

# CI ICBCCS S&P China 500 Index 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](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.

## RESULTS OF OPERATIONS

The Fund's net assets decreased by \$5.2 million to \$12.0 million from December 31, 2023 to June 30, 2024. The Fund had net redemptions of \$6.0 million for the period. The portfolio's performance increased assets by \$0.9 million. The Fund paid distributions totalling \$0.1 million. Non-Hedged Units returned 5.6% after fees and expenses for the six-month period ended June 30, 2024. Over the same time period, the Fund's benchmark returned 5.6%. The benchmark is the S&P China 500 Net Total Return Index (the Benchmark or the Index).

China's economy was generally stable with steady progress in the first half of 2024 and gross domestic product (GDP) up by 5.0% year over year. China's inflation level was stable, its consumer price index (CPI) rising by just 0.1% year over year. Core CPI, excluding the price of food and energy, grew by 0.7%. In June 2024, the CPI went up by 0.2% year over year and down by 0.2% month over month. The value of China's imports and exports was up, growing 6.1% over the previous year.

The Fund performed in line with its benchmark for the period. The aim of the Fund is to track the performance of a benchmark index, the S&P China 500 Index, but due to lot size, trade availability and cash drag, there might be some slight deviation from the index. Exposures to the consumer discretionary, health care and communication services sectors contributed to the Fund's performance. The largest individual contributors to the Fund's performance included holdings in Tencent Holdings Ltd., Alibaba Group Holding Ltd., Meituan, Li Auto Inc. and NetEase Inc.

The Fund's exposures to the financials, energy and utilities sectors detracted most from performance. Transaction costs, management fees, expenses and cash drag were slight detractors from the Fund's relative performance. Individual detractors from the Fund's performance included holdings in Bank of China Ltd., Industrial Bank Co. Ltd., China Construction Bank Corp., Lenovo Group Ltd. and Inner Mongolia Yili Industrial Group Co. Ltd.

There were no notable changes to the Fund's portfolio over the period.

## RECENT DEVELOPMENTS

Looking ahead, China's economic growth is expected to remain stable. The policy of large-scale equipment renewals continues to show positive effects, supporting stable growth in consumption. Fiscal expenditures are expected to bolster infrastructure investment, thus accelerating growth in manufacturing investment driven by market and policies. Exports are anticipated to maintain steady growth.

However, China still faces challenges. The international political and economic environment is increasingly complex, uncertainty remains regarding U.S. economic growth and inflation as well as the U.S. Federal Reserve Board's interest rate decisions, and geopolitical tensions persist. Trade protectionism continues to rise as well, with the United States announcing significant tariff increases on imports from China in May 2024, including on electric vehicles, lithium batteries and critical minerals. In June 2024, the European Union imposed provisional anti-subsidy duties on electric cars imported from China.

Domestically, China's economy is striving to accelerate its transition away from real estate dependence. Short-term demand deficiencies and weak expectations intertwine with medium- to long-term structural transformation pains. The pressures for stable economic growth and risk prevention persist. It is projected that China's GDP growth will be around 5.2% in the third quarter of 2024, with similar full-year growth expectations.

## Risk Rating

Effective May 22, 2024, the risk rating for the Fund changed from "Medium-to-High" to "High". This change is the result of an annual review to comply with the methodology mandated by the Canadian Securities Administrators and is not the result of any changes to investment objective, strategies or management of the Fund.

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## 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.

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

	<b>Annual management fee rate (%)</b>
<b>Non-Hedged Units</b>	0.550

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

### **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 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Non-Hedged Units</b> <sup>(1)(2)(3)(4)</sup>												
Commencement of operations August 01, 2018												
Listed TSX: CHNA.B												
Jun. 30, 2024	19.11	0.26	(0.10)	(0.59)	1.89	1.46	(0.14)	-	-	(0.02)	(0.16)	20.02
Dec. 31, 2023	23.24	0.89	(0.25)	(3.26)	0.04	(2.58)	(0.59)	-	-	(0.09)	(0.68)	19.11
Dec. 31, 2022	29.61	0.73	(0.35)	(2.17)	(3.74)	(5.53)	(0.30)	-	-	(0.21)	(0.51)	23.24
Dec. 31, 2021	33.27	0.60	(0.31)	(0.40)	(3.48)	(3.59)	(0.21)	-	-	(0.01)	(0.22)	29.61
Dec. 31, 2020	26.63	0.87	(0.65)	0.25	7.10	7.57	(0.57)	-	-	(0.20)	(0.77)	33.27
Dec. 31, 2019	22.17	0.74	(0.20)	2.22	2.24	5.00	(2.59)	-	-	-	(2.59)	26.63

