

# CI Select International Equity Managed Fund

Management Report of Fund Performance for the period/year ended March 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](http://www.ci.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

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 Select International Equity Managed Fund (the Fund) is to provide capital growth by investing directly or indirectly in primarily equity and equity-related securities of international issuers that the portfolio advisors believe represent good value and have the potential for positive total return. A portion of the assets may be invested in companies that are located in, or with significant economic exposure to, emerging market countries. Equity-related securities include convertible preferred shares, convertible debt obligations, warrants, mutual funds, and other similar investment vehicles.

This Fund employs a multi-style, multi-manager approach to investing. This approach assists in diversifying the risk associated with an individual portfolio manager's or a portfolio management team's investment process and style.

Each portfolio advisor independently selects a diversified basket of securities that may exhibit core, growth, value or small capitalization characteristics. The portfolio advisors may use techniques such as fundamental analysis to assess the attractiveness of both new investment opportunities and current holdings. The Fund is expected to be invested in securities diversified across different sectors.

The Fund is expected to be broadly diversified, which means that it will not have a significant bias towards either a growth or value style.

CI Investments Inc. may replace a portfolio advisor or reallocate the mix of its portfolio advisors within this Fund.

The portfolio advisors may engage in frequent trading of investments. This increases the possibility that an investor will receive taxable dividends.

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 \$117.7 million to \$474.3 million from March 31, 2022 to March 31, 2023. The Fund had net redemptions of \$123.2 million during the year. The portfolio's performance increased assets by \$19.6 million. The Fund paid distributions totalling \$14.1 million. Series I units returned 6.7% after fees and expenses for the one-year period ended March 31, 2023. Over the same time period, the Fund's benchmark returned 5.8%. The benchmark is a combination of the MSCI EAFE Total Return Index - 50% (CAD) and 50% (LC) (the Benchmark or the Index).

By the end of 2022, the primary concern of market participants was inflation. However, inflation began to cool and supply chain disruptions eased, as evidenced by declining commodity prices. Investors entered 2023 with extreme optimism that an economic soft landing could be achieved in the United States, with cooling inflation and the U.S. Federal Reserve Board (Fed) close to the end of its interest rate increases. U.S. equities rose as a result but were later challenged by continued strength in the labour market, which is expected to drive higher input costs and inflation.

Financial markets weakened as runs on bank deposits hit the news with the failures of SVB Financial Group and Signature Bank. The Fed and U.S. Treasury came to the rescue quickly, assuring that deposits were safe and announced a new program to allow banks to borrow from the Fed using their holdings of government bonds as collateral. Elsewhere in the world, Credit Suisse Group AG was under stress and was forced to be sold to UBS Group AG at a fraction of its value at beginning of the year.

# CI Select International Equity Managed Fund

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

The price of crude oil dipped as low as US\$67 a barrel. The Organization of the Petroleum Exporting Countries announced a surprise production cut, and the price decline was reversed as investors realized that there could still be a supply and demand imbalance during a recession. Given that the Canadian equity index has more exposure to banks and energy, the performance of the S&P/TSX Composite Index trailed market indexes in the United States and their global peers.

China failed to impress investors as its government did not announce new policies or measures following the announcement of reopening from COVID-19 pandemic lockdowns in November 2022. The Chinese government reported weak manufacturing numbers in March 2023, highlighting weakness in both domestic and foreign demand.

The Fund outperformed its benchmark for the year. The Fund's underweight allocation to the real estate sector contributed to the Fund's performance, as did security selection within the materials and financials sectors. Top individual contributors to the Fund's performance included holdings in iShares China Large-Cap ETF, Novo Nordisk AS, HeidelbergCement AG, BAE Systems PLC and Fomento Economico Mexicano SAB de CV.

Security selection within the consumer discretionary and information technology sectors detracted from the Fund's performance. The largest individual detractors from the Fund's performance were holdings in Rakuten Group Inc., Telefonaktiebolaget LM Ericsson, Indus Towers Ltd., Grifols SA and The Thule Group AB.

We added to the Fund new positions in AstraZeneca PLC, STMicroelectronics NV, Worldline SA, Essity AB, Compass Group PLC and NICE Ltd. during the year, and we increased existing Fund holdings in iShares China Large-Cap ETF, Taiwan Semiconductor Manufacturing Co. Ltd., Glanbia PLC, Tencent Holdings Ltd., Diageo PLC, Deutsche Telekom AG, Grupo Financiero Banorte SAB de CV and Samsung Electronics Co. Ltd.

