

CI 1-5 Year Laddered Government Strip Bond Index ETF

Management Report of Fund Performance for the period/year ended December 31, 2023

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 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.

INVESTMENT OBJECTIVE AND STRATEGIES

The investment objective of the CI 1-5 Year Laddered Government Strip Bond Index ETF (the Fund) is to replicate, to the extent possible, the performance of FTSE Canada 1-5 year Laddered Government Strip Bond Index™ (the Benchmark or the Index), net of expenses. The Fund invests primarily in strip bonds, both coupons and residuals, derived from Canadian federal and provincial government bonds issued domestically in Canada and denominated in Canadian dollars.

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 decreased by \$30.4 million to \$76.5 million from December 31, 2022 to December 31, 2023. The Fund had net redemptions of \$32.1 million for the year. The portfolio's performance increased assets by \$4.0 million. The Fund paid distributions totalling \$2.3 million. The Fund returned 4.5% after fees and expenses for the one-year period ended December 31, 2023. Over the same time period, the Fund's benchmark returned 4.6%. The benchmark is the FTSE Canada 1-5 Year Laddered Government Strip Bond Total Return Index (the Benchmark or the Index).

During the year, central banks continued to tighten monetary policy to combat inflation. The Bank of Canada (BoC) raised its overnight rate by 50 basis points (bps) to 5.00%. The U.S. Federal Reserve Board raised the federal funds rate by 150 bps to 5.50%. Yield curves remained inverted. In Canada, bond yields declined somewhat, with the two-, 10- and 30-year yields declining 16 bps, 19 bps and 25 bps, respectively.

Inflation in Canada dropped for the year, from 6.3% to 3.1% (for November 2023). Inflation in the United States showed a similar pattern, down to 3.1% from 6.5%.

Credit spreads (the difference between the yield on corporate bonds over government bonds) on Canadian corporate bonds tightened somewhat, by approximately 30 bps. Credit spreads on provincial bonds were barely changed, down 8 bps in aggregate.

The Fund slightly underperformed its benchmark for the year. The largest individual detractors from the Fund's performance were positions in Government of Canada (GoC) 0.0% Dec. 1, 2019, GoC 0.0% Jun. 1, 2024 and Province of Ontario 0.0% Jun. 2, 2024 bonds.

Top individual contributors to the Fund's performance included holdings in Hydro-Québec 0.0% Feb. 15, 2029, Province of Ontario 0.0% Jun. 2, 2028 and Province of Ontario 0.0% Dec. 2, 2028 bonds.

RECENT DEVELOPMENTS

There is risk of a recession in 2024. An inverted yield curve has proven to be an accurate leading indicator for recession. This would benefit bond yields overall if the BoC began a monetary easing program by lowering the overnight interest rate and could cause the yield curve to revert to a positive slope. However, if a recession were to occur, it would likely cause credit spreads on corporate and provincial bonds to widen, which would result in underperformance of those asset classes relative to federal government bonds. While the timing and severity of a recession is difficult to predict, some analysts are predicting a soft landing, meaning slower economic growth but with no recession.

In Canada for 2024, the Overnight Index Swap (OIS) curve is pricing in interest rate cuts from the BoC totalling 100 bps starting in April. This would take the BoC's overnight rate from 5.00% to end the year at 4.00%. The U.S. OIS curve is showing a similar outlook, with a total of 140 bps in interest rate cuts forecasted to take the federal funds rate to 4.00% by year-end 2024.

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In the Fall Economic Statement, the Dept of Finance estimated that the net federal debt to GDP ratio would continue to rise this year and next, from 41.7% to 42.7%. This projection may prove to be a bit optimistic as it assumes no decrease in spending and (as this government has done since elected in 2015) relies on GDP growth to achieve this lower ratio. While not ideal for bond investors, as it ensures increased supply of government bonds (an additional \$38.4b by their estimate), the amount of added debt is likely to be manageable and absorbed by the bond market.

