

# CI Global Financial Sector 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 Global Financial Sector ETF (the Fund) is to seek long-term total returns consisting of long-term capital appreciation and regular dividend income from an actively managed portfolio composed primarily of securities of issuers in the global financial services sector across developed and emerging markets. The Fund invests primarily in equity and equity related securities.

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 \$20.7 million to \$473.8 million from December 31, 2023 to December 31, 2024. The Fund had net redemptions of \$101.1 million for the year. The portfolio's performance increased assets by \$133.0 million. The Fund paid distributions totalling \$11.2 million. Common Units returned 33.5% after fees and expenses for the one-year period ended December 31, 2024. Over the same time period, the Fund's benchmark returned 35.7%. The benchmark is the MSCI ACWI Financials Index (NTR) (the Benchmark or the Index).

2024 was characterized with resilience amid interest rate volatility. Central banks maintained elevated interest rates to combat persistent inflation, creating volatility in financials sector stocks. Elevated interest rates bolstered banks' profitability through higher lending margins but weighed on credit demand and raised concerns about loan defaults, impacting stock performance.

The U.S. presidential election late in the year bolstered U.S. financials given the anticipation of loosening regulations and pro-business policies. Overall, global financial stocks, as measured by the MSCI ACWI Financials Index, were up 34.9% in Canadian dollars and 25.1% in U.S. dollars for the year.

The Fund underperformed its benchmark for the year. The Fund's cash allocation and currency hedging detracted from performance. The largest individual detractors from the Fund's performance were holdings in Prudential PLC, Burford Capital Ltd. and HDFC Bank Ltd. Prudential's stock underperformance was related to the company's exposure to China's economic slowdown and competitive pressures in the Asia life insurance market. Burford Capital's shares declined as a result of the ups and downs of litigation related to YPF SA and concerns around the competitive environment within the litigation finance industry. HDFC Bank was affected by margin compression, asset quality concerns, post-merger integration challenges with its parent company HDFC Ltd. and global economic uncertainty.

Stocks selection contributed to the Fund's performance, as did an overweight allocation to the United States. Top individual contributors to the Fund's performance were holdings in JPMorgan Chase & Co., Wells Fargo & Co. and BAWAG Group AG. JPMorgan Chase's share price appreciation was driven by strong financial results and optimism following the U.S. election outcome. The bank consistently exceeded market financial expectations throughout 2024. Wells Fargo's performance was driven by financial performance and optimism post the U.S. election. In addition, the anticipation of the company's asset cap removal and enhanced capital returns supported performance. BAWAG Group benefited from robust financial results and strategic acquisitions, notably its completed acquisition of Knab NV.

We added new positions to the Fund in Apollo Global Management Inc., The Goldman Sachs Group Inc. and Mitsubishi UFJ Financial Group Inc. Existing positions in UniCredit SPA and Intercontinental Exchange Inc. were increased. We eliminated the Fund's positions in CME Group Inc., HDFC Bank and Brookfield Asset Management Inc. The Fund's positions in Visa Inc., Bank of America Corp., American Express Co., Burford Capital and Prudential were trimmed.

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## **RECENT DEVELOPMENTS**

We remain cautiously optimistic about 2025. Central banks are expected to maintain or gradually ease monetary policy, which could stabilize net interest margins while reducing pressure on borrowers. This anticipated stability is likely to support profitability across banks and financial institutions.

The transition to a new U.S. presidential administration presents both opportunities and risks. Potential benefits include deregulation, increased business activity and reduced taxation, all of which could bolster the economic outlook. However, the prospect of heightened protectionist policies and trade wars may pose challenges to global economic growth.

In light of these potential risks and opportunities, we will maintain a balanced risk profile within the Fund. Our strategy will continue to emphasize prudent stock selection and diversification to navigate the complexities of the year ahead effectively.

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

	<b>Annual management fee rate (%):</b>	<b>Annual administration fee rate (%):</b>
<b>Common Units</b>	0.850	0.09

The Manager received \$3.8 million in management fees and \$0.4 million in administration fees for the year.

