

# CI Canadian Convertible Bond Fund

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 objectives of the CI Canadian Convertible Bond Fund (the Fund) are to provide unitholders with quarterly distributions and the opportunity for capital appreciation through investment predominantly in Canadian debentures that are convertible into equity of Canadian issuers, investments in convertible debentures of non-Canadian issuers, as well as fixed income instruments and equities.

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 \$1.4 million to \$31.5 million from December 31, 2023 to December 31, 2024. The Fund had net redemptions of \$2.8 million for the year. The portfolio's performance increased assets by \$3.5 million. The Fund paid distributions totalling \$2.1 million. Series A units returned 10.3% after fees and expenses for the one-year period ended December 31, 2024. Over the same time period, the Fund's benchmark returned 16.2%. The benchmark is a combination of the ICE BofA Canada High Yield Index (TR) - 50% and the S&P/TSX Composite Index (GTR) - 50% (the Blended Benchmark or the Blended Index).

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

2024 was characterized by strong equity markets, the start of the monetary easing cycle by several central banks and volatile government bond yields. The Bank of Canada decreased the overnight lending rate by 1.75% through five consecutive interest rate cuts starting in June, while the U.S. Federal Reserve Board cut the federal funds rate three times starting in September for a total of 100 basis points (bps).

Both U.S. and Canadian equity markets, as measured by the S&P 500 Index and S&P/TSX Composite Index, respectively, gained in excess of 20% for the year on generally solid corporate profits, led by companies in the information technology sector.

Longer-dated bond yields climbed higher in the first four months of the year, dropped considerably through mid-September on lower inflation data and then rose again due to continued economic strength, particularly in the United States, and the Republican Party's win in the U.S. election in November. U.S. 10-year bond yield finished the year up 69 bps to 4.57% while Canadian 10-year bond yields finished up 12 bps to 3.23%.

The Fund underperformed its benchmark for the year. The deteriorating credit of a couple of issuers was the biggest factor that detracted from the Fund's performance. The largest individual detractors from the Fund's performance were holdings in Tidewater Midstream & Infrastructure Ltd. 8.0% Jun. 30, 2029, Slate Office REIT 5.5% Dec. 31, 2026 and Valeo Pharma Inc. 12.0% Dec. 31, 2024 bonds. Tidewater Midstream & Infrastructure convertible bonds fell after the company reported poor financial results in both the second and third quarters of 2024. The company's convertible bonds did, however, fare better than the underlying equity, which was down over 80% during 2024. Slate Office REIT convertible bonds followed its equity lower after the company suspended coupon payments amid ongoing challenges in the office leasing market and a stretched balance sheet. Valeo Pharma filed for creditor protection after failing to come to an agreement with its senior lender, leading us to write down the investment to zero.

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The Fund tends to be more influenced by security-specific credit factors and stock performance than more broad-based factors. Several Fund holdings had strong returns this year based on recovering credit metrics while others climbed as their underlying stock price rose above the conversion price. Top individual contributors to the Fund's performance included holdings in Cineplex Inc. 7.75% Mar. 1, 2030, NFI Group Inc. 5.0% Jan. 15, 2027 and Dye & Durham Ltd. 3.75% Mar. 1, 2026 bonds. Cineplex's stock rebounded on better box office performance, pushing up the performance of the company's convertible bonds, which are highly equity sensitive. NFI Group's convertible bonds rebounded on an improved bus industry outlook and progress on the company's balance sheet. Dye & Durham's stock rebounded and the company's credit improved after activist investor, Engine Capital, was successful in changing the board of directors and starting a process to find a new CEO.

Higher-than-anticipated bond yields were offset by a stronger-than-expected Canadian economy in 2024, which essentially balanced each other out in terms of overall risk. We added positions in Advantage Energy Ltd. 5.0% Jun. 30, 2029, Tidewater Midstream & Infrastructure 8.0% Jun. 30, 2029 and Fortuna Silver Mines Inc. 3.75% Jun. 30, 2029 bonds. Existing positions in Cineplex 7.75% Mar. 1, 2030, NorthWest Healthcare Properties REIT 6.25% Aug. 31, 2027, NFI Group 5.0% Jan. 15, 2027 and Innergex Renewable Energy Inc. 4.65% Oct. 31, 2026 bonds were increased. The positions in Alaris Equity Partners Income Trust 5.5% Jun. 30, 2024, Algoma Central Corp. 5.25% Jun. 30, 2024, Tidewater Midstream & Infrastructure 5.5% Sep. 30, 2024, Timbercreek Financial Corp. 5.3% Jun. 30, 2024 and Morguard North American Residential REIT 6.0% Mar. 31, 2028 bonds were eliminated during the year. A position in Chorus Aviation Inc. 6.0% Jun. 30, 2026 bonds was trimmed.

