Fund(s)/ETF(s) and are exposed to indirect credit risk in the event that the Underlying Fund(s)/ETF(s) invest in debt instruments, preferred securities and derivatives.

Cash balances as disclosed in the Statements of Financial Position are maintained by the Custodian. The Manager monitors the creditworthiness of the Custodian on a regular basis. The credit rating of the Custodian as at June 30, 2023 was AA (December 31, 2022 – AA).

### Specific risks associated with digital assets

#### Increased Regulation Risk

The regulation of Bitcoin and Ethereum globally continues to evolve and may restrict the use of bitcoin/ethereum or otherwise impact the demand for bitcoin/ethereum in the future. The U.S. Securities and Exchange Commission (the "SEC") and the Canadian Securities Administrators generally take the view that Bitcoin/Ethereum is a commodity, however, they have not made a formal statement regarding its classification. The European Union, Russia and Japan have moved to treat Bitcoin/Ethereum like a currency for taxation purposes. While the regulation of Bitcoin/Ethereum continues to evolve, the Manager believes that it is unlikely that a hostile regulatory environment will develop but rather such processes will bring about innovation and increased protections for bitcoin/ethereum users.

#### Speculative nature of digital assets

Investing in digital assets is speculative, prices are volatile, and market movements are difficult to predict. Supply and demand for digital assets can change rapidly and is affected by a variety of factors, including regulation and general economic trends.

# Notes to the Financial Statements (unaudited) (cont'd)

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## **Unforeseeable risks**

Digital assets have gained commercial acceptance only within recent years and, as a result, there is little data on their long-term investment potential. Additionally, due to the rapidly evolving nature of the digital asset market, including advancements in the underlying technology, changes to the digital assets may expose investors in the Underlying Fund(s) and the Funds to additional risks, which are impossible to predict. This uncertainty makes an investment in the units very risky.

The further development and acceptance of digital assets is subject to a variety of factors that are difficult to evaluate. The slowing or stopping of the development or acceptance of digital assets may adversely affect the NAV of the Underlying Fund(s) and an investment in the units.

## **Risks related to the pricing source**

Digital assets held by the Funds/Underlying Fund(s) are valued, including for purposes of determining the NAV of the Funds/Underlying Fund(s), based upon their respective reference index, the BTC or the ETH Index (the Indexes). Both Indexes are calculated using CFIX as their primary input. CFIX is a pricing algorithm that uses bid and ask quotes derived from multiple pricing sources approved by Bloomberg Index Services Limited.

As each Index is calculated as an average of those pricing sources selected by Bloomberg Index Services Limited, it will not necessarily be reflective of the price of the applicable digital asset available on any given digital asset trading platform or other venue where the Funds/Underlying Fund(s) trades are executed. In addition, the Indexes are available once per day, whereas digital assets trade 24 hours a day. As such, the Indexes may not be reflective of market events and other developments that occur after their pricing windows and thus the Indexes may not be reflective of the then available market price of digital assets in periods between their calculations. The Manager does not intend, and disclaims any obligation, to determine whether the Indexes reflect the realizable market value of digital assets or the price at which market transactions in digital assets could be readily affected at any given time.

Because the NAV of the Funds will be based almost entirely on the value of cash and/or cash equivalents it holds, and the value of the Underlying Fund(s) digital asset portfolio as determined by reference to the applicable Index, and redemptions and subscriptions will be valued based on the NAV per Unit, if the Indexes do not reflect the realizable market value of digital assets, at a given time, redemption or subscriptions may be effected at prices that may adversely affect the unitholder and the Funds.

## **Risk associated with the custody of digital assets**

Holding digital assets with a third-party custodian may increase certain risks rather than holding digital assets in a private wallet. These include insolvency risk, fraud risk or proficiency risk on the part of a custodian or sub-custodian. There may be difficulties in enforcing legal rights against digital asset sub-custodian if substantially all of its assets are located outside Canada.

There is a risk that some or all of the Funds/Underlying Fund(s) holdings of a digital asset could be lost, stolen, destroyed or inaccessible, potentially by the loss or theft of the private keys held by the Funds/Underlying Fund(s) sub-custodian that hold the digital assets and/or destruction of storage hardware. Multiple thefts of digital assets and other digital assets from other holders have occurred in the past. Because of the decentralized process for transferring digital assets, thefts can be difficult to trace, which may make digital assets particularly attractive targets for theft. The Funds have implemented security procedures and controls intended to protect Funds' assets, but there can be no assurance that those procedures and controls will be successful in preventing such loss, theft or restriction on access.

