

# SEMI-ANNUAL FINANCIAL STATEMENTS 2024

CLARICA  
SEGREGATED FUNDS

JUNE 30, 2024



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CI Investments Inc., the Manager of the Funds, appoints independent auditors to audit the Funds' Annual Financial Statements. Under Canadian securities laws (National Instrument 81-106), if an auditor has not reviewed the Semi-Annual Financial Statements, this must be disclosed in an accompanying notice.

The Funds' independent auditors have not performed a review of these Semi-Annual Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.

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To request an alternate format of this document, please contact us at [service@ci.com](mailto:service@ci.com) or 1-800-792-9355.

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# Clarica CI Select Canadian Equity Benefit Fund

Financial Statements (unaudited)

## Statements of Financial Position

as at June 30, 2024 and as at December 31, 2023

(in \$000's except for per unit amounts)

	2024	2023
<b>Assets</b>		
<b>Current assets</b>		
Investments*	18,580	17,636
Cash	82	27
Fees rebate receivable	-	-
Interest receivable	-	-
Receivable for investments sold	-	-
Receivable for unit subscriptions	-	-
	18,662	17,663
<b>Liabilities</b>		
<b>Current liabilities</b>		
Bank overdraft	-	-
Payable for investments purchased	-	-
Payable for unit redemptions	-	-
Management fees payable	7	7
Administration fees payable	4	4
Insurance fees payable	3	3
	14	14
<b>Net assets attributable to contractholders</b>	18,648	17,649
*Investments at cost	14,481	14,672
<b>Net assets attributable to contractholders per unit:</b>		
Class A	1,933.70	1,767.22

## Statements of Comprehensive Income

for the periods ended June 30

(in \$000's except for per unit amounts and number of units)

	2024	2023
<b>Income</b>		
Net gain (loss) on investments		
Income distributions from investments	406	312
Capital gain distributions from investments	-	-
Net realized gain (loss) on sale of investments	177	96
Change in unrealized appreciation (depreciation) in value of investments	1,135	674
Other income		
Interest	-	1
Fees rebate (Note 6)	-	-
	1,718	1,083
<b>Expenses (Note 6)</b>		
Management fees	37	34
Administration fees	18	17
Insurance fees	18	17
Harmonized sales tax	7	7
	80	75
<b>Increase (decrease) in net assets from operations attributable to contractholders</b>	1,638	1,008
<b>Increase (decrease) in net assets from operations attributable to contractholders per unit:</b>		
Class A	167.37	96.18
<b>Weighted average number of units:</b>		
Class A	9,785	10,478

For inception date of the Fund, please refer to Note 1 in the Notes to the Financial Statements.  
The accompanying notes are an integral part of these financial statements.

# Clarica CI Select Canadian Equity Benefit Fund

Financial Statements (unaudited)

## Statements of Changes in Net Assets Attributable to Contractholders for the periods ended June 30 (in \$000's)

	2024	2023
<b>Net assets attributable to contractholders at the beginning of period</b>	17,649	16,638
Increase (decrease) in net assets from operations attributable to contractholders	1,638	1,008
<b>Unit transactions</b>		
Proceeds from issuance of units	74	121
Amounts paid on redemption of units	(713)	(665)
Net increase (decrease) from unit transactions	(639)	(544)
<b>Net assets attributable to contractholders at the end of period</b>	18,648	17,102

## Statements of Cash Flows for the periods ended June 30 (in \$000's)

	2024	2023
<b>Cash flows from (used in) operating activities</b>		
Increase (decrease) in net assets from operations attributable to contractholders	1,638	1,008
Adjustments for:		
Net realized (gain) loss on sale of investments	(177)	(96)
Change in unrealized (appreciation) depreciation in value of investments	(1,135)	(674)
Proceeds from sale of investments	869	802
Purchase of investments	(95)	(154)
Non-cash distributions from investments	(406)	(312)
(Increase) decrease in interest receivable	-	-
Increase (decrease) in management fees payable	-	6
Increase (decrease) in administration fees payable	-	3
Increase (decrease) in insurance fees payable	-	3
(Increase) decrease in fees rebate receivable	-	-
<b>Net cash from (used in) operating activities</b>	694	586
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuance of units	74	121
Amounts paid on redemption of units	(713)	(665)
<b>Net cash from (used in) financing activities</b>	(639)	(544)
Net increase (decrease) in cash	55	42
Cash (bank overdraft), beginning of period	27	44
<b>Cash (bank overdraft), end of period</b>	82	86
<b>Supplementary Information:</b>		
Interest received*	-	1
Interest paid*	-	-

\*Interest received as well as interest paid relate to operating activities of the Fund.  
The accompanying notes are an integral part of these financial statements.

# Clarica CI Select Canadian Equity Benefit Fund

Schedule of Investment Portfolio (unaudited)

as at June 30, 2024

Number of Units/Shares	Description	Average Cost (\$)	Fair Value (\$)	% of Net Assets
<b>UNDERLYING FUND(S)</b>				
642,448	CI Select Canadian Equity Corporate Class (I Shares)	14,481,015	18,579,590	99.6
<b>Total Investment Portfolio</b>		<b>14,481,015</b>	<b>18,579,590</b>	<b>99.6</b>
Other Net Assets (Liabilities)			68,414	0.4
<b>Net Assets Attributable to Contractholders</b>			<b>18,648,004</b>	<b>100.0</b>

## Top 25 Holdings of the Underlying Fund

as at June 30, 2024 (unaudited)

Number of Units/Shares or Par Value	Description	Average Cost (\$)	Fair Value (\$)
830,866	CI Global Financial Sector ETF (Common Units)	20,285,257	21,448,806
542,819	Manulife Financial Corp.	12,203,076	19,774,896
376,986	Canadian Natural Resources Ltd.	7,877,557	18,370,528
11,071	Fairfax Financial Holdings Ltd.	6,547,598	17,230,129
115,460	Bank of Montreal	13,212,082	13,258,272
471,340	Cenovus Energy Inc.	7,051,102	12,674,333
56,429	Advanced Micro Devices Inc.	2,142,988	12,522,238
254,463	Enbridge Inc.	12,147,112	12,384,714
175,011	Bank of Nova Scotia (The)	12,211,754	10,952,188
203,186	Suncor Energy Inc.	7,269,561	10,596,150
37,114	Amazon.com Inc.	2,888,040	9,812,038
135,556	Wheaton Precious Metals Corp.	5,095,572	9,723,432
105,337	Shopify Inc., Class A	9,931,300	9,523,518
130,926	US Foods Holding Corp.	6,039,738	9,489,423
87,832	Canadian Pacific Kansas City Ltd.	5,430,527	9,463,020
121,594	Alimentation Couche-Tard Inc.	2,969,198	9,334,771
34,830	Alphabet Inc., Class A	5,883,709	8,679,298
37,304	WSP Global Inc.	4,545,680	7,946,871
85,183	Agnico Eagle Mines Ltd.	5,533,415	7,622,175
99,519	Toronto-Dominion Bank (The)	7,963,901	7,483,829
51,197	Royal Bank of Canada	6,499,623	7,456,843
127,181	Brookfield Corp., Class A	7,381,553	7,236,599
	Cash & Cash Equivalents		6,729,498
323,491	TELUS Corp.	8,772,516	6,699,499
9,344	UnitedHealth Group Inc.	4,213,246	6,509,901