## **RECENT DEVELOPMENTS**

There is uncertainty regarding the Canadian economy heading into 2025 as there could be a Canadian federal election sooner than the October scheduled date. In addition, U.S. president-elect Donald Trump has threatened to impose up to 25% tariffs on Canadian exports to the United States, and bond yields are still volatile. That being said, we expect the economy overall to remain on a path of slow growth.

Individual company credit will continue to play a crucial role in the performance of the Fund. We seek to invest in companies with strong balance sheets that can withstand economic uncertainty.

## **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.

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## RELATED PARTY TRANSACTIONS

### **Manager, Portfolio Adviser and Trustee**

CI Investments Inc. is the Manager, Portfolio Adviser 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:

	<b>Annual management fee rate (%):</b>	<b>Annual administration fee rate (%):</b>
<b>Series A</b>	1.900	0.17
<b>Series F</b>	0.750	0.17

The Manager received \$0.4 million in management fees and \$0.1 million in administration fees for the year.

### **Management Fees**

Approximately 25% of total management fees were used to pay for sales and trailing commissions. The remaining 75% 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 December 31, 2024, 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 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.

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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 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 A</b> <sup>(1)(2)(3)(4)</sup>												
Commencement of operations November 03, 2009												
Dec. 31, 2024	7.93	0.48	(0.19)	(0.18)	0.70	0.81	(0.41)	-	-	(0.19)	(0.60)	8.13
Dec. 31, 2023	8.48	0.48	(0.19)	0.05	(0.30)	0.04	(0.37)	-	-	(0.23)	(0.60)	7.93
Dec. 31, 2022	9.62	0.46	(0.21)	(0.15)	(0.64)	(0.54)	(0.35)	-	-	(0.25)	(0.60)	8.48
Dec. 31, 2021	9.31	0.46	(0.23)	0.35	0.36	0.94	(0.33)	(0.01)	-	(0.26)	(0.60)	9.62
Dec. 31, 2020	10.14	0.46	(0.22)	(0.23)	(0.33)	(0.32)	(0.22)	(0.02)	-	(0.36)	(0.60)	9.31
<b>Series F</b> <sup>(1)(2)(3)(4)</sup>												
Commencement of operations November 03, 2009												
Dec. 31, 2024	10.38	0.63	(0.12)	(0.23)	0.91	1.19	(0.41)	-	-	(0.19)	(0.60)	10.97
Dec. 31, 2023	10.79	0.62	(0.11)	0.07	(0.40)	0.18	(0.37)	-	-	(0.23)	(0.60)	10.38
Dec. 31, 2022	11.92	0.57	(0.12)	(0.19)	(0.79)	(0.53)	(0.35)	-	-	(0.25)	(0.60)	10.79
Dec. 31, 2021	11.26	0.57	(0.13)	0.44	0.38	1.26	(0.33)	(0.01)	-	(0.26)	(0.60)	11.92
Dec. 31, 2020	11.98	0.55	(0.13)	(0.26)	(0.34)	(0.18)	(0.40)	(0.03)	-	(0.17)	(0.60)	11.26

(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.

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## 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 %
<b>Series A</b> <sup>(1)(2)(3)(4)(5)</sup>								
Commencement of operations November 03, 2009								
Dec. 31, 2024	13,419	1,651	2.07	0.20	2.27	9.63	0.05	17.92
Dec. 31, 2023	15,431	1,946	2.07	0.20	2.27	9.46	0.04	22.48
Dec. 31, 2022	16,298	1,922	2.07	0.20	2.27	9.58	0.04	13.86
Dec. 31, 2021	20,756	2,157	2.08	0.21	2.29	9.73	0.06	47.47
Dec. 31, 2020	22,325	2,399	2.16	0.23	2.39	9.65	0.07	33.12
<b>Series F</b> <sup>(1)(2)(3)(4)(5)</sup>								
Commencement of operations November 03, 2009								
Dec. 31, 2024	18,077	1,648	0.92	0.10	1.02	11.08	0.05	17.92
Dec. 31, 2023	17,508	1,686	0.92	0.10	1.02	11.06	0.04	22.48
Dec. 31, 2022	18,592	1,723	0.92	0.10	1.02	10.74	0.04	13.86
Dec. 31, 2021	17,978	1,508	0.93	0.11	1.04	10.36	0.06	47.47
Dec. 31, 2020	16,050	1,426	1.01	0.13	1.14	10.21	0.07	33.12

(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 December 31.

