

# CI Canadian Banks Covered Call Income Corporate Class

Management Report of Fund Performance for the period/year ended September 30, 2023

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.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.

## RESULTS OF OPERATIONS

The Fund's net assets increased by \$5.8 million to \$8.5 million from March 31, 2023 to September 30, 2023. The Fund had net sales of \$6.5 million during the period. The portfolio's performance decreased assets by \$0.4 million. The Fund paid distributions totalling \$0.3 million.

Equity markets cooled later in the period after a strong start and buoyancy provided by enthusiasm for artificial intelligence and better-than-expected profits. Corporate earnings continued to beat expectations because of the resilient U.S. consumer, the locking in of interest rate exposure at lower levels and large government spending initiatives.

Globally, short-term interest rates rose, with most central banks raising their overnight interest rates at least twice, including in Canada and the United States. Central banks also delivered a more cautious tone than previously expected, particularly in the United States where early expectations were for interest rate cuts by year-end 2023. Expectations for interest rate cuts peaked in early March 2023 when a liquidity crisis forced various U.S. regional banks to shut down, causing the U.S. Federal Reserve Board to provide additional liquidity via its discount window.

## RECENT DEVELOPMENTS

Looking forward, the consensus view continues to see potential for an economic soft landing in developed markets, but the likelihood of at least a mild recession is growing. In the United States, rising interest rates and housing costs, a shrinking money supply and removal of stimulus may have a disproportionate impact on the average consumer compared to the wealthy. Globally, manufacturing Purchasing Managers' Indices have slowed considerably, which may be the precursor to a broader economic slowdown. The inverted yield curve also signals a coming recession.

The Canadian consumer is particularly vulnerable as personal and household debt are considered high. Weakening inflation will no doubt be helpful, but after improvement over the past year, the next leg down may prove harder to make. Consensus estimates for third-quarter 2023 corporate earnings have already been lowered, but actual earnings reports in the coming weeks may provide insight as to the next step for markets.

Markets have priced in one further interest rate increase of 25 basis points by the Bank of Canada by March 2024, but in the United States, there have been no more interest rate increases priced in. Economic growth continues to be buoyed by a stronger-than-expected consumer, but lag effects of higher interest rates are expected to curtail this in the months ahead.

## RELATED PARTY TRANSACTIONS

### **Manager, Portfolio Adviser and Registrar**

CI Investments Inc. is the Manager, Portfolio Adviser 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.

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Management fee and administration fee rates as at September 30, 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 A	1.650	0.08
Series F	0.650	0.08
Series I	Paid directly by investor	Paid directly by investor
Series P	Paid directly by investor	0.08
Series W	Paid directly by investor	0.05

The Manager received \$0.03 million in management fees and a nominal amount in administration fees for the period.

## **Management Fees**

Approximately 26% of total management fees were used to pay for sales and trailing commissions. The remaining 74% of management fees were used to pay for investment management and other general administration.

## **Related Fund Trading**

Related fund trading occurs when a Fund purchases or sells units/shares of another Fund managed by the Manager. During the period/year ended September 30, 2023, the Fund engaged in related fund trading or held position(s) in related fund(s) at the end of the period/year.

## **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 September 30, 2023. If the Fund invested in related party transactions, it relied on the IRC's standing instructions regarding related party transactions during this reporting period/year.

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## FINANCIAL HIGHLIGHTS

The following table/tables shows/show selected key financial information about the Fund and is/are intended to help you understand the Fund's financial performance for the six period(s)/year(s), as applicable.

Net Assets per Share (\$)	Increase (decrease) from operations:						Dividends:					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 dividends	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Series A</b> <sup>(1)(2)(3)(4)</sup>												
Commencement of operations February 21, 2023												
Sept. 30, 2023	9.31	0.30	(0.10)	-	(0.79)	(0.59)	(0.34)	-	-	-	(0.34)	8.56
Mar. 31, 2023	10.00	0.27	(0.05)	-	(0.42)	(0.20)	-	-	-	-	-	9.31
<b>Series F</b> <sup>(1)(2)(3)(4)</sup>												
Commencement of operations February 21, 2023												
Sept. 30, 2023	9.32	0.30	(0.05)	-	(0.85)	(0.60)	(0.33)	-	-	-	(0.33)	8.63
Mar. 31, 2023	10.00	0.33	(0.03)	-	0.56	0.86	-	-	-	-	-	9.32
<b>Series I</b> <sup>(1)(2)(3)(4)</sup>												
Commencement of operations February 21, 2023												
Sept. 30, 2023	9.33	0.29	(0.01)	-	(0.75)	(0.47)	(0.34)	-	-	-	(0.34)	8.66
Mar. 31, 2023	10.00	0.14	(0.03)	-	(0.78)	(0.67)	-	-	-	-	-	9.33
<b>Series P</b> <sup>(1)(2)(3)(4)</sup>												
Commencement of operations February 21, 2023												
Sept. 30, 2023	9.33	0.23	(0.01)	-	(1.33)	(1.11)	(0.34)	-	-	-	(0.34)	8.66
Mar. 31, 2023	10.00	0.20	(0.03)	-	(0.64)	(0.47)	-	-	-	-	-	9.33
<b>Series W</b> <sup>(1)(2)(3)(4)</sup>												
Commencement of operations February 21, 2023												
Sept. 30, 2023	9.33	0.24	(0.01)	-	(0.58)	(0.35)	(0.34)	-	-	-	(0.34)	8.66
Mar. 31, 2023	10.00	0.22	(0.03)	-	(1.02)	(0.83)	-	-	-	-	-	9.33

