

# CI Enhanced Government Bond 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 Enhanced Government Bond ETF (the Fund) is to provide long-term total returns through interest income and capital appreciation. The Fund will primarily invest in government debt but may also invest in other debt instruments across the credit spectrum including cash, corporate debt, and debt and credit derivatives.

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 \$85.4 million to \$684.2 million from December 31, 2023 to December 31, 2024. The Fund had net redemptions of \$77.2 million for the year. The portfolio's performance increased assets by \$17.7 million. The Fund paid distributions totalling \$25.9 million. Hedged Common Units returned 1.3% after fees and expenses for the one-year period ended December 31, 2024. Over the same time period, the Fund's benchmark returned 2.2%. The benchmark is a combination of the Bloomberg U.S. Aggregate Bond Index (TR) (CAD-Hedged) - 50% and the FTSE Canada Universe Bond Index (TR) - 50% (the Blended Benchmark or the Blended Index).

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

Overall, 2024 was a year of cautious central bank maneuvering due to mixed data signals and competing recession narratives. On the surface, the economic backdrop remained resilient, but ongoing restrictive monetary policy exerted its influence and achieved its intended effect: a disinflationary path and a better balance of risks with respect to price stability and maximum employment.

Early in the year, strong labour data from the United States and Canada kept inflation concerns front and center. Despite markets pricing in multiple interest rate cuts in the United States, the U.S. Federal Reserve Board (Fed) remained cautious, emphasizing the need for more data before adjusting monetary policy.

Throughout the second quarter of 2024, inflation remained sticky, complicating the outlook in the United States. While the Fed acknowledged some progress on inflation, it remained more cautious than peers about easing monetary policy. The Bank of Canada (BoC) led the G7 countries by cutting its overnight lending rate in June, just ahead of the European Central Bank. By contrast, the Fed only revised its 2024 interest rate cut projections. Gradually, concerns about a potential global economic slowdown grew, and a cooling U.S. labour market appeared to be taking shape.

In the latter half of the year, market volatility increased due to political uncertainty, especially in the United States as the presidential election introduced additional unpredictability. Despite a risk-on tone early in the second half, weaker data, including softer job numbers and rising unemployment, spurred the Fed to lower interest rates in September. Through to year-end, the Fed and BoC both lowered interest rates further, signalling caution amid evolving economic and geopolitical risks.

The Fund underperformed its benchmark for the year. Underperformance was primarily driven by the Fund's focus on government securities and an underweight exposure to credit as the latter proved more resilient than expected.

# CI Enhanced Government Bond ETF

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

---

Early in the year, the Fund's duration (sensitivity to interest rates) was biased toward Canada, which we viewed as more likely to ease sooner and more aggressively. This proved to be the case. However, after the Fed's initial easing of monetary policy and the Republican Party's sweep of the U.S. elections, U.S. government interest rates backed up, prompting a shift back toward U.S. exposure. As U.S. 10-year rates moved towards 4.80%, they became increasingly compelling. By year-end, more than half of the Fund's government duration was in the United States, with the Fund's duration ending the year at 7.39 years.

## **RECENT DEVELOPMENTS**

Markets are now focused on the trajectory of interest rates in both Canada and the United States. Strong growth and labour market resilience in the United States will likely lead the Fed to adopt a more gradual approach to interest rate cuts. In contrast, Canada's economic outlook appears more vulnerable, suggesting the BoC may need to adopt a stimulative policy stance and lower interest rates further. The BoC's path will be shaped by both domestic conditions and U.S. trade actions, as tariffs could hurt already weakened Canadian economic growth. A retaliatory tariff response could also fuel inflationary pressures in Canada.

Geopolitical risks remain a key concern for markets, with ongoing issues in North Korea, Ukraine, Israel and Iran. Global leaders often test new administrations during transitions, which could add uncertainty to the economic outlook. On the political front, incoming U.S. president Donald Trump is the largest wild card. With nothing seemingly off the table, we expect Trump's actions and rhetoric could amplify both opportunities and risks in the year ahead.

