

# CI Balanced Asset Allocation ETF

Management Report of Fund Performance for the period/year ended June 30, 2024

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.sedarplus.ca](http://www.sedarplus.ca).

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

## RESULTS OF OPERATIONS

The Fund's net assets increased by \$17.4 million to \$19.5 million from December 31, 2023 to June 30, 2024. The Fund had net sales of \$17.3 million for the period. The portfolio's performance increased assets by \$0.2 million. The Fund paid distributions totalling \$0.1 million. Common Units returned 5.4% after fees and expenses for the six-month period ended June 30, 2024. Over the same time period, the Fund's benchmark returned 7.0%. The benchmark is a combination of the FTSE Canada Universe Overall Bond Total Return Index - 24%, the S&P/TSX Composite Total Return Index - 21%, the Russell 1000 Total Return Index - 18%, the MSCI EAFE Net Total Return Index - 17%, the Bloomberg Global Aggregate Bond Total Return Index (CAD-Hedged) - 16% and the MSCI Emerging Markets Total Return (Net) Index - 4% (the Benchmark or the Index).

U.S. equities delivered robust returns in the first half of 2024, despite the U.S. Federal Reserve Board indicating there might only be one interest rate cut this year. NVIDIA Corp. was a major driver of these gains, propelled by strong earnings driven by demand for artificial intelligence (AI) solutions. The overall U.S. economy remained resilient even though interest rates had climbed significantly in a very short period of time.

In contrast, the Canadian economy struggled with weak gross domestic product data and a rapid decline in consumption. The Bank of Canada cut its overnight lending rate by 25 basis points in June 2024. Despite a bond market rebound, bonds underperformed stocks and performed on par with cash. In the current environment, cash has been a legitimate asset class with excellent yields, until central banks need to cut interest rates to combat a recession.

Internationally, both Japan and Taiwan had a strong second quarter of 2024. Japan benefited from strong corporate earnings and an accommodating central bank that has been keeping interest rates at zero while others have hiked them. Taiwan benefited from the AI trend as it leads in semiconductor manufacturing. China saw some recovery as investors looked for policy stimulus. India has been growing its weighting within the emerging markets index, but after Prime Minister Narendra Modi failed to secure a majority government in the recent election, some of investors' enthusiasm for India waned following the election.

The Fund underperformed its benchmark for the period. An overweight exposure to fixed income and underweight exposure to equities detracted from the Fund's performance. The largest individual detractors from the Fund's performance were holdings in iShares Core Canadian Universe Bond Index ETF and Vanguard Global Aggregate Bond Index ETF.

An underweight allocation to Canadian equities contributed to the Fund's performance, as did an overweight allocation to U.S. equities. Top individual contributors to the Fund's performance were holdings in CI U.S. 1000 Index ETF, iShares Core MSCI EAFE ETF, CI Canadian Equity Index ETF, CI Yield Enhanced Canada Aggregate Bond Index ETF and iShares Core MSCI Emerging Markets ETF.

We increased the Fund's existing positions in CI Canadian Equity Index ETF, CI U.S. 1000 Index ETF, iShares Core MSCI EAFE ETF, Vanguard Global Aggregate Bond Index ETF and iShares Core MSCI Emerging Markets ETF.

## RECENT DEVELOPMENTS

There will be several elections in coming months, including the U.S. presidential election. The U.S. election is still far away, and a lot could happen. Whoever the new president is, the common interests will most likely be maintained. These interests include managing inflation, low unemployment and U.S. leadership in AI. Fiscal policy between Donald Trump and Joe Biden may be a little extreme, with Trump spending more on tax cuts and Biden withdrawing some of the stimulus.

The Fund maintains an overweight exposure to equities and underweight exposure to bonds. We are at the beginning of a global interest rate cutting cycle (except Japan), and historically, these have supported equity markets. We believe that equities should outperform bonds and bonds to perform similarly to cash.