(1) This information is derived from the Fund's semi-annual and annual financial statements.

(2) Net assets per share and dividends per share are based on the actual number of shares outstanding for the relevant Series/Class at the relevant time. The increase (decrease) in net assets from operations per share is based on the weighted average number of shares outstanding for the relevant Series/Class over the fiscal period/year.

(3) Dividends are automatically reinvested in additional shares of the Fund.

(4) This information is provided for the period(s)/year(s) ended September 30, 2023 and March 31.

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## FINANCIAL HIGHLIGHTS (cont'd)

### Ratios and Supplemental Data

	Total net assets \$000's	Number of shares 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 %
<b>Series A</b> <sup>(1)(2)(3)(4)(5)</sup>								
Commencement of operations February 21, 2023								
Sept. 30, 2023	2,451	286	2.55	0.18	2.73	10.25	0.22	2.12
Mar. 31, 2023	704	76	1.73	0.23	1.96	13.00	2.77	-
<b>Series F</b> <sup>(1)(2)(3)(4)(5)</sup>								
Commencement of operations February 21, 2023								
Sept. 30, 2023	5,187	601	1.55	0.09	1.64	12.90	0.22	2.12
Mar. 31, 2023	1,110	119	0.73	0.09	0.82	13.00	2.77	-
<b>Series I</b> <sup>(1)(2)(3)(4)(5)</sup>								
Commencement of operations February 21, 2023								
Sept. 30, 2023	27	3	0.82	-	0.82	-	0.22	2.12
Mar. 31, 2023	9	1	-	-	-	-	2.77	-
<b>Series P</b> <sup>(1)(2)(3)(4)(5)</sup>								
Commencement of operations February 21, 2023								
Sept. 30, 2023	118	14	0.90	0.01	0.91	13.00	0.22	2.12
Mar. 31, 2023	18	2	0.08	0.01	0.09	13.00	2.77	-
<b>Series W</b> <sup>(1)(2)(3)(4)(5)</sup>								
Commencement of operations February 21, 2023								
Sept. 30, 2023	748	86	0.87	0.01	0.88	14.95	0.22	2.12
Mar. 31, 2023	817	88	0.05	0.01	0.06	13.00	2.77	-

(1) This information is derived from the Fund's semi-annual and 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 shareholder 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 September 30, 2023 and March 31.

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*Management Report of Fund Performance for the period/year ended September 30, 2023*

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## **PAST PERFORMANCE**

In accordance with National Instrument 81-106, Investment Fund Continuous Disclosure, "PAST PERFORMANCE" disclosure consisting of "Year-by-Year Returns" and "Annual Compound Returns" is not required if a Fund has been a reporting issuer for less than a year.

The Fund has been in existence for less than a year thus the "PAST PERFORMANCE" disclosure is not presented.

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## SUMMARY OF INVESTMENT PORTFOLIO as at September 30, 2023

Category*	% of Net Assets	Category*	% of Net Assets	Top Holdings*	% of Net Assets
<b>Country allocation</b>		<b>Sector allocation</b>			
<b>Long Positions</b>		<b>Long Positions</b>		Toronto-Dominion Bank (The) .....	16.9
Canada .....	99.3	Financials .....	99.3	Bank of Montreal .....	16.6
Other Net Assets (Liabilities) .....	0.7	Other Net Assets (Liabilities) .....	0.7	Royal Bank of Canada .....	16.6
Cash & Cash Equivalents .....	0.0	Cash & Cash Equivalents .....	0.0	Canadian Imperial Bank of Commerce .....	16.5
<b>Total Long Positions .....</b>	<b>100.0</b>	<b>Total Long Positions .....</b>	<b>100.0</b>	National Bank of Canada .....	16.5
<b>Short Positions</b>		<b>Short Positions</b>		Bank of Nova Scotia (The) .....	16.2
Option Contract(s) .....	0.0	Option Contract(s) .....	0.0	Cash & Cash Equivalents .....	0.0
<b>Total Short Positions .....</b>	<b>0.0</b>	<b>Total Short Positions .....</b>	<b>0.0</b>	<b>Total Net Assets (in \$000's) .....</b>	<b>\$8,531</b>

\*These are holdings and the breakdown of the underlying fund.

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.