Monetary policy uncertainty, fiscal policy uncertainty and geopolitical uncertainty all lead us to expect further volatility in the coming year. However, as many areas of fixed income have become more attractive given the significant rise in interest rates. Recent sharp moves across government bond markets also highlight the need to trade tactical ranges while being selective with yield curve positioning.

Looking forward, our bias is to add duration if yields rise further, as we believe the term premium offered is becoming quite attractive. At the same time, if interest rates rise abruptly from here, risk markets could stumble, which may provide an opportunity to broaden the Fund's exposure to credit if it were to become sufficiently attractive.

## **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.

# CI Enhanced Government Bond ETF

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

## RELATED PARTY TRANSACTIONS

### Manager and Trustee

CI Investments Inc. is the 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:

	Annual management fee rate (%):	Annual administration fee rate (%):
Hedged Common Units	0.550	0.03
Hedged US\$ Common Units	0.550	0.03

The Manager received \$4.3 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.

### Portfolio Manager

Marret Asset Management Inc. provides investment advice to the Fund. CI Financial Corp., an affiliate of CI Investments Inc., owns a majority interest in Marret Asset Management Inc.

### 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, 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.

## LEVERAGE

When a Fund makes investments in derivatives, borrows cash for investment purposes, or uses physical short sales on equities or other portfolio assets, leverage may be introduced into the Fund. Leverage occurs when the Fund's notional exposure to underlying assets is greater than the amount invested. It is an investment technique that magnifies gains and losses. Consequently, any adverse change in the value or level of the underlying asset, rate or index may amplify losses compared to those that would have been incurred if the underlying asset had been directly held by the Fund and may result in losses greater than the amount invested in the derivative itself. Leverage may increase volatility, may impair the Fund's liquidity and may cause the Fund to liquidate positions at unfavorable times.

To achieve its investment objective the Fund exercises leverage through participating in short selling transactions.

The Fund's aggregated amount of leverage must not exceed three times the Fund's net asset value.

During the period/year ended December 31, 2024, the lowest aggregated fair value amount of the leverage exercised by the Fund was \$0.01 million (0.00% of net asset value) and the highest aggregated fair value amount of the leverage used during the period/year was \$0.04 million (0.01% of net asset value).

# CI Enhanced Government Bond ETF

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

## 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>Hedged Common Units</b> <sup>(1)(2)(3)(4)</sup>												
Commencement of operations July 26, 2018												
Listed TSX: FGO												
Dec. 31, 2024	10.09	0.40	(0.06)	(0.02)	(0.12)	0.20	(0.31)	-	-	-	(0.31)	9.91
Dec. 31, 2023	9.88	0.33	(0.06)	(0.20)	0.43	0.50	(0.23)	-	-	-	(0.23)	10.09
Dec. 31, 2022	11.01	0.24	(0.06)	(0.63)	(0.30)	(0.75)	(0.15)	-	-	-	(0.15)	9.88
Dec. 31, 2021	11.27	0.16	(0.07)	(0.13)	(0.13)	(0.17)	(0.08)	-	-	-	(0.08)	11.01
Dec. 31, 2020	10.60	0.16	(0.07)	0.54	0.18	0.81	(0.09)	-	(0.15)	-	(0.24)	11.27
<b>Hedged US\$ Common Units</b> <sup>(1)(2)(3)(4)(5)</sup>												
Commencement of operations July 26, 2018												
Listed TSX: FGO.U												
Dec. 31, 2024	10.22	0.35	(0.06)	0.42	0.22	0.93	(0.31)	-	-	-	(0.31)	10.12
Dec. 31, 2023	9.95	0.31	(0.06)	(0.17)	0.11	0.19	(0.23)	-	-	-	(0.23)	10.22
Dec. 31, 2022	11.08	0.20	(0.06)	0.05	(0.47)	(0.28)	(0.14)	-	-	-	(0.14)	9.95
Dec. 31, 2021	11.34	0.13	(0.07)	(0.17)	(0.34)	(0.45)	(0.08)	-	-	(0.01)	(0.09)	11.08
Dec. 31, 2020	10.68	0.15	(0.08)	0.50	0.24	0.81	(0.03)	-	(0.07)	(0.01)	(0.11)	11.34

(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.

