

CI Preferred Share 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 or SEDAR+ at 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 \$1.2 million to \$52.9 million from December 31, 2023 to June 30, 2024. The Fund had net redemptions of \$6.2 million for the period. The portfolio's performance increased assets by \$6.4 million. The Fund paid distributions totalling \$1.4 million. Common Units returned 12.5% after fees and expenses for the six-month period ended June 30, 2024. Over the same time period, the Fund's benchmark returned 14.2%. The benchmark is the S&P/TSX Preferred Share Total Return Index (the Benchmark or the Index).

The U.S. economy continued to cool as higher interest rates took hold. The unemployment rate rose to 4.1% in June 2024 from a low of 3.4% in April 2023. Initial jobless claims and other indicators of labour market health appeared to weaken. Inflation declined to 3.4% in May 2024, and some surveys of manufacturing and services indicated that these sectors may be starting to contract. The U.S. Federal Reserve Board's (Fed) target rate is 5.50%, and it appears on track to make the first interest rate cut in September 2024.

The Bank of Canada (BoC) began cutting interest rates in June 2024 in response to inflation coming down toward its target of 2% and weak economic conditions. However, interest rates generally rose because economic conditions improved somewhat since the end of 2023. Despite this improvement, market participants have priced in further BoC interest rates cuts later in the coming months as economic challenges persisted.

Globally, demand for corporate bonds and additional tier 1 securities remained strong, as investors extend term looking for higher yields. The strong demand allowed Canadian banks to issue relatively inexpensive interest-paying limited recourse capital notes (LRCNs) and redeem \$25 par dividend-paying preferred shares. This drove the strong rebound in preferred shares as over 9.5% of the Canadian preferred share market was announced for redemption.

The Fund underperformed its benchmark for the period. An overweight allocation to floating-rate preferred shares and exposure to institutional preferred shares detracted from the Fund's performance. Holdings in Series AB and Series AD floating-rate preferred shares issued by BCE Inc. also detracted from the Fund's performance. The shares, which reset monthly at prime rate, moved lower as the BoC began to signal that it was going to lower interest rates, and thus, prime rate would follow suit.

Security selection contributed to the Fund's performance during the period. The Fund's positions in Brookfield Office Properties Inc. Series P and Series R preferred shares contributed to performance. The shares rebounded as concerns over the company's office portfolio faded and the company's dividend continued to be paid. A holding in Royal Bank of Canada Series BB also contributed to the Fund's performance. Royal Bank of Canada's shares were announced for redemption in June 2024.

A number of Canadian bank rate-reset preferred shares were added to the Fund as the possibility of them being redeemed increased with the issuance of more LRCNs and institutional preferred shares at all-in lower costs. New holdings added to the Fund included Canadian Imperial Bank of Commerce (CIBC) 3.75% Series 41 and CIBC 3.6% Series 43.

A number of bank-issued preferred shares that were announced for redemption were sold to fund the purchases of the above-noted bank preferred shares. We sold positions in Bank of Montreal 5.1% Series 46 and Bank of Montreal 3.85% Series 27. Institutional preferred bonds were sold to fund the purchases of the \$25 par bank preferred shares. These positions were The Toronto-Dominion Bank 7.232% Series 28 and Royal Bank of Canada 4.2% Series BT.

RECENT DEVELOPMENTS

Canadian economic conditions remain weak as the country's economy faces challenges from rising unemployment, elevated inflation and consumers stressed by higher interest rates. The market expects the BoC to make two more interest rate cuts before year-end. Over the next six to 12 months, vulnerabilities among Canadian households may necessitate the BoC cutting interest rates more quickly than anticipated.

The Fed is not likely to start cutting interest rates until September 2024, assuming inflation continues to moderate. The U.S. economy is slowing but that trajectory is more gradual than is expected in Canada. Thus, the market is only forecasting two interest rate cuts by the Fed in 2024.

The Canadian preferred share market enjoyed a strong 12 months, with the index up 20.7%. We remain positive on the market but are less enthusiastic than in the past nine months. The current yield of 5.8% remains attractive and rate-reset preferred shares should increase the current yield over the next couple of years. However, the expected increases should moderate as five-year Canada bond yields decline. Additionally, announced redemptions of \$1.7 billion at the end of July 2024 and \$1.0 billion at the end of August roughly total 5.5% of the market. This should support the demand.

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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. The Manager bears all of the operating expenses of the Fund (other than taxes, borrowing costs and new governmental fees) in return for an administration fee.

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

	Annual management fee rate (%):	Annual administration fee rate (%):
Common Units	0.650	0.10

The Manager received \$0.2 million in management fees and \$0.03 million in administration fees for the period.

Management Fees

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

Inter Fund Trading

Inter fund trading occurs when a Fund purchases or sells a security of any issuer from or to another Fund managed by the Manager. These transactions are executed through market intermediaries and under prevailing market terms and conditions. The Independent Review Committee (IRC) reviews such transactions during scheduled meetings. During the period/year ended June 30, 2024, the Fund executed inter fund trades.