Financial statements for the CI Investments Inc. Underlying Fund(s), including information on the holdings of the Underlying Fund(s), are available in electronic format on the Underlying Fund(s) manager's website at [www.ci.com](http://www.ci.com).

Percentages shown in the Schedule of Investment Portfolio relate investments at fair value to net assets attributable to contractholders of the Fund. The accompanying notes are an integral part of these financial statements.

# Clarica CI Select Canadian Equity Benefit Fund

Fund Specific Notes to Financial Statements (unaudited)

## Interest in Underlying Fund(s) (Note 2)

The following tables present the Fund's interest in the Underlying Fund(s).

as at June 30, 2024

Underlying Fund(s)	Fair Value of the Underlying Fund(s) (in \$000's)	Fair Value of the Fund's Investment in the Underlying Fund(s) (in \$000's)	Ownership in the Underlying Fund(s) (%)
CI Select Canadian Equity Corporate Class	480,499	18,580	3.9

as at December 31, 2023

Underlying Fund(s)	Fair Value of the Underlying Fund(s) (in \$000's)	Fair Value of the Fund's Investment in the Underlying Fund(s) (in \$000's)	Ownership in the Underlying Fund(s) (%)
CI Select Canadian Equity Corporate Class	472,184	17,636	3.7

The accompanying notes are an integral part of these financial statements.

# Clarica CI Select Canadian Equity Benefit Fund

Fund Specific Notes to Financial Statements (unaudited)

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## Unit Transactions (Note 5)

for the periods ended June 30

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	Class A	
	2024	2023
<b>Number of units at the beginning of period</b>	9,987	10,715
Units issued for cash	39	75
Units redeemed	(382)	(402)
<b>Number of units at the end of period</b>	<b>9,644</b>	<b>10,388</b>

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For inception date of the Fund, please refer to Note 1 in the Notes to the Financial Statements.  
The accompanying notes are an integral part of these financial statements.

# Clarica CI Select Canadian Equity Benefit Fund

Financial Information (for the period ended June 30, 2024 and years ended December 31) (unaudited)

## 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 periods, as applicable.

	The Fund's Net Asset Value per Unit	Ratios and Supplemental Data			Management Expense Ratio			
		Net assets attributable to contractholders per unit at the end of the period shown (\$)	Net assets (\$000's)	Number of units outstanding	Portfolio turnover rate (%)	Management expense ratio before taxes (%)	Harmonized sales tax (%)	Management expense ratio after taxes (%)
<b>Class A<sup>(1)</sup> (2)</b>								
2024	1,933.70	18,648	9,644	2.75	0.80	0.08	0.88	9.93
2023	1,767.22	17,649	9,987	3.46	0.80	0.08	0.88	9.91
2022	1,552.75	16,638	10,715	6.44	0.80	0.08	0.88	10.16
2021	1,689.00	19,047	11,277	3.30	0.80	0.08	0.88	10.17
2020	1,324.91	16,387	12,368	2.82	0.80	0.08	0.88	10.18
2019	1,227.51	16,394	13,355	6.44	0.80	0.08	0.88	10.20

(1) This information is provided for the period ended June 30, 2024 and December 31 of the years shown.

(2) 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 period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of a contractholder receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

(3) Management expense ratio is calculated based on expenses charged directly to the Fund plus, if applicable, expenses of the underlying fund(s), calculated on a weighted average basis on the percentage weighting of the underlying fund(s) and is expressed as an annualized percentage of average net assets for the years shown. The Effective HST tax rate is calculated using the attribution percentage for each province based on contractholders' residency and can be different from 13%.

For inception date of the Fund, please refer to Note 1 in the Notes to the Financial Statements.

The accompanying notes are an integral part of these financial statements.



# Clarica CI Select Canadian Equity Benefit Fund

*Fund Specific Notes to Financial Statements (unaudited)*

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## **Financial Instruments Risk of the Underlying Fund(s)**

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The Fund is indirectly exposed to credit risk, liquidity risk, other price risk, currency risk and interest rate risk through its holdings in the Underlying Fund(s), to the extent the Underlying Fund(s) is (are) exposed to these risks. Please refer to Note 8 for an explanation of the management of the financial risks. The detailed risk analyses of the Underlying Fund(s) are disclosed in the financial statements of the Underlying Fund(s).

# Clarica CI Select Canadian Equity Fund

Financial Statements (unaudited)

## Statements of Financial Position

as at June 30, 2024 and as at December 31, 2023

(in \$000's except for per unit amounts)

	2024	2023
<b>Assets</b>		
<b>Current assets</b>		
Investments*	36,649	34,705
Cash	101	57
Fees rebate receivable	-	1
Interest receivable	-	-
Receivable for investments sold	32	-
Receivable for unit subscriptions	-	-
	36,782	34,763
<b>Liabilities</b>		
<b>Current liabilities</b>		
Bank overdraft	-	-
Payable for investments purchased	-	6
Payable for unit redemptions	37	-
Management fees payable	20	20
Administration fees payable	3	3
Insurance fees payable	7	6
	67	35
<b>Net assets attributable to contractholders</b>	36,715	34,728
*Investments at cost	28,512	28,834
<b>Net assets attributable to contractholders per unit:</b>		
Class A	1,680.35	1,536.41

## Statements of Comprehensive Income

for the periods ended June 30

(in \$000's except for per unit amounts and number of units)

	2024	2023
<b>Income</b>		
Net gain (loss) on investments		
Income distributions from investments	802	620
Capital gain distributions from investments	-	-
Net realized gain (loss) on sale of investments	324	97
Change in unrealized appreciation (depreciation) in value of investments	2,265	1,367
Other income		
Interest	1	2
Fees rebate (Note 6)	-	-
	3,392	2,086
<b>Expenses (Note 6)</b>		
Management fees	108	100
Administration fees	14	13
Insurance fees	36	34
Harmonized sales tax	17	15
	175	162
<b>Increase (decrease) in net assets from operations attributable to contractholders</b>	3,217	1,924
<b>Increase (decrease) in net assets from operations attributable to contractholders per unit:</b>		
Class A	144.73	81.33
<b>Weighted average number of units:</b>		
Class A	22,225	23,653

For inception date of the Fund, please refer to Note 1 in the Notes to the Financial Statements.  
The accompanying notes are an integral part of these financial statements.