# CI Enhanced Government Bond ETF

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

## 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>Hedged Common Units</b> (1323049508)									
Commencement of operations July 26, 2018									
Listed TSX: FGO									
Dec. 31, 2024	657,508	66,368	0.58	0.04	0.62	7.54	-	396.81	9.92
Dec. 31, 2023	732,711	72,642	0.58	0.05	0.63	9.37	-	263.68	10.08
Dec. 31, 2022	684,826	69,299	0.58	0.06	0.64	9.75	-	184.64	9.90
Dec. 31, 2021	505,568	45,900	0.58	0.06	0.64	9.62	-	282.41	11.03
Dec. 31, 2020	557,426	49,452	0.61	0.03	0.64	9.70	-	475.80	11.25
<b>Hedged US\$ Common Units</b> (1323049508/7)									
Commencement of operations July 26, 2018									
Listed TSX: FGO.U									
Dec. 31, 2024	26,697	1,835	0.58	0.05	0.63	8.77	-	396.81	10.12
Dec. 31, 2023	36,844	2,721	0.58	0.04	0.62	6.39	-	263.68	10.23
Dec. 31, 2022	20,419	1,515	0.58	0.04	0.62	6.57	-	184.64	9.94
Dec. 31, 2021	23,550	1,680	0.58	0.05	0.63	8.69	-	282.41	11.05
Dec. 31, 2020	44,479	3,080	0.58	0.06	0.64	9.34	-	475.80	11.31

(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 including securities borrowing fees 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. As of Dec. 31, 2024, 2023, 2022, 2021 and 2020 the trading expense ratio including interest and dividends on short positions was 0.00%, 0.00%, 0.00%, 0.00% and 0.00%, respectively.

(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.

# CI Enhanced Government Bond ETF

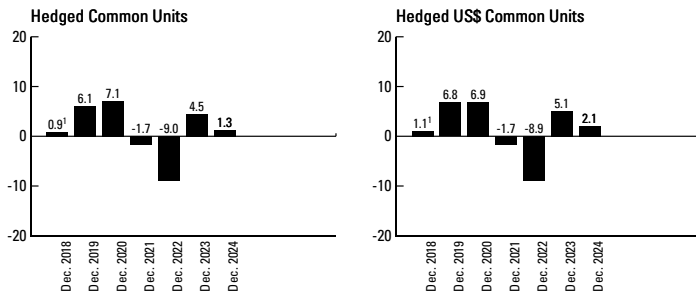
Management Report of Fund Performance for the period/year ended December 31, 2024

## 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> 2018 return is for the period from July 26, 2018 to December 31, 2018.

# CI Enhanced Government Bond ETF

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

## Annual Compound Returns

The following table shows the Fund's annual compound returns for each year indicated, compared to the Blended Index composed of: (the FTSE Canada Universe Bond Index (TR) - 50% and the Bloomberg U.S. Aggregate Bond Index (TR) (CAD-Hedged) - 50%); the FTSE Canada Universe Bond Index (TR) and the Bloomberg U.S. Aggregate Bond Index (TR) (CAD-Hedged).

The Bloomberg U.S. Aggregate Bond Index provides a broad-based measure of the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The Index includes Treasuries, government-related and corporate securities, MBS, ABS and CMBS.

The FTSE Canada Universe Bond Index is a market capitalization weighted index that measures the performance of the Canadian investment-grade fixed income market. The Index consists of fixed rate bonds denominated in Canadian dollars, with a remaining effective term to maturity of at least one year, rated BBB or higher. The Index is comprised of four main credit or borrower categories: bonds issued by the Government of Canada (including Crown Corporations), Provincial bonds (including provincially-guaranteed securities), Municipal bonds and Corporate bonds. The Corporate sector is further divided into sub-sectors based on major industry groups: Financial, Communication, Industrial, Energy, Infrastructure, Real Estate and Securitization. The Corporate sector is also divided into sub-indices based on credit rating: a combined AAA/AA sector, a single A sector and a BBB sector.

