

# CI Canadian Short-Term Bond Pool

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 Canadian Short-Term Bond Pool (the Fund) is to provide interest income and a relatively-high level of capital stability.

To achieve the investment objective of the Fund, the portfolio advisor primarily invests in fixed income securities such as bonds, debentures, preferred shares and notes issued by Canadian federal, provincial and municipal governments and corporations and asset backed and mortgage-backed securities, bank loans and floating rate debt instruments, creating a portfolio with an average duration no less than 1.5 years and no greater than 3.5 years. In selecting such securities, the portfolio advisor emphasizes bonds of high credit quality.

It is currently expected that preferred shares will generally constitute less than 25% of holdings and common shares will generally constitute less than 5% of holdings; high yield and non-rated bonds will generally constitute less than 25% of holdings; and foreign securities will generally constitute less than 30% of holdings and foreign currency exposure will generally remain below 10% of holdings.

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 \$16.7 million to \$63.6 million from March 31, 2022 to March 31, 2023. The Fund had net redemptions of \$13.2 million during the year. The portfolio's performance decreased assets by \$0.9 million. The Fund paid distributions totalling \$2.6 million. Series I units returned -1.0% after fees and expenses for the one-year period ended March 31, 2023. Over the same time period, the Fund's benchmark returned 0.7%. The benchmark is the FTSE Canada Short Term Bond Total Return Index (the Benchmark or the Index).

Rising inflation during the year drove bond yields higher. Economic growth continued to slow, which raised the risk of recession across many geographies. Failures of a handful of U.S. regional banks in March 2023 led to a widening of credit spreads (the yield differential between securities of similar maturities but differing credit quality), especially in the financials sector.

The Fund underperformed its benchmark for the year. Exposure to U.S. Treasuries rather than Canadian bonds detracted from the Fund's performance as U.S. Treasuries underperformed. An overweight allocation to the financials sector also detracted from the Fund's performance. The largest individual detractors from the Fund's performance included Teekay Offshore Partners L.P. 8.5% Jul. 15, 2023 and U.S. Treasury 2.625% Feb. 15, 2029 bonds, as well as perpetual bonds issued by The Toronto-Dominion Bank (3.662%), Royal Bank of Canada (4.2%) and The Toronto-Dominion Bank (5.75%).

We increased the Fund's exposure to corporate bonds during the year, which contributed to its performance. Top individual contributors to the Fund's performance included holdings in 407 International Inc. 2.43% May 4, 2027, TELUS Corp. 3.75% Mar. 10, 2026 and TMX Group Ltd. 3.779% Jun. 5, 2028 bonds, as well as a perpetual bond issued by Bank of Montreal (7.373%).

We added a new Fund holding in 407 International Inc. 2.43% May 4, 2027 bonds and increased an existing Fund position in perpetual bonds issued by BAC Capital Trust XIV (4.0%). A holding in Teekay Offshore Partners L.P. 8.5% Jul. 15, 2023 bonds was eliminated from the Fund, and a perpetual bond issued by Bank of Montreal (7.373%) was trimmed.

# CI Canadian Short-Term Bond Pool

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

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## RECENT DEVELOPMENTS

Economic data continues to point towards higher risk of recession. Combined with the recent financials sector turmoil, significant risks to the economy remain. We favour investment in high-quality credits and adding duration (sensitivity to interest rates) through sovereign bond holdings.

### **Administrator**

Effective October 24, 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.

### **Independent Review Committee**

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

## 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:

	<b>Annual management fee rate (%)</b>	<b>Annual administration fee rate (%)</b>
<b>Series I</b>	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.

### **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 Canadian Short-Term Bond Pool

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 June 01, 2017												
Mar. 31, 2023	8.86	0.28	-	(0.54)	0.14	(0.12)	(0.33)	(0.01)	-	-	(0.34)	8.43
Mar. 31, 2022	9.60	0.27	-	(0.01)	(0.44)	(0.18)	(0.44)	(0.02)	-	-	(0.46)	8.86
Mar. 31, 2021	9.54	0.27	-	0.02	0.10	0.39	(0.31)	(0.01)	-	-	(0.32)	9.60
Mar. 31, 2020	9.69	0.30	-	(0.06)	0.06	0.30	(0.41)	-	-	-	(0.41)	9.54
Mar. 31, 2019	9.75	0.29	-	(0.12)	0.12	0.29	(0.39)	-	-	-	(0.39)	9.69

(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 Canadian Short-Term Bond Pool