# Clarica CI Select Canadian Equity Fund

Financial Statements (unaudited)

## Statements of Changes in Net Assets Attributable to Contractholders for the periods ended June 30 (in \$000's)

	2024	2023
<b>Net assets attributable to contractholders at the beginning of period</b>	34,728	32,230
Increase (decrease) in net assets from operations attributable to contractholders	3,217	1,924
<b>Unit transactions</b>		
Proceeds from issuance of units	114	171
Amounts paid on redemption of units	(1,344)	(762)
Net increase (decrease) from unit transactions	(1,230)	(591)
<b>Net assets attributable to contractholders at the end of period</b>	36,715	33,563

## Statements of Cash Flows for the periods ended June 30 (in \$000's)

	2024	2023
<b>Cash flows from (used in) operating activities</b>		
Increase (decrease) in net assets from operations attributable to contractholders	3,217	1,924
Adjustments for:		
Net realized (gain) loss on sale of investments	(324)	(97)
Change in unrealized (appreciation) depreciation in value of investments	(2,265)	(1,367)
Proceeds from sale of investments	1,534	971
Purchase of investments	(125)	(219)
Non-cash distributions from investments	(802)	(620)
(Increase) decrease in interest receivable	-	-
Increase (decrease) in management fees payable	-	19
Increase (decrease) in administration fees payable	-	2
Increase (decrease) in insurance fees payable	1	6
(Increase) decrease in fees rebate receivable	1	(1)
<b>Net cash from (used in) operating activities</b>	1,237	618
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuance of units	114	171
Amounts paid on redemption of units	(1,307)	(779)
<b>Net cash from (used in) financing activities</b>	(1,193)	(608)
Net increase (decrease) in cash	44	10
Cash (bank overdraft), beginning of period	57	37
<b>Cash (bank overdraft), end of period</b>	101	47
<b>Supplementary Information:</b>		
Interest received*	1	2
Interest paid*	-	-

\*Interest received as well as interest paid relate to operating activities of the Fund.  
The accompanying notes are an integral part of these financial statements.

# Clarica CI Select Canadian Equity Fund

Schedule of Investment Portfolio (unaudited)

as at June 30, 2024

Number of Units/Shares	Description	Average Cost (\$)	Fair Value (\$)	% of Net Assets
<b>UNDERLYING FUND(S)</b>				
1,267,250	CI Select Canadian Equity Corporate Class (I Shares)	28,512,336	36,648,859	99.8
<b>Total Investment Portfolio</b>		<b>28,512,336</b>	<b>36,648,859</b>	<b>99.8</b>
Other Net Assets (Liabilities)			66,105	0.2
<b>Net Assets Attributable to Contractholders</b>			<b>36,714,964</b>	<b>100.0</b>

## Top 25 Holdings of the Underlying Fund

as at June 30, 2024 (unaudited)

Number of Units/Shares or Par Value	Description	Average Cost (\$)	Fair Value (\$)
830,866	CI Global Financial Sector ETF (Common Units)	20,285,257	21,448,806
542,819	Manulife Financial Corp.	12,203,076	19,774,896
376,986	Canadian Natural Resources Ltd.	7,877,557	18,370,528
11,071	Fairfax Financial Holdings Ltd.	6,547,598	17,230,129
115,460	Bank of Montreal	13,212,082	13,258,272
471,340	Cenovus Energy Inc.	7,051,102	12,674,333
56,429	Advanced Micro Devices Inc.	2,142,988	12,522,238
254,463	Enbridge Inc.	12,147,112	12,384,714
175,011	Bank of Nova Scotia (The)	12,211,754	10,952,188
203,186	Suncor Energy Inc.	7,269,561	10,596,150
37,114	Amazon.com Inc.	2,888,040	9,812,038
135,556	Wheaton Precious Metals Corp.	5,095,572	9,723,432
105,337	Shopify Inc., Class A	9,931,300	9,523,518
130,926	US Foods Holding Corp.	6,039,738	9,489,423
87,832	Canadian Pacific Kansas City Ltd.	5,430,527	9,463,020
121,594	Alimentation Couche-Tard Inc.	2,969,198	9,334,771
34,830	Alphabet Inc., Class A	5,883,709	8,679,298
37,304	WSP Global Inc.	4,545,680	7,946,871
85,183	Agnico Eagle Mines Ltd.	5,533,415	7,622,175
99,519	Toronto-Dominion Bank (The)	7,963,901	7,483,829
51,197	Royal Bank of Canada	6,499,623	7,456,843
127,181	Brookfield Corp., Class A	7,381,553	7,236,599
	Cash & Cash Equivalents		6,729,498
323,491	TELUS Corp.	8,772,516	6,699,499
9,344	UnitedHealth Group Inc.	4,213,246	6,509,901

Financial statements for the CI Investments Inc. Underlying Fund(s), including information on the holdings of the Underlying Fund(s), are available in electronic format on the Underlying Fund(s) manager's website at [www.ci.com](http://www.ci.com).

Percentages shown in the Schedule of Investment Portfolio relate investments at fair value to net assets attributable to contractholders of the Fund. The accompanying notes are an integral part of these financial statements.

# Clarica CI Select Canadian Equity Fund

Fund Specific Notes to Financial Statements (unaudited)

## Interest in Underlying Fund(s) (Note 2)

The following tables present the Fund's interest in the Underlying Fund(s).

as at June 30, 2024

Underlying Fund(s)	Fair Value of the Underlying Fund(s) (in \$000's)	Fair Value of the Fund's Investment in the Underlying Fund(s) (in \$000's)	Ownership in the Underlying Fund(s) (%)
CI Select Canadian Equity Corporate Class	480,499	36,649	7.6

as at December 31, 2023

Underlying Fund(s)	Fair Value of the Underlying Fund(s) (in \$000's)	Fair Value of the Fund's Investment in the Underlying Fund(s) (in \$000's)	Ownership in the Underlying Fund(s) (%)
CI Select Canadian Equity Corporate Class	472,184	34,705	7.3

The accompanying notes are an integral part of these financial statements.