We eliminated Fund positions in China Metal Recycling Holdings Ltd., Qingdao AlInnovation Technology Group Co. Ltd., Budweiser Brewing Co. APAC Ltd., A-Living Smart City Services Co. Ltd. and Pan American Silver Corp. The Fund's weightings in Yutong Bus Co. Ltd., Trip.com Group Ltd., Sungrow Power Supply Co. Ltd., SF REIT, Prime View International Co. Ltd., Moneta Money Bank AS, Grupo Aeroportuario del Pacifico SAB de CV, Lotes Co. Ltd. and Hans Laser Technology Industry Group Co. Ltd. were reduced.

## RECENT DEVELOPMENTS

We believe the current economic cycle is likely to end with a slowdown, and we are finding opportunities in specific countries/regions (Japan, China and emerging markets) and sectors and sub-sectors (energy, health care and semiconductors). Their prices in the medium term are supported by demand, though in the near term, their valuations could rise or fall with news headlines.

The Fund has a larger cash allocation. We anticipate bond prices to decline for higher long-term average interest rates and equity valuations to decline to their normal end-of-cycle valuations. Hence, there will be opportunities to add core holdings to the Fund, such as long-dated bonds and U.S. equities.

## Independent Review Committee

Effective October 6, 2022, John Sheedy became a member of the Independent Review Committee (IRC) of CI Funds.

## Administrator

Effective August 8, 2022, RBC Investor Services Trust ceased acting as the administrator to the Fund and CIBC Mellon Global Securities Services Company started acting as the administrator to the Fund.

## RELATED PARTY TRANSACTIONS

### Manager, Portfolio Adviser, Trustee and Registrar

CI Investments Inc. is the Manager, Portfolio Adviser, Trustee and Registrar of the Fund. CI Investments Inc. is a subsidiary of CI Financial Corp. The Manager, in consideration for management fees, provides 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 March 31, 2023, 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 (%)
Series I	Paid directly by investor	Paid directly by investor

The Fund only offers Series I units, thus management and administration fees are negotiated directly with each investor and paid directly to the Manager as per Series I Account Agreement Fee. Please refer to Part A of the simplified prospectus for further details.

# CI Select International Equity Managed Fund

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

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## **Portfolio Sub-Advisor**

CI Global Investments Inc. and Altrinsic Global Advisors, LLC, affiliates of CI Investments Inc. and CI Financial Corp., provide investment advice to the Fund. CI Global Investments Inc. is an affiliate of CI Investments Inc. CI Financial Corp., an affiliate of CI Investments Inc., owns a minority interest in Altrinsic Global Advisors, LLC.

## **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 IRC reviews such transactions during scheduled meetings. During the period/year ended March 31, 2023, 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 March 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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# CI Select International Equity Managed Fund

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

## 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>Series I</b> <sup>(1)(2)(3)(4)</sup>												
Commencement of operations November 22, 2006												
Mar. 31, 2023	10.44	0.35	(0.07)	(0.32)	0.46	0.42	(0.35)	-	-	-	(0.35)	10.77
Mar. 31, 2022	12.10	0.40	-	0.75	(1.05)	0.10	(0.43)	-	(1.41)	-	(1.84)	10.44
Mar. 31, 2021	9.29	0.20	-	1.03	2.19	3.42	(0.23)	-	(0.28)	-	(0.51)	12.10
Mar. 31, 2020	11.21	0.30	-	0.15	(1.58)	(1.13)	(0.31)	-	(0.44)	-	(0.75)	9.29
Mar. 31, 2019	11.76	0.29	-	0.27	(0.55)	0.01	(0.30)	-	(0.33)	-	(0.63)	11.21

(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 March 31.

# CI Select International Equity Managed Fund

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

## 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
	\$000's	000's	%	%	%	%	%	%
<b>Series 1</b> <small>(192020405)</small>								
Commencement of operations November 22, 2006								
Mar. 31, 2023	474,260	44,047	0.09	-	0.09	-	0.31	70.97
Mar. 31, 2022	592,042	56,734	-	-	-	-	0.19	53.80
Mar. 31, 2021	629,513	52,046	-	-	-	-	0.27	65.15
Mar. 31, 2020	614,490	66,173	-	-	-	-	0.27	71.21
Mar. 31, 2019	691,431	61,657	-	-	-	-	0.22	51.14

(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 March 31.