# CI Canadian Convertible Bond Fund

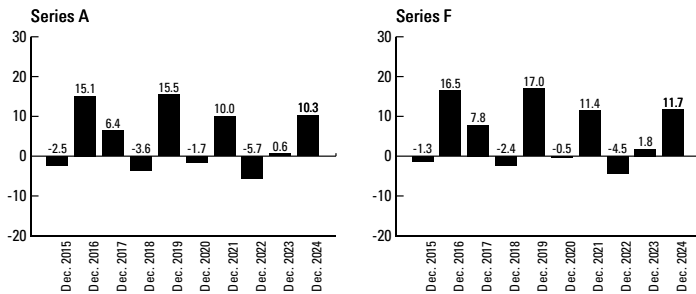
Management Report of Fund Performance for the period/year ended December 31, 2024

## 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.



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## 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 ICE BofA Canada High Yield Index (TR) - 50% and the S&P/TSX Composite Index (GTR) - 50%); the ICE BofA Canada High Yield Index (TR) and the S&P/TSX Composite Index (GTR).

The ICE BofA Canada High Yield Index tracks the performance of investment grade debt issued by Canadian corporations in both the Canadian and U.S. markets.

The S&P/TSX Composite Index is a float-adjusted market capitalization weighted index, which is the principal broad measure of the Canadian equity market. It includes common stocks and income trust units of companies incorporated in Canada which are listed on the Toronto Stock Exchange.

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>Series A</b>	10.3	1.5	2.5	4.2	n/a
Blended Index	16.2	6.5	8.3	7.4	n/a
ICE BofA Canada High Yield Index (TR)	10.8	4.2	5.1	5.9	n/a
S&P/TSX Composite Index (GTR)	21.7	8.6	11.1	8.6	n/a
<b>Series F</b>	11.7	2.8	3.8	5.5	n/a
Blended Index	16.2	6.5	8.3	7.4	n/a
ICE BofA Canada High Yield Index (TR)	10.8	4.2	5.1	5.9	n/a
S&P/TSX Composite Index (GTR)	21.7	8.6	11.1	8.6	n/a

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## 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>	
Canada .....	94.3	Corporate Bonds .....	91.9	Corporate Bonds .....	91.9
Exchange-Traded Fund(s) .....	3.2	Exchange-Traded Fund(s) .....	3.2	Exchange-Traded Fund(s) .....	3.2
Cash & Cash Equivalents .....	2.4	Cash & Cash Equivalents .....	2.4	Cash & Cash Equivalents .....	2.4
Other Net Assets (Liabilities) .....	0.6	Materials .....	2.4	Common Equities .....	2.4
Foreign Currency Forward Contract(s) .....	(0.5)	Other Net Assets (Liabilities) .....	0.6	Other Net Assets (Liabilities) .....	0.6
		Foreign Currency Forward Contract(s) .....	(0.5)	Foreign Currency Forward Contract(s) .....	(0.5)

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 December 31, 2024 (cont'd)

Top 25 Holdings	% of Net Assets
NFI Group Inc., Convertible, 5%, January 15, 2027 .....	6.2
Innergex Renewable Energy Inc., Convertible, 4.65%, October 31, 2026 .....	5.1
AG Growth International Inc., Convertible, 5%, June 30, 2027 .....	5.1
Well Health Technologies Corp., Convertible, 5.5%, December 31, 2026 .....	4.4
Cineplex Inc., Convertible, 5.75%, September 30, 2025 .....	4.3
Advantage Energy Ltd., Convertible, 5%, June 30, 2029 .....	3.9
Premium Brands Holdings Corp., Convertible, 4.2%, September 30, 2027 .....	3.7
American Hotel Income Properties REIT LP, Convertible, 6%, December 31, 2026 .....	3.5
StorageVault Canada Inc., Convertible, 5%, March 31, 2028 .....	3.3
Dye & Durham Ltd., Convertible, 3.75%, March 01, 2026 .....	3.2
CI Canadian Convertible Bond ETF (Common Units) .....	3.2
Surge Energy Inc., Series DEB, Convertible, 8.5%, December 31, 2028 .....	3.2
Firm Capital Mortgage Investment Corp., Convertible, 5%, September 30, 2028 .....	3.2
North American Construction Group Ltd., Convertible, 5.5%, June 30, 2028 .....	3.1
Exchange Income Corp., Convertible, 5.25%, July 31, 2028 .....	3.1
Chorus Aviation Inc., Convertible, 6%, June 30, 2026 .....	2.9
Dream Impact Trust, Convertible, 5.75%, December 31, 2027 .....	2.8
Timbercreek Financial Corp., Convertible, 5.25%, July 31, 2028 .....	2.5
Quarterhill Inc., Convertible, 6%, October 30, 2026 .....	2.4
PRO Real Estate Investment Trust, Convertible, 8%, June 30, 2028 .....	2.4
Cash & Cash Equivalents .....	2.4
NorthWest Healthcare Properties REIT, Convertible, 6.25%, August 31, 2027 .....	2.4
Chemtrade Logistics Income Fund .....	2.4
Fortuna Silver Mines Inc., Convertible, 3.75%, June 30, 2029 .....	2.3
Northwest Healthcare Properties REIT, Convertible, 7.75%, April 30, 2028 .....	2.3
<b>Total Net Assets (in \$000's)</b> .....	<b>\$31,496</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.