# Clarica CI Select Canadian Equity Fund

Fund Specific Notes to Financial Statements (unaudited)

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## Unit Transactions (Note 5)

for the periods ended June 30

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	Class A	
	2024	2023
<b>Number of units at the beginning of period</b>	22,603	23,849
Units issued for cash	70	121
Units redeemed	(823)	(537)
<b>Number of units at the end of period</b>	<b>21,850</b>	<b>23,433</b>

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For inception date of the Fund, please refer to Note 1 in the Notes to the Financial Statements.  
The accompanying notes are an integral part of these financial statements.

# Clarica CI Select Canadian Equity Fund

Financial Information (for the period ended June 30, 2024 and years ended December 31) (unaudited)

## 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 periods, as applicable.

	<u>The Fund's Net Asset Value per Unit</u>	<u>Ratios and Supplemental Data</u>			<u>Management Expense Ratio</u>			
	Net assets attributable to contractholders per unit at the end of the period shown (\$)	Net assets (\$000's)	Number of units outstanding	Portfolio turnover rate (%)	Management expense ratio before taxes (%)	Harmonized sales tax (%)	Management expense ratio after taxes (%)	Effective HST rate for the period (%)
<b>Class A<sup>(1)</sup> (2)</b>								
2024	1,680.35	36,715	21,850	2.55	0.88	0.09	0.97	10.44
2023	1,536.41	34,728	22,603	2.94	0.88	0.09	0.97	10.40
2022	1,351.39	32,230	23,849	6.29	0.88	0.09	0.97	10.45
2021	1,471.85	36,877	25,055	3.11	0.88	0.09	0.97	10.52
2020	1,155.09	30,555	26,453	3.12	0.88	0.09	0.97	10.59
2019	1,070.89	29,470	27,519	6.34	0.88	0.09	0.97	10.65

(1) This information is provided for the period ended June 30, 2024 and December 31 of the years shown.

(2) 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 period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of a contractholder receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

(3) Management expense ratio is calculated based on expenses charged directly to the Fund plus, if applicable, expenses of the underlying fund(s), calculated on a weighted average basis on the percentage weighting of the underlying fund(s) and is expressed as an annualized percentage of average net assets for the years shown. The Effective HST tax rate is calculated using the attribution percentage for each province based on contractholders' residency and can be different from 13%.

For inception date of the Fund, please refer to Note 1 in the Notes to the Financial Statements.

The accompanying notes are an integral part of these financial statements.

# Clarica CI Select Canadian Equity Fund

*Fund Specific Notes to Financial Statements (unaudited)*

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## **Financial Instruments Risk of the Underlying Fund(s)**

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The Fund is indirectly exposed to credit risk, liquidity risk, other price risk, currency risk and interest rate risk through its holdings in the Underlying Fund(s), to the extent the Underlying Fund(s) is (are) exposed to these risks. Please refer to Note 8 for an explanation of the management of the financial risks. The detailed risk analyses of the Underlying Fund(s) are disclosed in the financial statements of the Underlying Fund(s).



# Clarica CI Select Canadian Equity Fund B

Financial Statements (unaudited)

## Statements of Financial Position

as at June 30, 2024 and as at December 31, 2023

(in \$000's except for per unit amounts)

	2024	2023
<b>Assets</b>		
<b>Current assets</b>		
Investments*	30,967	29,499
Cash	105	82
Fees rebate receivable	1	-
Interest receivable	-	-
Receivable for investments sold	-	9
Receivable for unit subscriptions	-	-
	31,073	29,590
<b>Liabilities</b>		
<b>Current liabilities</b>		
Bank overdraft	-	-
Payable for investments purchased	-	-
Payable for unit redemptions	-	-
Management fees payable	23	22
Administration fees payable	2	2
Insurance fees payable	6	5
	31	29
<b>Net assets attributable to contractholders</b>	31,042	29,561
*Investments at cost	24,137	24,541
<b>Net assets attributable to contractholders per unit:</b>		
Class A	1,073.52	982.81

## Statements of Comprehensive Income

for the periods ended June 30

(in \$000's except for per unit amounts and number of units)

	2024	2023
<b>Income</b>		
Net gain (loss) on investments		
Income distributions from investments	678	527
Capital gain distributions from investments	-	-
Net realized gain (loss) on sale of investments	332	106
Change in unrealized appreciation (depreciation) in value of investments	1,871	1,131
Other income		
Interest	1	2
Fees rebate (Note 6)	-	-
	2,882	1,766
<b>Expenses (Note 6)</b>		
Management fees	122	114
Administration fees	12	11
Insurance fees	31	29
Harmonized sales tax	18	17
	183	171
<b>Increase (decrease) in net assets from operations attributable to contractholders</b>	2,699	1,595
<b>Increase (decrease) in net assets from operations attributable to contractholders per unit:</b>		
Class A	91.51	50.83
<b>Weighted average number of units:</b>		
Class A	29,494	31,386

For inception date of the Fund, please refer to Note 1 in the Notes to the Financial Statements.  
The accompanying notes are an integral part of these financial statements.

# Clarica CI Select Canadian Equity Fund B

Financial Statements (unaudited)

## Statements of Changes in Net Assets Attributable to Contractholders for the periods ended June 30 (in \$000's)

	2024	2023
<b>Net assets attributable to contractholders at the beginning of period</b>	29,561	27,374
Increase (decrease) in net assets from operations attributable to contractholders	2,699	1,595
<b>Unit transactions</b>		
Proceeds from issuance of units	135	201
Amounts paid on redemption of units	(1,353)	(707)
Net increase (decrease) from unit transactions	(1,218)	(506)
<b>Net assets attributable to contractholders at the end of period</b>	31,042	28,463

## Statements of Cash Flows for the periods ended June 30 (in \$000's)

	2024	2023
<b>Cash flows from (used in) operating activities</b>		
Increase (decrease) in net assets from operations attributable to contractholders	2,699	1,595
Adjustments for:		
Net realized (gain) loss on sale of investments	(332)	(106)
Change in unrealized (appreciation) depreciation in value of investments	(1,871)	(1,131)
Proceeds from sale of investments	1,595	1,117
Purchase of investments	(173)	(273)
Non-cash distributions from investments	(678)	(527)
(Increase) decrease in interest receivable	-	-
Increase (decrease) in management fees payable	1	21
Increase (decrease) in administration fees payable	-	2
Increase (decrease) in insurance fees payable	1	5
(Increase) decrease in fees rebate receivable	(1)	-
<b>Net cash from (used in) operating activities</b>	1,241	703
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuance of units	135	201
Amounts paid on redemption of units	(1,353)	(706)
<b>Net cash from (used in) financing activities</b>	(1,218)	(505)
Net increase (decrease) in cash	23	198
Cash (bank overdraft), beginning of period	82	17
<b>Cash (bank overdraft), end of period</b>	105	215
<b>Supplementary Information:</b>		
Interest received*	1	2
Interest paid*	-	-

\*Interest received as well as interest paid relate to operating activities of the Fund.  
The accompanying notes are an integral part of these financial statements.

