

# CI Balanced Asset Allocation ETF

Management Report of Fund Performance for the period/year ended December 31, 2024

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

## INVESTMENT OBJECTIVE AND STRATEGIES

The investment objective of the CI Balanced Asset Allocation ETF (the Fund) is to provide a combination of long-term capital growth and a moderate level of income, primarily by investing in Exchange-Traded Funds (ETFs) that provide exposure to a portfolio of global equity and fixed income securities.

In order to achieve its investment objective, the Fund invests in global equity and fixed-income securities. The Portfolio Manager seeks to maintain a long-term strategic asset allocation of approximately 60% equity securities and 40% fixed income securities (under normal market conditions). The portfolio asset mix may be reconstituted and rebalanced from time to time at the discretion of the Portfolio Manager.

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

## RISK

No changes affecting the overall level of risk associated with investing in the Fund were made during the period/year. The risks of the Fund remain as discussed in the Fund's most recently filed simplified prospectus or its amendments. The Manager reviews the risk rating for the Fund on an annual basis, at a minimum, based on the methodology mandated by the Canadian Securities Administrators to determine the risk level of the Fund. Any change to the risk rating made during the period/year was as a result of such review and was not a result of any change to the investment objective, strategies or management of the Fund.

## RESULTS OF OPERATIONS

The Fund's net assets increased by \$25.6 million to \$27.7 million from December 31, 2023 to December 31, 2024. The Fund had net sales of \$24.6 million for the year. The portfolio's performance increased assets by \$1.8 million. The Fund paid distributions totalling \$0.8 million. Common Units returned 13.7% after fees and expenses for the one-year period ended December 31, 2024. Over the same time period, the Fund's benchmark returned 14.7%. The benchmark is a combination of the FTSE Canada Universe Bond Index (TR) - 24%, the S&P/TSX Composite Index (GTR) - 21%, the Russell 1000 Index (NTR) - 18%, the MSCI EAFE Index (NTR) - 17%, the Bloomberg Global Aggregate Bond Index (TR) (CAD-Hedged) - 16% and the MSCI Emerging Markets Index (NTR) - 4% (the Blended Benchmark or the Blended Index).

A year ago, market participants were hoping for lower inflation, lower interest rates and higher investment values, all of which materialized by the end of 2024. The U.S. presidential election unfolded, with Donald Trump prevailing. Momentum for "U.S. exceptionalism" began to build, with a stronger U.S. dollar, higher bond yields and rising stock markets, and indirectly led to the resignations of Canada's Finance Minister and Prime Minister.

Central banks began to cut interest rates as inflation cooled. Government bonds generated positive returns due to yields. The Bank of Japan hinted the end of multi-decade zero-interest-rate monetary policy, and it was met with violent capital market actions in August. The Nikkei 225 Index fell 10% in one day, causing the bureaucrats to reconsider.

China's economy experienced continued weak consumption, including housing. Chinese stocks got a boost mid-year after the government announced aggressive goals to boost demand. Government bonds became a favourite investment, with 10-year yields falling from 2.57% a year ago to 1.68%.

Investor enthusiasm for artificial intelligence (AI) and the companies that are engaged in the build-out of AI continued to boost corporate earnings. NVIDIA Corp., for example, gained another 171% in 2024 as AI continued to boost its earnings. Globally, electric vehicle demand continued to grow, with almost 50% of passenger car sales being electric in China, and almost all of them went to domestic brands and Tesla Inc. This created challenges to traditional American, Japanese and European car manufacturers as they continued to lose customers.

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*Management Report of Fund Performance for the period/year ended December 31, 2024*

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The Fund underperformed its benchmark for the year. An underweight allocation to equities detracted from the Fund's performance, as did an overweight allocation to bonds. The largest individual detractors from the Fund's performance included holdings in iShares Core Canadian Universe Bond Index ETF and Vanguard Global Aggregate Bond Index ETF.

An underweight exposure to international equities and overweight exposure to U.S. equities contributed to the Fund's performance. An underweight exposure to global bonds also contributed to the Fund's performance. Top individual contributors to the Fund's performance included positions in CI U.S. 1000 Index ETF, CI Canadian Equity Index ETF, CI Canadian Aggregate Bond Index ETF, iShares Core MSCI EAFE ETF and iShares Core MSCI Emerging Markets ETF.

