

# CI Emerging Markets Alpha 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 Emerging Markets Alpha ETF (the Fund) is to obtain maximum long-term capital growth from an actively managed portfolio, primarily investing in equity and equity-related securities of companies that the portfolio advisor believes have good growth potential, located in emerging markets or serving customers in emerging markets.

The Fund invests in an actively managed portfolio, comprised primarily of equity and equity-related securities of companies that the Portfolio Manager believes have good growth potential, located in emerging markets or serving customers in emerging markets.

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 \$16.9 million to \$112.3 million from December 31, 2023 to December 31, 2024. The Fund had net sales of \$8.4 million for the year. The portfolio's performance increased assets by \$10.5 million. The Fund paid distributions totalling \$2.0 million. ETF C\$ Series returned 9.2% after fees and expenses for the one-year period ended December 31, 2024. Over the same time period, the Fund's benchmark returned 16.6%. The benchmark is the MSCI Emerging Markets Index (NTR) (the Benchmark or the Index).

Please refer to the "Past Performance" section which outlines the performance of the Fund's other units.

In 2024, the global economy, led by the United States, continued to record steady, if unspectacular, growth. Although growth moderated, forecasters' recession fears were not realized. Within developed economies, inflation continued to decline. In Canada, Europe and the United States, central banks delivered interest rate cuts made possible by declining inflation.

A number of central banks of emerging market countries continued or started their monetary easing process following the interest rate cuts by the U.S. Federal Reserve Board (Fed). However, in the United States, the fourth quarter of 2024 saw the Fed shift course due to stubborn inflation and the Republican Party's presidential election victory. The U.S. election outcome created some volatility, with U.S. equity markets the clear beneficiary at the cost of emerging markets and the rest of the world. China stimulus late in September created expectations of more aggressive stimulus from Beijing in the fourth quarter of 2024, which did not materialize.

The Fund underperformed its benchmark for the year. Stock selection in the financials, consumer-related and industrials sectors detracted from the Fund's performance, as did its cash allocation in an upward-trending market. An underweight allocation to the consumer staples sector in favour of the consumer discretionary sector detracted from the Fund's performance. Overweight allocations to Mexico, Brazil and Indonesia detracted from the Fund's performance, particularly in late in the year when the U.S. dollar appreciated. Holdings in Grupo Financiero Banorte SAB de CV and Fomento Economico Mexicano SAB de CV detracted from the Fund's performance. The Mexican market came under pressure after the victory of the left-leaning AMLO party. Late in the year, the election of Donald Trump in the U.S. created a new set of risks for Mexico. A holding in Samsung Electronics Co. Ltd. detracted from the Fund's performance, with the company's stock down 32% because of its slower-than-expected high bandwidth memory qualification to NVIDIA Corp. and weaker-than-expected memory pricing.

Stock selection in the information technology, health care and materials sectors contributed to the Fund's performance. Underweight allocations to the materials and health care sectors also contributed to the Fund's performance. The largest individual contributors to the Fund's performance were Industrial and Commercial Bank of China and Kinross Gold Corp. Industrial and Commercial Bank's healthy product mix and decent growth supported resilient net interest rate margins and healthy net interest income growth. Kinross Gold, a gold miner, saw its stock rebound as the price of gold rose from just above US\$2,000 per ounce to more than US\$2,600 per ounce for the year.

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

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We added Argentina to the Fund's exposure via new holdings in Grupo Financiero Galicia SA and Vista Energy SAB de CV. Argentina is in the early stages of addressing many of the structural problems in its economy, including hyperinflation. Banks and investment-heavy resource companies should benefit from these changes. We also added to the Fund position in Anglo America PLC. The company's strategy is to unlock shareholder value by spinning out its non-core assets and on our expectation that base metals should benefit if the Chinese economy regains momentum.

We sold the Fund's position in Bumrungrad Hospital PCL to take profit as our target price was reached. We eliminated a holding in AIA Group Ltd. because of a delay in China's broader economic stimulus. For the company, its biggest weakness is that it grew its China business through savings products instead of protection products post the COVID-19 pandemic, which is putting downward pressure on its margins.