# Clarica CI Select Canadian Equity Fund B

Schedule of Investment Portfolio (unaudited)

as at June 30, 2024

Number of Units/Shares	Description	Average Cost (\$)	Fair Value (\$)	% of Net Assets
<b>UNDERLYING FUND(S)</b>				
1,070,778	CI Select Canadian Equity Corporate Class (I Shares)	24,136,799	30,966,886	99.8
<b>Total Investment Portfolio</b>		<b>24,136,799</b>	<b>30,966,886</b>	<b>99.8</b>
Other Net Assets (Liabilities)			74,784	0.2
<b>Net Assets Attributable to Contractholders</b>			<b>31,041,670</b>	<b>100.0</b>

## Top 25 Holdings of the Underlying Fund

as at June 30, 2024 (unaudited)

Number of Units/Shares or Par Value	Description	Average Cost (\$)	Fair Value (\$)
830,866	CI Global Financial Sector ETF (Common Units)	20,285,257	21,448,806
542,819	Manulife Financial Corp.	12,203,076	19,774,896
376,986	Canadian Natural Resources Ltd.	7,877,557	18,370,528
11,071	Fairfax Financial Holdings Ltd.	6,547,598	17,230,129
115,460	Bank of Montreal	13,212,082	13,258,272
471,340	Cenovus Energy Inc.	7,051,102	12,674,333
56,429	Advanced Micro Devices Inc.	2,142,988	12,522,238
254,463	Enbridge Inc.	12,147,112	12,384,714
175,011	Bank of Nova Scotia (The)	12,211,754	10,952,188
203,186	Suncor Energy Inc.	7,269,561	10,596,150
37,114	Amazon.com Inc.	2,888,040	9,812,038
135,556	Wheaton Precious Metals Corp.	5,095,572	9,723,432
105,337	Shopify Inc., Class A	9,931,300	9,523,518
130,926	US Foods Holding Corp.	6,039,738	9,489,423
87,832	Canadian Pacific Kansas City Ltd.	5,430,527	9,463,020
121,594	Alimentation Couche-Tard Inc.	2,969,198	9,334,771
34,830	Alphabet Inc., Class A	5,883,709	8,679,298
37,304	WSP Global Inc.	4,545,680	7,946,871
85,183	Agnico Eagle Mines Ltd.	5,533,415	7,622,175
99,519	Toronto-Dominion Bank (The)	7,963,901	7,483,829
51,197	Royal Bank of Canada	6,499,623	7,456,843
127,181	Brookfield Corp., Class A	7,381,553	7,236,599
	Cash & Cash Equivalents		6,729,498
323,491	TELUS Corp.	8,772,516	6,699,499
9,344	UnitedHealth Group Inc.	4,213,246	6,509,901

Financial statements for the CI Investments Inc. Underlying Fund(s), including information on the holdings of the Underlying Fund(s), are available in electronic format on the Underlying Fund(s) manager's website at [www.ci.com](http://www.ci.com).

Percentages shown in the Schedule of Investment Portfolio relate investments at fair value to net assets attributable to contractholders of the Fund. The accompanying notes are an integral part of these financial statements.

# Clarica CI Select Canadian Equity Fund B

Fund Specific Notes to Financial Statements (unaudited)

## Interest in Underlying Fund(s) (Note 2)

The following tables present the Fund's interest in the Underlying Fund(s).

as at June 30, 2024

Underlying Fund(s)	Fair Value of the Underlying Fund(s) (in \$000's)	Fair Value of the Fund's Investment in the Underlying Fund(s) (in \$000's)	Ownership in the Underlying Fund(s) (%)
CI Select Canadian Equity Corporate Class	480,499	30,967	6.4

as at December 31, 2023

Underlying Fund(s)	Fair Value of the Underlying Fund(s) (in \$000's)	Fair Value of the Fund's Investment in the Underlying Fund(s) (in \$000's)	Ownership in the Underlying Fund(s) (%)
CI Select Canadian Equity Corporate Class	472,184	29,499	6.2

The accompanying notes are an integral part of these financial statements.

# Clarica CI Select Canadian Equity Fund B

Fund Specific Notes to Financial Statements (unaudited)

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## Unit Transactions (Note 5)

for the periods ended June 30

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	Class A	
	2024	2023
<b>Number of units at the beginning of period</b>	30,078	31,599
Units issued for cash	129	223
Units redeemed	(1,291)	(783)
<b>Number of units at the end of period</b>	<b>28,916</b>	<b>31,039</b>

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For inception date of the Fund, please refer to Note 1 in the Notes to the Financial Statements.  
The accompanying notes are an integral part of these financial statements.

# Clarica CI Select Canadian Equity Fund B

Financial Information (for the period ended June 30, 2024 and years ended December 31) (unaudited)

## 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 periods, as applicable.

	<u>The Fund's Net Asset Value per Unit</u>	<u>Ratios and Supplemental Data</u>			<u>Management Expense Ratio</u>			
	Net assets attributable to contractholders per unit at the end of the period shown (\$)	Net assets (\$000's)	Number of units outstanding	Portfolio turnover rate (%)	Management expense ratio before taxes (%)	Harmonized sales tax (%)	Management expense ratio after taxes (%)	Effective HST rate for the period (%)
<b>Class A<sup>(1)</sup> (2)</b>								
2024	1,073.52	31,042	28,916	2.78	1.08	0.12	1.20	11.00
2023	982.81	29,561	30,078	3.33	1.08	0.12	1.20	10.92
2022	866.30	27,374	31,599	4.55	1.08	0.12	1.20	10.91
2021	945.37	30,685	32,458	3.28	1.08	0.12	1.20	10.93
2020	743.51	24,757	33,298	3.16	1.08	0.12	1.20	10.76
2019	691.15	24,126	34,908	6.24	1.08	0.12	1.20	10.78

(1) This information is provided for the period ended June 30, 2024 and December 31 of the years shown.

