

# CI 1-5 Year Laddered Government Strip Bond Index 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 decreased by \$42.5 million to \$34.0 million from December 31, 2023 to June 30, 2024. The Fund had net redemptions of \$41.8 million for the period. The Fund paid distributions totalling \$0.7 million. Common Units returned 1.0% after fees and expenses for the six-month period ended June 30, 2024. Over the same time period, the Fund's benchmark returned -0.1%. The benchmark is the FTSE Canada 1-5 Year Laddered Government Strip Bond Total Return Index (the Benchmark or the Index).

As inflation declined over the period, the Bank of Canada (BoC) cut its overnight lending rate by 25 basis points (bps) to 4.75%. In the United States, the U.S. Federal Reserve Board left its policy interest rate unchanged. In Canada, the consumer price index declined from 3.4% to 2.9%, largely in line with BoC expectations.

The yield curve in Canada, while still inverted, experienced a steepening. The two-year bond yield rose by 11 bps to 4.0%, while the 10-year bond yield rose by 39 bps to 3.5%. Credit spreads (the difference between the yield on corporate bonds over government bonds) tightened modestly.

The Fund outperformed its benchmark over the period. Top individual contributors to the Fund's performance included holdings in Hydro-Québec, Zero Coupon, Aug. 15, 2024, Province of Ontario, Zero Coupon, Dec. 2, 2024 and Province of Ontario, Zero Coupon, Jun. 2, 2025 bonds.

The largest individual detractors from the Fund's performance were positions in Government of Canada (GoC), Zero Coupon, Jun. 1, 2029, Province of Ontario, Zero Coupon, Jun. 2, 2029 and GoC, Zero Coupon, Jun. 1, 2028 bonds.

## RECENT DEVELOPMENTS

The BoC's forecast is for inflation to ease below 2.5% in the second half of 2024 and return to the 2% target in 2025. For the next six months, there are three 25-bp interest rate cuts from the BoC priced into the market by December 2024. If inflation continues to decline, these interest rate cuts could well materialize. However, the BoC will also be monitoring employment and gross domestic product growth, which could potentially slow the course of interest rate cuts.

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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>	0.200

The Manager received \$0.1 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.

### **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 June 05, 2013												
Listed TSX: BXF												
Jun. 30, 2024	9.94	0.15	(0.01)	(0.21)	0.08	0.01	(0.17)	-	-	(0.01)	(0.18)	9.86
Dec. 31, 2023	9.76	0.27	(0.02)	(0.22)	0.42	0.45	(0.25)	-	-	(0.01)	(0.26)	9.94
Dec. 31, 2022	10.32	0.19	(0.02)	(0.17)	(0.40)	(0.40)	(0.16)	-	-	-	(0.16)	9.76
Dec. 31, 2021	10.58	0.17	(0.02)	0.02	(0.29)	(0.12)	(0.14)	-	-	-	(0.14)	10.32
Dec. 31, 2020	10.23	0.20	(0.02)	0.15	0.25	0.58	(0.18)	-	-	-	(0.18)	10.58
Dec. 31, 2019	10.11	0.20	(0.02)	0.01	0.10	0.29	(0.18)	-	-	-	(0.18)	10.23

(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>(1320/04/05/06)</small>										
Commencement of operations June 05, 2013										
Listed TSX: BXF										
Jun. 30, 2024	34,015	3,450	0.22	0.20	0.02	0.22	8.63	-	4.65	9.87
Dec. 31, 2023	76,516	7,700	0.22	0.20	0.02	0.22	11.43	-	43.77	9.97
Dec. 31, 2022	106,853	10,950	0.22	0.20	0.02	0.22	11.16	0.01	41.96	9.77
Dec. 31, 2021	133,614	12,950	0.22	0.20	0.02	0.22	11.09	0.01	26.49	10.32
Dec. 31, 2020	113,760	10,750	0.22	0.20	0.02	0.22	10.78	-	37.31	10.59
Dec. 31, 2019	147,250	14,400	0.23	n/a <sup>^</sup>	n/a <sup>^</sup>	0.23	n/a <sup>^</sup>	0.01	38.13	10.22

(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.

<sup>^</sup>Historical information pertaining to HST is not available.

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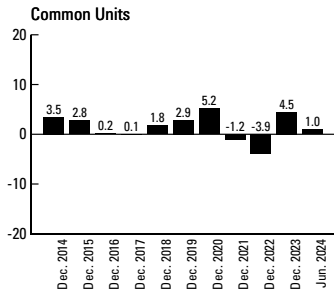
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## PAST PERFORMANCE

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.



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## SUMMARY OF INVESTMENT PORTFOLIO as at June 30, 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>	
Canada .....	100.0	Provincial Bonds .....	80.4	Provincial Bonds .....	80.4
Cash & Cash Equivalents .....	0.0	Canadian Government Bonds .....	19.6	Canadian Government Bonds .....	19.6
Other Net Assets (Liabilities) .....	0.0	Cash & Cash Equivalents .....	0.0	Cash & Cash Equivalents .....	0.0
		Other Net Assets (Liabilities) .....	0.0	Other Net Assets (Liabilities) .....	0.0

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 25 Holdings	% of Net Assets
Province of Ontario, Zero Coupon, December 02, 2028 .....	4.6
Hydro-Quebec, Zero Coupon, August 15, 2028 .....	4.6
Hydro-Quebec, Zero Coupon, February 15, 2029 .....	4.6
Province of Ontario, Zero Coupon, June 02, 2029 .....	4.6
Government of Canada, Zero Coupon, June 01, 2029 .....	4.6
Hydro-Quebec, Coupon Strip, August 15, 2024 .....	4.2
Hydro-Quebec, Coupon Strip, February 15, 2025 .....	4.2
Province of Ontario, Coupon Strip, December 02, 2024 .....	4.2
Province of Ontario, Coupon Strip, June 02, 2025 .....	4.1
Province of Ontario, Coupon Strip, June 02, 2028 .....	4.0
Government of Canada, Coupon Strip, June 01, 2025 .....	4.0
Hydro-Quebec, Coupon Strip, August 15, 2027 .....	4.0
Province of Ontario, Coupon Strip, December 02, 2027 .....	4.0
Hydro-Quebec, Coupon Strip, February 15, 2028 .....	4.0
Government of Canada, Coupon Strip, June 01, 2028 .....	3.9
Province of Ontario, Coupon Strip, December 02, 2026 .....	3.8
Hydro-Quebec, Coupon Strip, August 15, 2026 .....	3.7
Hydro-Quebec, Coupon Strip, February 15, 2027 .....	3.7
Province of Ontario, Coupon Strip, June 02, 2027 .....	3.7
Government of Canada, Coupon Strip, June 01, 2027 .....	3.7
Hydro-Quebec, Coupon Strip, August 15, 2025 .....	3.6
Province of Ontario, Coupon Strip, June 02, 2026 .....	3.6
Province of Ontario, Coupon Strip, December 02, 2025 .....	3.6
Hydro-Quebec, Coupon Strip, February 15, 2026 .....	3.6
Government of Canada, Coupon Strip, June 01, 2026 .....	3.4
<b>Total Net Assets (in \$000's)</b>	<b>\$34,015</b>

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

### A NOTE ON FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective," and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made by the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchanges rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.