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, 2023, for Series/Class or each of the Series/Classes, as applicable, is/are shown below:

	Annual management fee rate (%):
Common Units	0.200

The Manager received \$0.2 million in management fees for the year.

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 December 31, 2023. 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Common Units ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾												
Commencement of operations June 05, 2013												
Listed TSX: BXF												
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 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 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>(122)(04)(000)</small>										
Commencement of operations June 05, 2013										
Listed TSX: BXF										
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 [^]	n/a [^]	0.23	n/a [^]	0.01	38.13	10.22

(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.

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

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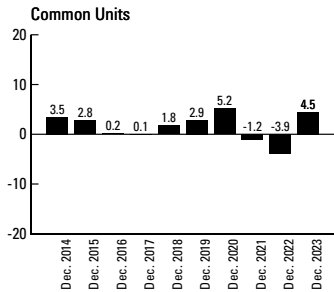
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PAST PERFORMANCE

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 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 ICE BofA Diversified Canada Government Bond Total Return Index and the FTSE Canada 1-5 Year Laddered Government Strip Bond Total Return Index.

The ICE BofA Diversified Canada Government Bond Index encompasses Canadian dollar-denominated investment grade government bonds, including sovereign and quasi-government debt.

The FTSE Canada 1-5 Year Laddered Government Strip Bond Index measures potential returns of a portfolio of strip bonds, both coupons and residuals, derived from bonds issued by the Government of Canada (including Crown Corporations) and Canadian provincial bonds (including provincially guaranteed debt securities) issued domestically in Canada and denominated in Canadian dollars based upon five distinct annual groupings of maturity.

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	4.5	(0.2)	1.4	1.6	n/a
ICE BofA Diversified Canada Government Bond Total Return Index	6.4	(3.6)	1.4	2.6	n/a
FTSE Canada 1-5 Year Laddered Government Strip Bond Total Return Index	4.6	0.0	1.8	n/a	n/a

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SUMMARY OF INVESTMENT PORTFOLIO as at December 31, 2023

Category	% of Net Assets	Category	% of Net Assets	Top 25 Holdings	% of Net Assets
Country allocation		Sector allocation			
Canada	100.0	Provincial Bonds	80.3	Province of Ontario, Zero Coupon, December 02, 2028	4.7
Cash & Cash Equivalents	0.0	Canadian Government Bonds	19.7	Hydro Quebec, Zero Coupon, August 15, 2028	4.7
Other Net Assets (Liabilities)	0.0	Cash & Cash Equivalents	0.0	Government of Canada, Zero Coupon, June 01, 2029	4.6
		Other Net Assets (Liabilities)	0.0	Hydro Quebec, Zero Coupon, February 15, 2029	4.6
				Province of Ontario, Zero Coupon, June 02, 2029	4.6
				Hydro Quebec, Coupon Strip, August 15, 2024	4.1
				Hydro Quebec, Coupon Strip, February 15, 2025	4.1
				Province of Ontario, Coupon Strip, June 02, 2025	4.1
				Province of Ontario, Coupon Strip, December 02, 2024	4.1
				Hydro Quebec, Coupon Strip, February 15, 2028	4.1
				Province of Ontario, Coupon Strip, December 02, 2027	4.0
				Province of Ontario, Coupon Strip, June 02, 2028	4.0
				Government of Canada, Coupon Strip, June 01, 2025	4.0
				Government of Canada, Coupon Strip, June 01, 2028	4.0
				Hydro Quebec, Coupon Strip, August 15, 2027	4.0
				Hydro Quebec, Coupon Strip, August 15, 2026	3.8
				Province of Ontario, Coupon Strip, December 02, 2026	3.7
				Province of Ontario, Coupon Strip, June 02, 2027	3.7
				Hydro Quebec, Coupon Strip, February 15, 2027	3.7
				Government of Canada, Coupon Strip, June 01, 2027	3.7
				Hydro Quebec, Coupon Strip, February 15, 2026	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, August 15, 2025	3.6
				Government of Canada, Coupon Strip, June 01, 2026	3.4
				Total Net Assets (in \$000's)	\$76,516

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.