# CI Select International Equity Managed Fund

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

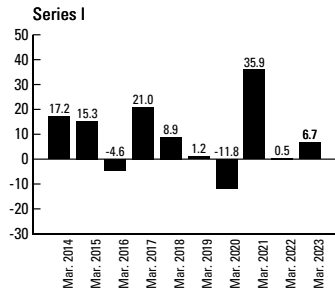
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## PAST PERFORMANCE

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

## Annual Compound Returns

The following table shows the Fund's annual compound returns for each year indicated, compared to the Blended Index composed of: (50% - MSCI EAFE Total Return Index (CAD) and 50% - MSCI EAFE Total Return Index (LC)); the MSCI EAFE Total Return Index (CAD) and the MSCI EAFE Total Return Index (LC).

The MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the United States of America and Canada. The Index consists of the following 21 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom.

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 (%)
Series I	6.7	13.4	5.4	8.3	n/a
Blended Index	5.8	13.6	5.9	8.2	n/a
MSCI EAFE Total Return Index	7.2	12.0	5.0	8.5	n/a
MSCI EAFE Total Return Index (LC)	4.4	15.2	6.8	7.8	n/a

# CI Select International Equity Managed Fund

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

## SUMMARY OF INVESTMENT PORTFOLIO as at March 31, 2023

Category	% of Net Assets	Category	% of Net Assets	Top 25 Holdings	% of Net Assets
<b>Country allocation</b>		<b>Sector allocation</b>			
Exchange-Traded Fund(s)	12.8	Financials	16.7	iShares China Large-Cap ETF	12.8
China	9.8	Exchange-Traded Fund(s)	12.8	Alibaba Group Holding Ltd	1.9
U.K.	8.9	Consumer Discretionary	12.3	BAE Systems PLC	1.5
France	8.6	Information Technology	11.7	Fomento Económico Mexicano SAB de CV, ADR	1.3
Germany	6.5	Industrials	10.2	STMicroelectronics NV	1.3
U.S.A.	6.4	Consumer Staples	9.8	Accor SA	1.2
India	5.3	Health Care	8.2	HeidelbergCement AG	1.2
Japan	5.0	Materials	6.2	Novo Nordisk AS, Class B	1.2
Netherlands	3.3	Communication Services	4.8	AstraZeneca PLC	1.1
Mexico	3.1	Energy	3.9	Cash & Cash Equivalents	1.1
Sweden	3.1	Utilities	1.2	Lloyds Banking Group PLC	1.1
Taiwan	2.8	Cash & Cash Equivalents	1.1	Glanbia PLC	1.0
South Korea	2.2	Real Estate	0.9	L'Oréal SA	1.0
Brazil	2.0	Other Net Assets (Liabilities)	0.2	SAP SE	1.0
Spain	1.9			Shell PLC	1.0
Singapore	1.8			Taiwan Semiconductor Manufacturing Co., Ltd., ADR	1.0
Ireland	1.6			Telefonaktiebolaget LM Ericsson, B Shares	1.0
Denmark	1.5			Assicurazioni Generali SPA	0.9
Switzerland	1.3			Diageo PLC	0.9
Hong Kong	1.2			Galp Energia SGPS SA	0.9
Cash & Cash Equivalents	1.1			Hermes International	0.9
Israel	1.1			LVMH Moët Hennessy Louis Vuitton SE	0.9
Portugal	0.9			Tencent Holdings Ltd.	0.9
Italy	0.9			Worldline SA (France)	0.9
Indonesia	0.9			Rakuten Group Inc.	0.8
South Africa	0.8			<b>Total Net Assets (in \$000's)</b>	<b>\$474,260</b>
Austria	0.8				
Thailand	0.7				
Australia	0.6				
Norway	0.6				
Belgium	0.5				
Chile	0.4				
Macau	0.3				
Canada	0.3				
Egypt	0.2				
Other Net Assets (Liabilities)	0.2				
Hungary	0.2				
Peru	0.2				
Zambia	0.1				
Czech Republic	0.1				
British Virgin Islands	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.

### 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.