(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	%	%	%	%	%	%	%	\$
<b>Non-Hedged Units</b> <sup>(1)(2)(3)(4)(5)(6)</sup>										
Commencement of operations August 01, 2018										
Listed TSX: CHNA.B										
Jun. 30, 2024	12,013	600	0.59	0.56	0.03	0.59	5.80	0.32	49.62	20.01
Dec. 31, 2023	17,196	900	0.61	0.55	0.06	0.61	10.81	0.32	101.45	19.22
Dec. 31, 2022	44,152	1,900	0.63	0.57	0.06	0.63	10.84	0.09	44.54	23.28
Dec. 31, 2021	8,884	300	0.63	0.56	0.07	0.63	11.29	0.09	16.89	29.89
Dec. 31, 2020	6,654	200	0.59	0.55	0.04	0.59	11.13	1.45	19.13	33.25
Dec. 31, 2019	2,663	100	0.61	n/a <sup>^</sup>	n/a <sup>^</sup>	0.60	n/a <sup>^</sup>	0.02	9.00	26.68

(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.

<sup>^</sup>Historical information pertaining to HST is not available.

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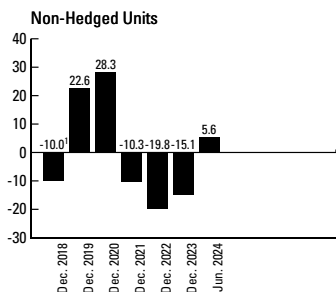
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## PAST PERFORMANCE

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.



<sup>1</sup> 2018 return is for the period from August 01, 2018 to December 31, 2018.

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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
<b>Country allocation</b>		<b>Sector allocation</b>		<b>Asset allocation</b>	
China .....	97.9	Financials .....	17.9	Common Equities .....	99.5
Hong Kong .....	0.9	Consumer Discretionary .....	15.2	Cash & Cash Equivalents .....	0.5
U.S.A. ....	0.7	Industrials .....	13.1	Other Net Assets (Liabilities) .....	0.0
Cash & Cash Equivalents .....	0.5	Information Technology .....	12.7		
Other Net Assets (Liabilities) .....	0.0	Materials .....	9.5		
Australia .....	0.0	Communication Services .....	8.7		
		Consumer Staples .....	7.4		
		Health Care .....	6.4		
		Utilities .....	3.6		
		Energy .....	3.3		
		Real Estate .....	1.7		
		Cash & Cash Equivalents .....	0.5		
		Other Net Assets (Liabilities) .....	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
Tencent Holdings Ltd. ....	7.8
Alibaba Group Holding Ltd. ....	3.6
Kweichow Moutai Co., Ltd. ....	3.2
PDD Holdings Inc., ADR ....	2.6
China Construction Bank Corp., Class H ....	1.9
China Merchants Bank Co., Ltd. ....	1.7
Meituan, Class B ....	1.6
Contemporary Amperex Technology Co., Ltd. ....	1.6
Ping An Insurance (Group) Co. of China Ltd. ....	1.4
Zijin Mining Group Co., Ltd. ....	0.9
Agricultural Bank of China Ltd. ....	0.9
China Yangtze Power Co., Ltd. ....	1.1
Industrial and Commercial Bank of China, Class H ....	1.1
Midea Group Co., Ltd. ....	1.1
Bank of China Ltd., Class H ....	1.1
Industrial Bank Co., Ltd. ....	1.0
NetEase Inc. ....	0.9
JD.com Inc., Class A ....	0.9
Xiaomi Corp., Class B ....	0.9
Wuliangye Yibin Co., Ltd. ....	0.8
Ping An Insurance (Group) Co. of China Ltd., Class H ....	0.8
BYD Co., Ltd. ....	0.7
Industrial & Commercial Bank of China Ltd. ....	0.7
Bank of Communications Co., Ltd. ....	0.7
Trip.com Group Ltd. ....	0.7
<b>Total Net Assets (in \$000's)</b>	<b>\$12,013</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.