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>(192527445)</small>								
Commencement of operations June 01, 2017								
Mar. 31, 2023	63,563	7,542	-	-	-	-	-	33.51
Mar. 31, 2022	80,310	9,063	-	-	-	-	-	50.07
Mar. 31, 2021	197,655	20,579	-	-	-	-	-	60.19
Mar. 31, 2020	300,299	31,473	-	-	-	-	-	42.67
Mar. 31, 2019	724,302	74,742	-	-	-	-	-	49.35

(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 Canadian Short-Term Bond Pool

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

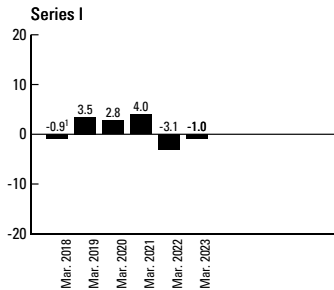
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## PAST PERFORMANCE

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.



1 2018 return is for the period from June 01, 2017 to March 31, 2018.

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# CI Canadian Short-Term Bond Pool

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

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## Annual Compound Returns

The following table shows the Fund's annual compound returns for each year indicated, compared to the FTSE Canada Short Term Bond Total Return Index.

The FTSE Canada Short Term Bond Index is a market capitalization weighted index that measures the performance of the Canadian investment-grade fixed income market. The Index consists of a broadly diversified range of investment grade federal, provincial, municipal and corporate bonds. The Index consists of fixed rate bonds denominated in Canadian dollars, with term to maturity between one to five years. The Index is a sub-sector of the FTSE Canada Universe Bond Index.

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	(1.0)	(0.1)	1.2	n/a	1.7
FTSE Canada Short Term Bond Total Return Index	0.7	0.0	1.3	n/a	0.7

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# CI Canadian Short-Term Bond Pool

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>			
Canada .....	88.8	Financials .....	26.2	United States Treasury Bond, 2.63%, February 15, 2029 .....	6.0
U.S.A. ....	9.4	Canadian Government Bonds .....	14.1	Province of British Columbia, Series T, 9%, August 23, 2024 .....	3.3
Cash & Cash Equivalents .....	0.8	Provincial Bonds .....	11.1	Alimentation Couche-Tard Inc., Series 5, 3.6%, June 02, 2025 .....	3.1
Other Net Assets (Liabilities) .....	0.6	Foreign Government Bonds .....	8.8	Bank of Nova Scotia (The), 2.29%, June 28, 2024 .....	3.1
Bermuda .....	0.4	Industrials .....	8.4	Bell Canada, 2.7%, March 02, 2024 .....	3.1
Foreign Currency Forward Contract(s) .....	0.0	Communication Services .....	8.3	Canada Housing Trust No. 1, 2.55%, March 15, 2025 .....	3.1
		Energy .....	6.1	City of Quebec, 3.05%, September 03, 2024 .....	3.1
		Utilities .....	5.4	Province of Ontario, 2.6%, June 02, 2025 .....	3.1
		Consumer Staples .....	4.8	Province of Quebec, 2.75%, September 01, 2025 .....	3.1
		Municipal Bonds .....	4.6	Canada Housing Trust No. 1, 1.9%, September 15, 2026 .....	3.0
		Consumer Discretionary .....	0.8	Intact Financial Corp., 1.21%, May 21, 2024 .....	3.0
		Cash & Cash Equivalents .....	0.8	Pembina Pipeline Corp., 3.71%, August 11, 2026 .....	3.0
		Other Net Assets (Liabilities) .....	0.6	TransCanada PipeLines Ltd., 3.3%, July 17, 2025 .....	3.0
		Foreign Currency Forward Contract(s) .....	0.0	Government of Canada, 0.5%, September 01, 2025 .....	2.9
				Manulife Bank of Canada, 1.5%, June 25, 2025 .....	2.9
				United States Treasury Bond, 1.5%, February 15, 2030 .....	2.8
				Toronto-Dominion Bank (The), Series 27, Convertible, Variable Rate, October 01, 2027 .....	2.6
				Royal Bank of Canada, Convertible, Variable Rate, February 24, 2027 .....	2.4
				Brookfield Infrastructure Finance ULC, 3.32%, February 22, 2024 .....	2.3
				407 International Inc., 1.8%, May 22, 2025 .....	2.2
				Canadian Pacific Railway Co., 2.54%, February 28, 2028 .....	2.2
				Government of Canada, 0.25%, March 01, 2026 .....	2.2
				Bank of Nova Scotia (The), Series 1, Convertible, Variable Rate, July 27, 2081 .....	1.7
				Bank of Montreal, 4.31%, June 01, 2027 .....	1.6
				Province of Ontario, 3.5%, June 02, 2024 .....	1.6
				<b>Total Net Assets (in \$000's)</b>	<b>\$63,563</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.