We added positions in CI Canadian Aggregate Bond Index ETF and CIBC Global Bond Ex-Canada Index ETF (CAD-Hedged) Trust Units. Existing positions in CI Canadian Equity Index ETF, CI U.S. 1000 Index ETF, iShares Core MSCI EAFE ETF and iShares Core MSCI Emerging Markets ETF were increased. Positions in iShares Core Canadian Universe Bond Index ETF and Vanguard Global Aggregate Bond Index ETF were eliminated from the Fund.

## **RECENT DEVELOPMENTS**

The coming year should be an important year for geopolitical risk, which is entering its most difficult environment in many decades. This is punctuated by the inauguration of Donald Trump as U.S. president, who is the latest world leader to capitalize on populist sentiment against globalization and free market economies, in favour of economic nationalism. This is likely to bring more economic and financial market volatility at a time when central banks are still dealing with stubborn inflation effects from the COVID-19 pandemic era. Growth is strong, however, as central banks have been easing monetary policy over the past several quarters.

The U.S. economy is particularly strong, running above trend at approximately 3% gross domestic product. Corporate earnings growth should continue to be led by the "Magnificent Seven" large-capitalization growth stocks, but more industries and companies should begin to experience better earnings growth. This should lead to a potential broadening in U.S. stock performance. Other equity markets should also experience positive earnings growth, but they also have the potential for expanding valuations, making some of these attractive.

We have reduced the Fund's equity exposure to neutral after holding an overweight allocation the last couple of years. However, fixed income is beginning to look more attractive as the U.S. equity risk premium has gone negative because of record highs in U.S. equities and weakness in sovereign bond prices. This has made it a more attractive entry point to raise the Fund's fixed income exposure from a significant underweight to a more modest underweight. The Fund holds gold and commodity exposures as a hedge to both equities and bonds.

## **Privatization**

On November 25, 2024, CI Financial Corp. announced that it had entered into a definitive agreement with an affiliate of Mubadala Capital, the alternative asset management arm of Mubadala Investment Company, to acquire all issued and outstanding common shares of CI Financial Corp., other than shares held by members of senior management of CI Financial Corp. who enter into equity rollover agreements. Subject to court and shareholder approvals, regulatory clearances and other customary closing conditions, the transaction is expected to close in the second quarter of 2025. The Manager does not expect the transaction to impact it or the Fund's business, operations or affairs at this time.

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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 December 31, 2024, for Series/Class or each of the Series/Classes, as applicable, is/are shown below:

	Annual management fee rate (%)
Common Units	0.220

The Manager received a nominal amount in management fees for the year.

### **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 December 31, 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 December 31, 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 five period(s)/year(s), as applicable.

Net Assets per Unit (\$)	Increase (decrease) from operations:					Distributions:					Net assets at the end of the period/year shown	
	Net assets at the beginning of period/year	Total revenue	Total expenses (excluding distributions)	Realized gains (losses) for the period/year	Unrealized gains (losses) for the period/year	Total increase (decrease) from operations	From net investment income (excluding dividends)	From dividends	From capital gains	Return of capital		Total distributions
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Common Units</b> <sup>(1)(2)(3)(4)</sup>												
Commencement of operations May 17, 2023												
Listed TSX: CBAL												
Dec. 31, 2024	20.73	0.71	(0.10)	0.29	1.93	2.83	(0.35)	(0.11)	(0.35)	(0.02)	(0.83)	23.05
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 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 December 31.

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## FINANCIAL HIGHLIGHTS (cont'd)

### Ratios and Supplemental Data

	Total net assets \$000's	Number of units outstanding 000's	Management expense ratio before taxes %	Harmonized sales tax %	Management expense ratio after taxes %	Effective HST rate for the period/ year %	Trading expense ratio %	Portfolio turnover rate %	Closing market price \$
<b>Common Units</b> <small>(13232460256)</small>									
Commencement of operations May 17, 2023									
Listed TSX: CBAL									
Dec. 31, 2024	27,657	1,200	0.30	0.02	0.32	6.84	0.07	51.22	23.05
Dec. 31, 2023	2,073	100	0.40	0.02	0.42	9.00	0.01	219.52	20.72

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

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

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

(6) Closing market price.