Independent Review Committee

The Manager, in respect of the Fund, received the following standing instructions from the 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Common Units ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾												
Commencement of operations May 11, 2016												
Listed TSX: FPR												
Jun. 30, 2024	19.72	0.71	(0.09)	0.11	1.79	2.52	(0.05)	(0.48)	-	-	(0.53)	21.63
Dec. 31, 2023	20.19	1.44	(0.16)	(0.22)	(0.26)	0.80	(0.11)	(1.10)	-	-	(1.21)	19.72
Dec. 31, 2022	24.40	1.27	(0.18)	0.31	(4.71)	(3.31)	-	(1.04)	(0.05)	-	(1.09)	20.19
Dec. 31, 2021	20.82	1.14	(0.20)	0.53	3.13	4.60	-	(0.88)	-	(0.04)	(0.92)	24.40
Dec. 31, 2020	20.52	1.14	(0.16)	(0.11)	0.24	1.11	-	(0.91)	-	(0.01)	(0.92)	20.82
Dec. 31, 2019	20.56	1.10	(0.19)	(0.70)	0.83	1.04	-	(0.84)	-	(0.08)	(0.92)	20.52

(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	%	%	%	%	%	%	%	\$
Common Units <small>(132)(04)(000)</small>										
Commencement of operations May 11, 2016										
Listed TSX: FPR										
Jun. 30, 2024	52,882	2,445	0.81	0.75	0.06	0.81	7.93	0.07	20.03	21.48
Dec. 31, 2023	54,121	2,745	0.82	0.75	0.07	0.82	9.82	0.02	17.19	19.58
Dec. 31, 2022	62,496	3,095	0.82	0.75	0.07	0.82	9.84	0.02	16.67	20.21
Dec. 31, 2021	87,723	3,595	0.82	0.75	0.07	0.82	9.86	0.04	25.12	24.41
Dec. 31, 2020	77,967	3,745	0.80	0.76	0.04	0.80	8.87	0.07	33.85	20.74
Dec. 31, 2019	88,143	4,295	0.87	n/a [^]	n/a [^]	0.87	n/a [^]	0.05	51.46	20.40

(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.

[^]Historical information pertaining to HST is not available.

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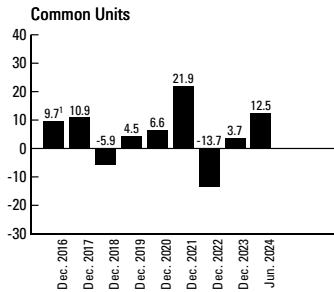
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PAST PERFORMANCE

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.



1 2016 return is for the period from May 11, 2016 to December 31, 2016.

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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
Country allocation		Sector allocation		Asset allocation	
Canada	91.6	Financials	46.8	Common Equities	95.8
U.S.A.	6.1	Energy	17.9	Corporate Bonds	1.9
Cash & Cash Equivalents	1.7	Utilities	15.1	Cash & Cash Equivalents	1.7
Exchange-Traded Fund(s)	0.5	Communication Services	7.9	Exchange-Traded Fund(s)	0.5
Other Net Assets (Liabilities)	0.1	Real Estate	5.2	Other Net Assets (Liabilities)	0.1
Foreign Currency Forward Contract(s)	0.0	Consumer Staples	2.9	Foreign Currency Forward Contract(s)	0.0
		Corporate Bonds	1.9		
		Cash & Cash Equivalents	1.7		
		Exchange-Traded Fund(s)	0.5		
		Other Net Assets (Liabilities)	0.1		
		Foreign Currency Forward Contract(s)	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
Enbridge Inc., Preferred, Series 1, Variable Rate, Perpetual	3.7
BCE Inc., Preferred, Series AB, Floating Rate, Perpetual	2.8
BCE Inc., Preferred, Series AD, Floating Rate, Perpetual	2.3
Cash & Cash Equivalents	1.7
Brookfield Renewable Partners LP, Preferred, Series 13, Variable Rate, Perpetual	1.6
Toronto-Dominion Bank (The), Preferred, Series 5, Variable Rate, Perpetual	1.6
TransAlta Corp., Preferred, Series C, Variable Rate, Perpetual	1.6
TC Energy Corp., Preferred, Series 1, Variable Rate, Perpetual	1.5
Royal Bank of Canada, Preferred, Series BD, Variable Rate, Perpetual	1.5
Manulife Financial Corp., 4.65%, Preferred, Series 2, Perpetual	1.5
Capital Power Corp., Preferred, Series 3, Variable Rate, Perpetual	1.5
Toronto-Dominion Bank (The), Preferred, Series 1, Variable Rate, Perpetual	1.5
Power Corp. of Canada, 5.6%, Preferred, Series A, Perpetual	1.5
Bank of Montreal, Preferred, Series 29, Variable Rate, Perpetual	1.5
Pembina Pipeline Corp., Preferred, Series 22, Floating Rate, Perpetual	1.5
TransAlta Corp., Preferred, Series E, Variable Rate, Perpetual	1.5
Canadian Imperial Bank of Commerce, Preferred, Class A, Series 41, Variable Rate, Perpetual	1.4
Loblaws Cos., Ltd., 5.3%, Preferred, Series B, Perpetual	1.4
Toronto-Dominion Bank (The), Preferred, Series 3, Variable Rate, Perpetual	1.4
Brookfield Office Properties Inc., Preferred, Series P, Variable Rate, Perpetual	1.4
Emera Inc., 4.6%, Preferred, Series L, Perpetual	1.4
Enbridge Inc., Preferred, Series D, Variable Rate, Perpetual	1.4
AltaGas Ltd., Preferred, Series G, Variable Rate, Perpetual	1.4
BCE Inc., Preferred, Class A, Series 19, Variable Rate, Perpetual	1.3
Total Net Assets (in \$000's)	\$52,882

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.