## **RECENT DEVELOPMENTS**

Despite compelling valuations and decent earnings growth expectations, emerging market investors will have to navigate U.S. tariffs, immigration policy changes, a slowing Chinese economy, a strong U.S. dollar and lingering higher U.S. interest rates. Mexico and China are particularly vulnerable to the policy shifts of the Trump administration. These factors make an overweight allocation to emerging markets challenging at the beginning of 2025, although the second half of the year could look more promising should current uncertainties be resolved.

China and Brazil are two markets where equity returns will be particularly dependent on government policies in 2025. Pro-growth policies are needed in China, while fiscal austerity measures in Brazil are essential. Without more forceful policies, both markets will continue to struggle. Despite stronger than average economic growth within emerging markets, both the Indian and Indonesian economies showed signs of moderating late in 2024, a development we will closely monitor as the Fund is overweight both countries. Argentina is emerging as a special situation economy where the radical policies of Argentinian President Javier Milei are gaining traction, helping steer the country away from hyper-inflation and pending economic collapse towards a more sustainable, and therefore investable economy. While encouraging, these developments should be viewed as green shoots and more needs to be done.

## **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>ETF C\$ Series</b>	0.850	0.17
<b>ETF US\$ Hedged Series</b>	0.850	0.17

The Manager received \$1.0 million in management fees and \$0.2 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>ETF C\$ Series</b> <sup>(1)(2)(3)(4)</sup>												
Commencement of operations August 26, 2021												
Listed TSX: CIEM												
Dec. 31, 2024	17.77	0.61	(0.37)	1.69	(0.21)	1.72	(0.20)	-	-	-	(0.20)	19.28
Dec. 31, 2023	16.17	0.72	(0.29)	(0.35)	1.86	1.94	(0.33)	-	-	(0.01)	(0.34)	17.77
Dec. 31, 2022	19.48	0.74	(0.33)	(2.92)	0.44	(2.07)	(0.27)	-	-	-	(0.27)	16.17
Dec. 31, 2021	20.00	0.31	(0.18)	0.21	(1.32)	(0.98)	(0.14)	-	(0.14)	-	(0.28)	19.48
<b>ETF US\$ Hedged Series</b> <sup>(1)(2)(3)(4)(5)</sup>												
Commencement of operations August 26, 2021												
Listed TSX: CIEM.U												
Dec. 31, 2024	17.93	0.50	(0.34)	2.46	0.07	2.69	(0.20)	-	-	-	(0.20)	19.60
Dec. 31, 2023	16.25	0.62	(0.31)	(0.26)	1.54	1.59	(0.33)	-	-	-	(0.33)	17.93
Dec. 31, 2022	19.49	0.53	(0.33)	(1.32)	(1.70)	(2.82)	(0.21)	-	-	-	(0.21)	16.25
Dec. 31, 2021	20.00	0.21	(0.18)	0.22	(0.82)	(0.57)	(0.12)	-	(0.24)	(0.09)	(0.45)	19.49

(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.

(5) Per units amounts are presented in U.S. dollars.

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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>ETF CS Series</b> <small>(1)(2)(3)(4)(5)(6)</small>									
Commencement of operations August 26, 2021									
Listed TSX: CIEM									
Dec. 31, 2024	110,850	5,750	1.02	0.06	1.08	5.57	0.60	140.52	19.21
Dec. 31, 2023	94,189	5,300	1.03	0.09	1.12	9.01	0.37	85.68	17.76
Dec. 31, 2022	67,097	4,150	1.03	0.09	1.12	9.00	0.63	97.87	16.13
Dec. 31, 2021	40,908	2,100	1.07	0.13	1.20	9.00	1.19	44.76	19.70
<b>ETF USS Hedged Series</b> <small>(1)(2)(3)(4)(5)(6)(7)</small>									
Commencement of operations August 26, 2021									
Listed TSX: CIEM.U									
Dec. 31, 2024	1,409	50	1.02	0.05	1.07	5.00	0.60	140.52	19.56
Dec. 31, 2023	1,188	50	1.03	0.10	1.13	9.99	0.37	85.68	17.93
Dec. 31, 2022	1,100	50	1.03	0.05	1.08	5.00	0.63	97.87	16.20
Dec. 31, 2021	1,233	50	1.07	0.05	1.12	5.00	1.19	44.76	19.72

(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.