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>Hedged Common Units</b>	1.3	(1.2)	0.3	n/a	1.3
Blended Index	2.2	(1.9)	0.0	n/a	1.0
Bloomberg U.S. Aggregate Bond Index (TR) (CAD-Hedged)	0.2	(3.2)	(0.8)	n/a	0.6
FTSE Canada Universe Bond Index (TR)	4.2	(0.6)	0.8	n/a	1.3
<b>Hedged US\$ Common Units</b>	2.1	(0.8)	0.5	n/a	1.6
Blended Index	2.2	(1.9)	0.0	n/a	1.0
Bloomberg U.S. Aggregate Bond Index (TR) (CAD-Hedged)	0.2	(3.2)	(0.8)	n/a	0.6
FTSE Canada Universe Bond Index (TR)	4.2	(0.6)	0.8	n/a	1.3

# CI Enhanced Government Bond ETF

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

## 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. ....	51.8	Foreign Government Bonds .....	50.8	Foreign Government Bonds .....	50.8
Canada .....	43.0	Canadian Government Bonds .....	32.4	Canadian Government Bonds .....	32.4
Cash & Cash Equivalents .....	4.6	Provincial Bonds .....	7.5	Provincial Bonds .....	7.5
Other Net Assets (Liabilities) .....	0.7	Cash & Cash Equivalents .....	4.6	Cash & Cash Equivalents .....	4.6
Short-Term Investment(s) .....	0.4	Corporate Bonds .....	4.3	Corporate Bonds .....	4.3
U.K. ....	0.2	Other Net Assets (Liabilities) .....	0.7	Other Net Assets (Liabilities) .....	0.7
Foreign Currency Forward Contract(s) .....	(0.7)	Short-Term Investment(s) .....	0.4	Short-Term Investment(s) .....	0.4
		Foreign Currency Forward Contract(s) .....	(0.7)	Foreign Currency Forward Contract(s) .....	(0.7)

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



# CI Enhanced Government Bond ETF

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

## SUMMARY OF INVESTMENT PORTFOLIO as at December 31, 2024 (cont'd)

Top 25 Holdings	% of Net Assets
United States Treasury Bond, 3.88%, August 15, 2034	20.5
United States Treasury Bond, 4.25%, November 15, 2034	15.6
Government of Canada, 3%, June 01, 2034	11.1
Government of Canada, 3.25%, December 01, 2033	7.6
Cash & Cash Equivalents	4.6
United States Treasury Bond, 4.38%, December 31, 2029	4.1
Province of Ontario, 4.15%, December 02, 2054	3.0
Government of Canada, 3.25%, November 01, 2026	2.8
United States Treasury Bond, 3%, August 15, 2052	2.5
United States Treasury Bond, 4.25%, August 15, 2054	2.4
United States Treasury Bond, 4.13%, October 31, 2029	2.3
Government of Canada, 4%, August 01, 2026	2.1
Province of Ontario, 4.15%, June 02, 2034	2.1
Government of Canada, 1.5%, December 01, 2031	1.8
Government of Canada, 1.75%, December 01, 2053	1.7
United States Treasury Bond, Inflation Indexed, 1.25%, April 15, 2028	1.5
Government of Canada, 3.5%, September 01, 2029	1.4
Province of Ontario, 2.6%, June 02, 2025	1.4
Government of Canada, 3.25%, December 01, 2034	1.1
Government of Canada, 2.75%, December 01, 2055	1.1
United States Treasury Bond, Inflation Indexed, 1.88%, July 15, 2034	0.9
Canada Housing Trust No. 1, 3.5%, December 15, 2034	0.7
United States Treasury Bond, 4.5%, November 15, 2054	0.6
Province of Ontario, 3.6%, March 08, 2028	0.6
Province of Ontario, 5.6%, June 02, 2035	0.5
<b>Total Net Assets (in \$000's)</b>	<b>\$684,205</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.