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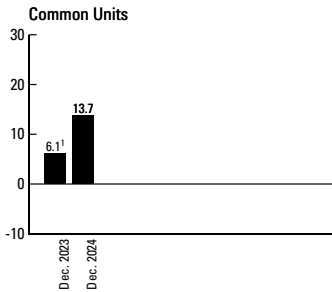
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## PAST PERFORMANCE

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 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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## Annual Compound Returns

The following table shows the Fund's annual compound returns for each year indicated, compared to the Blended Index composed of: (the FTSE Canada Universe Bond Index (TR) - 24%, the S&P/TSX Composite Index (GTR) - 21%, the Russell 1000 Index (NTR) - 18%, the MSCI EAFE Index (NTR) - 17%, the Bloomberg Global Aggregate Bond Index (TR) (CAD-Hedged) - 16% and the MSCI Emerging Markets Index (NTR) - 4%); the FTSE Canada Universe Bond Index (TR), the S&P/TSX Composite Index (GTR), the Russell 1000 Index (NTR), the MSCI EAFE Index (NTR), the Bloomberg Global Aggregate Bond Index (TR) (CAD-Hedged) and the MSCI Emerging Markets Index (NTR).

The FTSE Canada Universe Bond Index is a market capitalization weighted index that measures the performance of the Canadian investment-grade fixed income market. The Index consists of fixed rate bonds denominated in Canadian dollars, with a remaining effective term to maturity of at least one year, rated BBB or higher. The Index is comprised of four main credit or borrower categories: bonds issued by the Government of Canada (including Crown Corporations), Provincial bonds (including provincially-guaranteed securities), Municipal bonds and Corporate bonds. The Corporate sector is further divided into sub-sectors based on major industry groups: Financial, Communication, Industrial, Energy, Infrastructure, Real Estate and Securitization. The Corporate sector is also divided into sub-indices based on credit rating: a combined AAA/AA sector, a single A sector and a BBB sector.

The S&P/TSX Composite Index is a float-adjusted market capitalization weighted index, which is the principal broad measure of the Canadian equity market. It includes common stocks and income trust units of companies incorporated in Canada which are listed on the Toronto Stock Exchange.

The Russell 1000 Index is a market capitalization-weighted index, it comprises approximately 93% of the total market capitalization of all listed stocks in the U.S. equity market. The Index, is a subset of the Russell 3000 Index, represents the 1000 top companies by market capitalization in the United States.

The MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the United States of America and Canada. The Index consists of the following 21 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom.

The Bloomberg Global Aggregate Bond Index provides a broad-based measure of the global investment grade fixed-rate debt markets. The Index contains three major components: the U.S. Aggregate Index, the Pan-European Aggregate Index and the Asian-Pacific Aggregate Index. The Index includes Global Treasury, Eurodollar, Euro-Yen, Canadian and Investment Grade 144A index-eligible securities not already included in the three regional aggregate indices.

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of emerging markets. The Index consists of the following 24 emerging market country indices included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

A discussion of the performance of the Fund as compared to the benchmark is found in the Results of Operations section of this report.

	One Year (%)	Three Years (%)	Five Years (%)	Ten Years (%)	Since Inception (%)
<b>Common Units</b>	13.7	n/a	n/a	n/a	12.2
Blended Index	14.7	n/a	n/a	n/a	11.5
FTSE Canada Universe Bond Index (TR)	4.2	n/a	n/a	n/a	3.0
S&P/TSX Composite Index (GTR)	21.7	n/a	n/a	n/a	10.5
Russell 1000 Index (NTR)	35.1	n/a	n/a	n/a	30.9
MSCI EAFE Index (NTR)	12.6	n/a	n/a	n/a	13.0
Bloomberg Global Aggregate Bond Index (TR) (CAD-Hedged)	2.4	n/a	n/a	n/a	2.8
MSCI Emerging Markets Index (NTR)	16.6	n/a	n/a	n/a	14.9

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## SUMMARY OF INVESTMENT PORTFOLIO as at December 31, 2024

Category	% of Net Assets	Category	% of Net Assets	Category	% of Net Assets
<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 December 31, 2024 (cont'd)

Top Holdings	% of Net Assets
CI Canadian Aggregate Bond Index ETF (Non-Hedged Units) .....	32.5
CI Canadian Equity Index ETF (Unhedged Common Units) .....	20.2
CI U.S. 1000 Index ETF (Unhedged Common Units) .....	18.6
iShares Core MSCI EAFE ETF .....	14.6
CIBC Global Bond ex-Canada Index ETF (CAD-Hedged) .....	9.7
iShares Core MSCI Emerging Markets ETF .....	4.1
Cash & Cash Equivalents .....	0.3
<b>Total Net Assets (in \$000's)</b> .....	<b>\$27,657</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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