(7) Per units amounts are presented in U.S. dollars.

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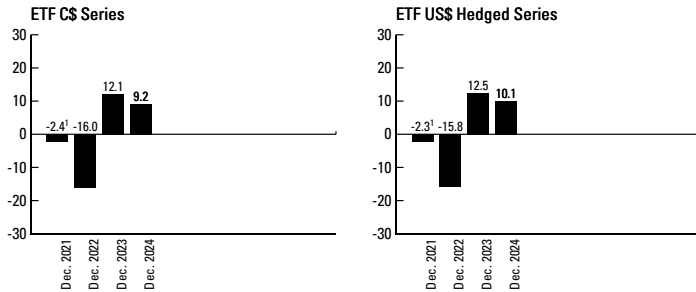
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## PAST PERFORMANCE

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.



<sup>1</sup> 2021 return is for the period from August 31, 2021 to December 31, 2021.

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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 Emerging Markets Index (NTR).

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>ETF C\$ Series</b>	9.2	1.0	n/a	n/a	0.1
MSCI Emerging Markets Index (NTR)	16.6	2.3	n/a	n/a	0.4
<b>ETF US\$ Hedged Series</b>	10.1	1.4	n/a	n/a	0.6
MSCI Emerging Markets Index (NTR)	16.6	2.3	n/a	n/a	0.4

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# CI Emerging Markets Alpha ETF

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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>	
China .....	25.4	Financials .....	27.2	Common Equities .....	99.5
India .....	20.6	Information Technology .....	23.6	Cash & Cash Equivalents .....	1.5
Taiwan .....	15.5	Consumer Discretionary .....	17.5	Foreign Currency Forward Contract(s) .....	0.0
Brazil .....	8.5	Materials .....	8.0	Other Net Assets (Liabilities) .....	(1.0)
U.K. .....	6.1	Communication Services .....	7.0		
South Korea .....	5.4	Energy .....	5.9		
Mexico .....	4.7	Consumer Staples .....	5.1		
Canada .....	3.1	Industrials .....	4.2		
Argentina .....	2.7	Cash & Cash Equivalents .....	1.5		
Indonesia .....	2.7	Health Care .....	1.0		
U.S.A. .....	2.0	Foreign Currency Forward Contract(s) .....	0.0		
Philippines .....	1.5	Other Net Assets (Liabilities) .....	(1.0)		
Cash & Cash Equivalents .....	1.5				
Thailand .....	1.3				
Foreign Currency Forward Contract(s) .....	0.0				
Other Net Assets (Liabilities) .....	(1.0)				

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 December 31, 2024 (cont'd)

Top 25 Holdings	% of Net Assets
Taiwan Semiconductor Manufacturing Co., Ltd. ....	10.9
Tencent Holdings Ltd. ....	5.8
MercadoLibre Inc. ....	3.3
Grupo Financiero Banorte SAB de CV ....	3.0
Alibaba Group Holding Ltd. ....	2.8
PT Bank Mandiri (Persero) TBK ....	2.7
ICICI Bank Ltd. ....	2.6
Infosys Ltd. ....	2.5
Industrial & Commercial Bank of China Ltd. ....	2.5
Samsung Electronics Co., Ltd. ....	2.4
Anglo American PLC ....	2.4
Larsen & Toubro Ltd. ....	2.2
Kinross Gold Corp. ....	2.2
Standard Chartered PLC ....	2.2
HDFC Bank Ltd. ....	2.1
Freeport-McMoRan Inc. ....	2.0
SK Hynix Inc. ....	2.0
Reliance Industries Ltd. ....	1.9
Yum China Holdings Inc. ....	1.9
Wal-Mart de Mexico SAB de CV, Series V ....	1.7
Grupo Financiero Galicia SA, ADR ....	1.7
Itau Unibanco Holding SA, Preferred ....	1.6
China Merchants Bank Co., Ltd., Class H ....	1.6
MediaTek Inc. ....	1.5
Shell PLC ....	1.5
<b>Total Net Assets (in \$000's)</b>	<b>\$112,259</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.