### **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 December 31, 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 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	November 21, 2014											
Listed TSX: FSF												
Dec. 31, 2024	23.29	0.96	(0.34)	2.45	4.79	7.86	(0.36)	(0.05)	-	(0.02)	(0.43)	30.59
Dec. 31, 2023	21.43	0.90	(0.30)	(1.60)	2.90	1.90	(0.43)	(0.05)	-	(0.01)	(0.49)	23.29
Dec. 31, 2022	24.87	0.93	(0.33)	(2.30)	(1.65)	(3.35)	(0.47)	(0.08)	-	(0.32)	(0.87)	21.43
Dec. 31, 2021	19.28	0.89	(0.39)	3.65	1.14	5.29	(0.38)	(0.04)	(1.97)	-	(2.39)	24.87
Dec. 31, 2020	20.01	0.46	(0.25)	(1.05)	0.51	(0.33)	(0.16)	(0.01)	-	(0.07)	(0.24)	19.28

(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	Number of units outstanding	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>(1,920,240,000)</small>									
Commencement of operations November 21, 2014									
Listed TSX: FSF									
Dec. 31, 2024	473,782	15,490	0.94	0.05	0.99	5.11	0.07	27.29	30.53
Dec. 31, 2023	453,145	19,460	0.94	0.08	1.02	9.01	0.18	40.59	23.28
Dec. 31, 2022	799,959	37,330	0.94	0.09	1.03	9.03	0.32	114.39	21.40
Dec. 31, 2021	1,231,735	49,530	0.94	0.09	1.03	9.02	0.44	121.15	24.84
Dec. 31, 2020	542,267	28,122	0.99	0.01	1.00	9.04	0.37	90.38	19.21

(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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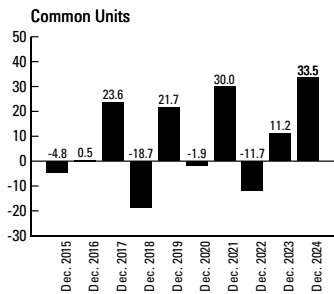
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## PAST PERFORMANCE

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.



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## Annual Compound Returns

The following table shows the Fund's annual compound returns for each year indicated, compared to the MSCI ACWI Financials Index (NTR) and the MSCI ACWI Index (NTR).

The MSCI ACWI Financials Index is a float-adjusted market capitalization weighted index based on MSCI ACWI Index. The Index captures large and mid-cap representation across 23 developed markets and 24 emerging markets countries. All securities in the Index are classified as Financials as per the Global Industry Classification Standard.

The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The Index consists of 47 country indices comprising 23 developed and 24 emerging markets. The developed market country indices included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States of America. The 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 (%)
Common Units	33.5	9.4	10.8	6.9	n/a
MSCI ACWI Financials Index (NTR)	35.7	14.5	12.1	10.8	n/a
MSCI ACWI Index (NTR)	27.5	10.0	12.3	11.6	n/a

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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>	
U.S.A. ....	64.6	Financials .....	100.4	Common Equities .....	100.4
U.K. ....	6.3	Cash & Cash Equivalents .....	0.3	Cash & Cash Equivalents .....	0.3
Canada .....	5.6	Other Net Assets (Liabilities) .....	(0.1)	Other Net Assets (Liabilities) .....	(0.1)
Italy .....	4.4	Foreign Currency Forward Contract(s) .....	(0.6)	Foreign Currency Forward Contract(s) .....	(0.6)
Switzerland .....	4.3				
Austria .....	3.7				
Netherlands .....	2.9				
Japan .....	2.1				
Bermuda .....	2.1				
Guernsey .....	1.7				
France .....	1.6				
Hong Kong .....	1.1				
Cash & Cash Equivalents .....	0.3				
Other Net Assets (Liabilities) .....	(0.1)				
Foreign Currency Forward Contract(s) .....	(0.6)				

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 25 Holdings	% of Net Assets
JPMorgan Chase & Co. ....	7.6
Mastercard Inc., Class A .....	6.0
Wells Fargo & Co. ....	4.7
Berkshire Hathaway Inc., Class B .....	4.3
Bank of America Corp. ....	4.1
BlackRock Inc. ....	3.7
BAWAG Group AG .....	3.7
Visa Inc., Class A .....	3.4
Progressive Corp. (The) .....	3.2
Arthur J. Gallagher & Co. ....	2.9
Goldman Sachs Group Inc. (The) .....	2.8
Apollo Global Management Inc. ....	2.7
UBS Group AG, Registered .....	2.6
London Stock Exchange Group PLC .....	2.6
Intesa Sanpaolo SPA .....	2.4
KKR & Co., Inc. ....	2.4
HSBC Holdings PLC .....	2.3
Moody's Corp. ....	2.2
S&P Global Inc. ....	2.1
Mitsubishi UFJ Financial Group Inc. ....	2.1
Royal Bank of Canada .....	2.1
Conduit Holdings Ltd. ....	2.1
Manulife Financial Corp. ....	2.1
Equitable Holdings Inc. ....	2.0
UniCredit SPA .....	2.0
<b>Total Net Assets (in \$000's)</b>	<b>\$473,782</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.