(2) 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 period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of a contractholder receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

(3) Management expense ratio is calculated based on expenses charged directly to the Fund plus, if applicable, expenses of the underlying fund(s), calculated on a weighted average basis on the percentage weighting of the underlying fund(s) and is expressed as an annualized percentage of average net assets for the years shown. The Effective HST tax rate is calculated using the attribution percentage for each province based on contractholders' residency and can be different from 13%.

For inception date of the Fund, please refer to Note 1 in the Notes to the Financial Statements.

The accompanying notes are an integral part of these financial statements.

# Clarica CI Select Canadian Equity Fund B

*Fund Specific Notes to Financial Statements (unaudited)*

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## **Financial Instruments Risk of the Underlying Fund(s)**

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The Fund is indirectly exposed to credit risk, liquidity risk, other price risk, currency risk and interest rate risk through its holdings in the Underlying Fund(s), to the extent the Underlying Fund(s) is (are) exposed to these risks. Please refer to Note 8 for an explanation of the management of the financial risks. The detailed risk analyses of the Underlying Fund(s) are disclosed in the financial statements of the Underlying Fund(s).

# Clarica CI Canadian Bond Fund 2

Financial Statements (unaudited)

## Statements of Financial Position

as at June 30, 2024 and as at December 31, 2023

(in \$000's except for per unit amounts)

	2024	2023
<b>Assets</b>		
<b>Current assets</b>		
Investments*	818	851
Cash	3	3
Fees rebate receivable	-	-
Interest receivable	-	-
Receivable for investments sold	-	-
Receivable for unit subscriptions	-	-
	821	854
<b>Liabilities</b>		
<b>Current liabilities</b>		
Bank overdraft	-	-
Payable for investments purchased	-	-
Payable for unit redemptions	-	-
Management fees payable	1	1
Administration fees payable	-	-
Insurance fees payable	-	-
	1	1
<b>Net assets attributable to contractholders</b>	820	853
<b>*Investments at cost</b>	881	903
<b>Net assets attributable to contractholders per unit:</b>		
Class A	273.16	273.96

## Statements of Comprehensive Income

for the periods ended June 30

(in \$000's except for per unit amounts and number of units)

	2024	2023
<b>Income</b>		
Net gain (loss) on investments		
Income distributions from investments	16	17
Capital gain distributions from investments	-	-
Net realized gain (loss) on sale of investments	(3)	(1)
Change in unrealized appreciation (depreciation) in value of investments	(11)	10
Other income		
Interest	-	-
Fees rebate (Note 6)	-	-
	2	26
<b>Expenses (Note 6)</b>		
Management fees	3	3
Administration fees	1	1
Insurance fees	1	1
Harmonized sales tax	-	1
	5	6
<b>Increase (decrease) in net assets from operations attributable to contractholders</b>	(3)	20
<b>Increase (decrease) in net assets from operations attributable to contractholders per unit:</b>		
Class A	(1.03)	5.90
<b>Weighted average number of units:</b>		
Class A	3,056	3,478

For inception date of the Fund, please refer to Note 1 in the Notes to the Financial Statements.  
The accompanying notes are an integral part of these financial statements.



# Clarica CI Canadian Bond Fund 2

Financial Statements (unaudited)

## Statements of Changes in Net Assets Attributable to Contractholders for the periods ended June 30 (in \$000's)

	2024	2023
<b>Net assets attributable to contractholders at the beginning of period</b>	853	899
Increase (decrease) in net assets from operations attributable to contractholders	(3)	20
<b>Unit transactions</b>		
Proceeds from issuance of units	1	-
Amounts paid on redemption of units	(31)	(5)
Net increase (decrease) from unit transactions	(30)	(5)
<b>Net assets attributable to contractholders at the end of period</b>	820	914

## Statements of Cash Flows for the periods ended June 30 (in \$000's)

	2024	2023
<b>Cash flows from (used in) operating activities</b>		
Increase (decrease) in net assets from operations attributable to contractholders	(3)	20
Adjustments for:		
Net realized (gain) loss on sale of investments	3	1
Change in unrealized (appreciation) depreciation in value of investments	11	(10)
Proceeds from sale of investments	35	10
Purchase of investments	-	-
Non-cash distributions from investments	(16)	(17)
(Increase) decrease in interest receivable	-	-
Increase (decrease) in management fees payable	-	1
Increase (decrease) in administration fees payable	-	-
Increase (decrease) in insurance fees payable	-	-
(Increase) decrease in fees rebate receivable	-	-
<b>Net cash from (used in) operating activities</b>	30	5
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuance of units	1	-
Amounts paid on redemption of units	(31)	(5)
<b>Net cash from (used in) financing activities</b>	(30)	(5)
Net increase (decrease) in cash	-	-
Cash (bank overdraft), beginning of period	3	3
<b>Cash (bank overdraft), end of period</b>	3	3
<b>Supplementary Information:</b>		
Interest received*	-	-
Interest paid*	-	-

\*Interest received as well as interest paid relate to operating activities of the Fund.  
The accompanying notes are an integral part of these financial statements.

# Clarica CI Canadian Bond Fund 2

Schedule of Investment Portfolio (unaudited)

as at June 30, 2024

Number of Units/Shares	Description	Average Cost (\$)	Fair Value (\$)	% of Net Assets
<b>UNDERLYING FUND(S)</b>				
87,249	CI Canadian Bond Fund (Series I)	881,293	818,234	99.8
<b>Total Investment Portfolio</b>		<b>881,293</b>	<b>818,234</b>	<b>99.8</b>
Other Net Assets (Liabilities)			1,505	0.2
<b>Net Assets Attributable to Contractholders</b>			<b>819,739</b>	<b>100.0</b>

## Top 25 Holdings of the Underlying Fund

as at June 30, 2024 (unaudited)