Access to digital assets held by the Funds could be restricted by natural events (such as an earthquake or flood) or human actions (such as a terrorist attack). Digital assets held in custody accounts of the Funds will likely be an appealing target for hackers or malware distributors seeking to destroy, damage or steal digital assets or private keys of the Funds.

Security breaches, cyber-attacks, computer malware and computer hacking attacks have been prevalent concern for the digital asset trading platforms on which Bitcoin/ETH trades. Any cyber security breach caused by hacking, which involves efforts to gain unauthorized access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, and the inadvertent transmission of computer viruses, could harm the Funds' business operations or reputation, resulting in loss of the Funds' assets. Digital asset trading platforms may in particular be at risk of cyber security breaches. Any problems relating to the performance and effectiveness of security procedures used by the Fund and its custodians to protect the Funds' digital assets, such as algorithms, codes, passwords, multiple signature systems, encryption and telephone call-backs will have an adverse impact on the NAV of the Funds and an investment in the units. Furthermore, if and as the Funds' Bitcoin/ETH holdings grow, the Funds and their Custodian and Sub-custodian may become a more appealing target for cyber security threats such as hackers and malware.

No storage system is impenetrable, and storage systems employed by the Funds and their Custodian and Sub-custodian may not be free from defect or immune to force majeure events. Any loss due to a security breach, software defect or force majeure event generally will be borne by the Funds, which will adversely affect the value of the units.

## **Ethereum upgrade**

The upcoming Ethereum upgrade will be expected to be implemented in April 2023. The upgrade will be a change to Ethereum's Proof of stake consensus mechanism and it will be upgraded as a network hard fork. It is anticipated that the upgrade will permit staked ETH to be withdrawn and transferred back to the liquid ETH which increases the liquidity of the staked ETH. The ETH market will be impacted by the supply of ETH that voluntarily elects to commit to staking and ramifications on market demand for ETH. The CI Galaxy Ethereum ETF is not expected to be significantly impacted by the upcoming Ethereum upgrade given the Fund is not involved in staking process. However, there is a risk of higher volatility of price due to the potential change in supply in ETH.

## **Market risk**

The Funds' investments are subject to market risk, which is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market conditions.

### *Other price risk*

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk). The value of each investment is influenced by the outlook of the issuer and by general economic and political conditions, as well as industry and market trends. All securities present a risk of loss of capital.

Other assets and liabilities are monetary items that are short-term in nature and therefore are not subject to significant other price risk.

### *Currency risk*

Currency risk arises from financial instruments that are denominated in a currency other than the Canadian dollar, which is the functional currency of the Funds and the Underlying Fund(s).



# Notes to the Financial Statements (unaudited) (cont'd)

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As a result, the Funds and the Underlying Fund(s) may be exposed to the risk that the value of securities denominated in other currencies will fluctuate due to changes in exchange rates. Equities traded in foreign markets are also exposed to currency risk as the prices denominated in foreign currencies are converted to underlying fund's/funds' functional currency to determine their fair value.

The CI Galaxy Multi-Crypto ETF invests only in units/shares of Underlying Fund(s)/ETF(s) and may be exposed to indirect currency risk in the event that the Underlying Fund(s)/ETF(s) invest in financial instruments that are denominated in a currency other than the functional currency of the CI Galaxy Multi-Crypto ETF.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value of interest-bearing investments will fluctuate due to changes in prevailing levels of market interest rates. As a result, the value of the Underlying Fund(s) that invest in debt securities and/or income trust(s) will be affected by changes in applicable interest rates. If interest rates fall, the fair value of existing debt securities may increase due to increase in yield. Alternatively, if interest rates rise, the yield of existing debt securities may decrease, which may then lead to a decrease in their fair value. The magnitude of the decline will generally be greater for long-term debt securities than for short-term debt securities.

Interest rate risk also applies to convertible securities. The fair value of these securities varies inversely with interest rates, similar to other debt securities. However, since they may be converted into common shares, convertible securities are generally less affected by interest rate fluctuations than other debt securities.

The CI Galaxy Multi-Crypto ETF invests only in units/shares of Underlying Fund(s)/ETF(s) and are exposed to indirect interest rate risk in the event that the Underlying Fund(s)/ETF(s) invest in interest bearing financial instruments.

#### **Fair value hierarchy**

The Funds are required to classify assets and liabilities measured at fair value using a fair value hierarchy.

Investments whose values are based on quoted market prices in active markets are classified as Level 1.

Investments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified as Level 2. Investments classified as Level 3 have significant unobservable inputs.

The Fund's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The CI Galaxy Multi-Crypto ETF invests only in other investment fund(s)/ETF(s) and these investments are classified as Level 1.

All digital assets held by the Fund are classified as level 2.

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