AI is flourishing at rapid pace, enhancing productivity and profitability, and boosting demand for copper, electricity, labour and graphics processing units. Some of the "Magnificent Seven" stocks have benefited from this trend, reporting impressive earnings growth in the past few quarters, leading a dramatic outperformance versus the other 493 stocks of the S&P 500 Index. This high growth will likely continue as AI gets mainstream attention. However, attention should also shift from hardware to software in the coming months. The non-tech sectors and small-capitalization stocks should gain some support from lower interest rates.

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## 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.

Management fee rate/rates as at June 30, 2024, for Series/Class or each of the Series/Classes, as applicable, is/are shown below:

	<b>Annual management fee rate (%)</b>
<b>Common Units</b>	0.220

The Manager received \$0.01 million in management fees for the period.

### **Management Fees**

100% of total management fees were used to pay for investment management and other general administration.

### **Related Fund Trading**

Related fund trading occurs when a Fund purchases or sells units/shares of another Fund managed by the Manager. During the period/year ended June 30, 2024, the Fund engaged in related fund trading or held position(s) in related fund(s) at the end of the period/year.

### **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, 2024. 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>Common Units</b> <sup>(1)(2)(3)(4)</sup>												
Commencement of operations May 17, 2023												
Listed TSX: CBAL												
Jun. 30, 2024	20.73	0.48	(0.08)	(0.02)	0.35	0.73	(0.06)	(0.02)	(0.05)	(0.06)	(0.19)	21.67
Dec. 31, 2023	20.00	0.43	(0.07)	0.10	0.65	1.11	(0.23)	(0.06)	(0.16)	(0.22)	(0.67)	20.73

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

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

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

(4) This information is provided for the period(s)/year(s) ended June 30, 2024 and December 31.

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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>Common Units</b> <small>(1)(2)(3)(4)(5)(6)</small>										
Commencement of operations May 17, 2023										
Listed TSX: CBAL										
Jun. 30, 2024	19,501	900	0.34	0.31	0.03	0.34	13.00	0.11	33.10	21.67
Dec. 31, 2023	2,073	100	0.42	0.40	0.02	0.42	9.00	0.01	219.52	20.72

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

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

(3) The trading expense ratio represents total commissions and other portfolio transaction costs 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, 2024 and December 31.

(6) Closing market price.

# CI Balanced Asset Allocation ETF

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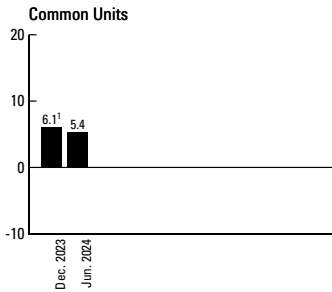
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## PAST PERFORMANCE

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 2023 return is for the period from May 15, 2023 to December 31, 2023.

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## SUMMARY OF INVESTMENT PORTFOLIO as at June 30, 2024

<u>Category</u>	<u>% of Net Assets</u>	<u>Category</u>	<u>% of Net Assets</u>	<u>Category</u>	<u>% of Net Assets</u>
<b>Country allocation</b>		<b>Sector allocation</b>		<b>Asset allocation</b>	
Exchange-Traded Fund(s) .....	99.7	Exchange-Traded Fund(s) .....	99.7	Exchange-Traded Fund(s) .....	99.7
Cash & Cash Equivalents .....	0.3	Cash & Cash Equivalents .....	0.3	Cash & Cash Equivalents .....	0.3
Other Net Assets (Liabilities) .....	0.0	Other Net Assets (Liabilities) .....	0.0	Other Net Assets (Liabilities) .....	0.0

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

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## SUMMARY OF INVESTMENT PORTFOLIO as at June 30, 2024 (cont'd)

Top Holdings	% of Net Assets
CI Canadian Aggregate Bond Index ETF (Non-Hedged Units) .....	32.2
CI Canadian Equity Index ETF (Unhedged Common Units) .....	20.2
CI U.S. 1000 Index ETF (Unhedged Common Units) .....	18.4
iShares Core MSCI EAFE ETF .....	15.1
Vanguard Global Aggregate Bond Index ETF .....	9.6
iShares Core MSCI Emerging Markets ETF .....	4.2
Cash & Cash Equivalents .....	0.3
<b>Total Net Assets (in \$000's)</b>	<b>\$19,501</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.*

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### 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.

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