Number of Units/Shares or Par Value	Description	Average Cost (\$)	Fair Value (\$)
97,655,000	Canada Housing Trust No. 1, 4.25%, March 15, 2034	99,070,191	100,309,326
104,490,000	Government of Canada, 2.5%, December 01, 2032	97,440,401	96,905,592
86,305,000	Government of Canada, 1.5%, April 01, 2025	83,530,825	84,423,554
62,485,000	Government of Canada, 3.5%, December 01, 2045	64,536,004	62,923,637
57,060,000	Province of Ontario, 3.65%, June 02, 2033	56,587,143	54,976,584
61,702,000	Government of Canada, 1.25%, June 01, 2030	54,231,795	54,468,452
52,520,000	Canada Housing Trust No. 1, 4.25%, December 15, 2028	53,402,471	53,652,143
46,487,000	Government of Canada, 5%, June 01, 2037	54,584,968	53,615,357
61,586,000	Government of Canada, 1.5%, December 01, 2031	53,079,766	53,604,600
62,066,000	Government of Canada, 2%, December 01, 2051	49,844,259	46,452,469
41,407,000	Government of Canada, 3.25%, December 01, 2033	40,636,393	40,569,430
41,594,000	Province of Quebec, 3.25%, September 01, 2032	40,314,678	39,216,936
38,037,000	Province of Ontario, 4.65%, June 02, 2041	42,823,310	39,180,644
50,742,000	Government of Canada, 1.75%, December 01, 2053	35,232,982	35,214,957
34,769,000	Province of Ontario, 3.75%, June 02, 2032	34,524,569	34,044,615
29,075,000	Canada Housing Trust No. 1, 3.95%, June 15, 2028	28,619,104	29,290,362
28,517,000	Province of Ontario, 4.6%, June 02, 2039	28,569,520	29,212,624
28,901,000	Province of British Columbia, 4.15%, June 18, 2034	28,591,759	28,749,037
31,159,000	Government of Canada, 2%, June 01, 2032	27,338,767	27,942,740
33,156,000	Province of Alberta, 3.1%, June 01, 2050	34,238,351	26,692,823
26,506,000	Government of Canada, 3%, November 01, 2024	26,058,008	26,355,275
26,500,000	Province of Quebec, 4.25%, December 01, 2043	25,575,680	25,899,737
23,491,000	Government of Canada, 4%, June 01, 2041	25,399,414	25,030,988
31,439,000	Province of Alberta, 2.95%, June 01, 2052	22,828,487	24,483,282
23,948,000	Province of Ontario, 2.4%, June 02, 2026	22,944,045	23,228,410

Financial statements for the CI Investments Inc. Underlying Fund(s), including information on the holdings of the Underlying Fund(s), are available in electronic format on the Underlying Fund(s) manager's website at [www.ci.com](http://www.ci.com).

Percentages shown in the Schedule of Investment Portfolio relate investments at fair value to net assets attributable to contractholders of the Fund.  
The accompanying notes are an integral part of these financial statements.

# Clarica CI Canadian Bond Fund 2

Fund Specific Notes to Financial Statements (unaudited)

## Interest in Underlying Fund(s) (Note 2)

The following tables present the Fund's interest in the Underlying Fund(s).

as at June 30, 2024

Underlying Fund(s)	Fair Value of the Underlying Fund(s) (in \$000's)	Fair Value of the Fund's Investment in the Underlying Fund(s) (in \$000's)	Ownership in the Underlying Fund(s) (%)
CI Canadian Bond Fund	2,806,713	818	-

as at December 31, 2023

Underlying Fund(s)	Fair Value of the Underlying Fund(s) (in \$000's)	Fair Value of the Fund's Investment in the Underlying Fund(s) (in \$000's)	Ownership in the Underlying Fund(s) (%)
CI Canadian Bond Fund	3,003,063	851	-

The accompanying notes are an integral part of these financial statements.

# Clarica CI Canadian Bond Fund 2

Fund Specific Notes to Financial Statements (unaudited)

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## Unit Transactions (Note 5)

for the periods ended June 30

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	Class A	
	2024	2023
<b>Number of units at the beginning of period</b>	3,114	3,487
Units issued for cash	2	2
Units redeemed	(115)	(20)
<b>Number of units at the end of period</b>	<b>3,001</b>	<b>3,469</b>

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For inception date of the Fund, please refer to Note 1 in the Notes to the Financial Statements.  
The accompanying notes are an integral part of these financial statements.

# Clarica CI Canadian Bond Fund 2

Financial Information (for the period ended June 30, 2024 and years ended December 31) (unaudited)

## 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 periods, as applicable.

	<u>The Fund's Net Asset Value per Unit</u>	<u>Ratios and Supplemental Data</u>			<u>Management Expense Ratio</u>			
	Net assets attributable to contractholders per unit at the end of the period shown (\$)	Net assets (\$000's)	Number of units outstanding	Portfolio turnover rate (%)	Management expense ratio before taxes (%)	Harmonized sales tax (%)	Management expense ratio after taxes (%)	Effective HST rate for the period (%)
<b>Class A<sup>(1)</sup> (2)</b>								
2024	273.16	820	3,001	2.08	1.12	0.14	1.26	12.28
2023	273.96	853	3,114	3.87	1.12	0.13	1.25	11.68
2022	257.68	899	3,487	3.01	1.12	0.13	1.25	11.56
2021	291.98	1,068	3,659	2.65	1.12	0.13	1.25	11.50
2020	300.62	1,159	3,856	4.75	1.12	0.13	1.25	11.54
2019	274.93	1,098	3,992	3.05	1.12	0.13	1.25	11.64

(1) This information is provided for the period ended June 30, 2024 and December 31 of the years shown.

(2) 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 period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of a contractholder receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

(3) Management expense ratio is calculated based on expenses charged directly to the Fund plus, if applicable, expenses of the underlying fund(s), calculated on a weighted average basis on the percentage weighting of the underlying fund(s) and is expressed as an annualized percentage of average net assets for the years shown. The Effective HST tax rate is calculated using the attribution percentage for each province based on contractholders' residency and can be different from 13%.

For inception date of the Fund, please refer to Note 1 in the Notes to the Financial Statements.

The accompanying notes are an integral part of these financial statements.

# Clarica CI Canadian Bond Fund 2

*Fund Specific Notes to Financial Statements (unaudited)*

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## **Financial Instruments Risk of the Underlying Fund(s)**

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The Fund is indirectly exposed to credit risk, liquidity risk, other price risk, currency risk and interest rate risk through its holdings in the Underlying Fund(s), to the extent the Underlying Fund(s) is (are) exposed to these risks. Please refer to Note 8 for an explanation of the management of the financial risks. The detailed risk analyses of the Underlying Fund(s) are disclosed in the financial statements of the Underlying Fund(s).

# Notes to the Financial Statements (unaudited)

## 1. THE FUNDS

The following Clarica Segregated Funds were created by a board resolution of Sun Life Assurance Company of Canada (Sun Life) or its predecessor; Clarica Life Insurance Company (Clarica) as of the dates as indicated below:

Funds	Date
Clarica CI Canadian Bond Fund 2	June 1, 1974
Clarica CI Select Canadian Equity Benefit Fund	September 1, 1963
Clarica CI Select Canadian Equity Fund B	October 1, 1971
Clarica CI Select Canadian Equity Fund	March 1, 1962

(the Fund or collectively the Funds or the Clarica Segregated Funds)

Sun Life, a wholly owned subsidiary of Sun Life Financial Inc., is the sole issuer of the individual variable insurance contract providing for investment in each Fund. The assets of each of the Funds are owned by Sun Life and are segregated from Sun Life's other assets. The Funds are not separate legal entities but are separate reporting entities.

Sun Life has appointed CI Investments Inc. (CI or the Manager) to perform certain administrative and management services on its behalf in relation to the Funds and the contracts. CI is a subsidiary of CI Financial Corp.

These financial statements were authorized for issue by the Manager on September 27, 2024.

All Funds had a Retail Class and an Institutional Class, and effective January 17, 2003, the Institutional Classes for all Funds were fully redeemed. The Funds were converted from an asset-based fund structure to a fund-of-fund structure on February 10, 2003.

The Statements of Financial Position are as at June 30, 2024 and December 31, 2023. The Statements of Comprehensive Income, Statements of Changes in Net Assets Attributable to Contractholders and Statements of Cash Flows are for the periods ended June 30, 2024 and 2023. The Schedules of Investment Portfolio are as at June 30, 2024. The Fund Specific Notes to Financial Statements for each Fund consist of Interest in Underlying Fund(s) as at June 30, 2024 and December 31, 2023, Unit Transactions for the periods ended June 30, 2024 and 2023, and Financial Instruments Risks as at June 30, 2024 and December 31, 2023.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

These financial statements have been prepared in compliance with *International Financial Reporting Standards* (IFRS) as published by the International Accounting Standards Board (IASB).

The following is the material accounting policy information of the Funds:

### a. Classification and recognition of financial instruments

Investment fund(s) held by the Funds are measured at fair value through profit or loss (FVTPL) in accordance with IFRS 9, *Financial Instruments*. Purchases and sales of financial assets are recognized at their trade date. The Funds' obligations for net assets attributable to contractholders are presented at the redemption amount, which approximates their fair value. All other financial assets and liabilities are measured at amortized cost, which approximates their fair value. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the effective rate of interest.

### b. Fair value of financial investments

At the financial reporting date, listed securities are valued based on the last traded market price for financial assets and financial liabilities where the last traded price falls within the day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the existing market conditions. Unlisted securities are valued based on price quotations received from recognized investment dealers or failing that, their fair value is determined by the Manager based on the latest reported information available. Underlying fund(s) are valued on each business day at their net asset value (NAV) as reported by the underlying fund(s)' manager.

### c. Cash

Cash is comprised of cash on deposit. Bank overdrafts are shown in current liabilities in the Statements of Financial Position.

### d. Cost of investments

Cost of investments represents the amount paid for each security and is determined on an average cost basis.

### e. Investment transactions

Investment transactions are accounted for on the trade date. Realized gains and losses on sales of investments and unrealized appreciation or depreciation in value of investments are calculated on an average cost basis.

### f. Income recognition

Distributions from investments are recorded on the ex-distribution date and interest income is accrued on a daily basis.

Distributions received from investment fund holdings are recognized by the Funds in the same form in which they were received from the underlying fund(s).

### g. Functional and presentation currency

The Funds' subscriptions and redemptions are denominated in Canadian dollars, which is also the Funds' functional and presentation currency.

### h. Classification of units

The units of the Funds are classified as financial liabilities in accordance with IAS 32, *Financial Instruments: Presentation* (IAS 32), as they do not meet the definition of puttable instruments to be classified as equity in accordance with IAS 32 for financial reporting purposes.

### i. Net asset value per unit

NAV per unit for each class is calculated at the end of each day on which the Manager is open for a full day of business by dividing the total NAV of each Fund by its outstanding units.

### j. Increase (decrease) in net assets from operations attributable to contractholders per unit

"Increase (decrease) in net assets from operations attributable to contractholders per unit" is calculated by dividing the increase (decrease) in net assets from operations attributable to contractholders of each of the Funds by the weighted average number of units outstanding during the period.

# Notes to the Financial Statements (unaudited) (cont'd)

## k. Consolidated financial statements

Under IFRS 10, *Consolidated Financial Statements* (IFRS 10), a Fund is required to provide consolidated financial statements if it has control over the entities it invests in. In October 2013, the IASB issued an "Investment Entity" amendment to IFRS 10, which provides an exception to consolidation for an entity that meets the definition of Investment Entity. The Manager has determined that all Funds satisfy the criteria of an Investment Entity.

## l. Investments in associates, joint ventures, subsidiaries and unconsolidated structured entities

Subsidiaries are entities, including investments in other investment entities, over which the Fund has control. A Fund controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to affect those returns through its power over the entity. Associates and joint ventures are investments over which a Fund has significant influence or joint control. Conversely, structured entities are entities that have been designed such that voting or similar rights are not the dominant factors in determining control over the entity, such as when voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

For all Funds that invest in the underlying fund(s), the Manager has determined that the bottom investee fund(s) meet the definition of a structured entity to the top investing fund(s).

Investment exposure related to the Funds' Interest in Underlying Fund(s) for each Fund appears under the Fund Specific Notes to Financial Statements.

## m. Non-zero amounts

Some of the balances reported in the financial statements include amounts that are rounded to zero.

## 3. USE OF ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities at the reporting date and the reported amounts of income and expenses during the reporting period.

The following discusses the most significant accounting judgments and estimates that the Funds have made in preparing their financial statements:

### ***Fair value measurement of investments not quoted in active market***

The fair value of investments in the underlying fund(s) that are not quoted in active markets is determined primarily by reference to the latest available NAV of such units for each of the underlying fund, as determined by the underlying fund(s)' managers.

## 4. INCOME TAXES

Each Fund is deemed to be a trust, referred to as a "related segregated fund trust" under the provisions of the *Income Tax Act* (Canada) and is deemed to have allocated its income to the beneficiaries. Each Fund's net capital gains (losses) are deemed to be those of the beneficiaries. Accordingly, the Funds are not subject to income tax on their net income, including net realized capital gains for the year.

## 5. CONTRACTHOLDERS UNITS

Units issued and outstanding represent the capital of each Fund.

The relevant changes pertaining to subscriptions and redemptions of each Fund's units are disclosed in the Statements of Changes in Net Assets Attributable to Contractholders. In accordance with the objectives and risk management policies outlined in Note 8, the Funds endeavour to invest subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions by disposal of investments when necessary.

Unit Transactions information for each Fund appears under the Fund Specific Notes to Financial Statements.

## 6. FEES AND OTHER EXPENSES

The Manager, in consideration of management fees received, provides management services that are required in the day-to-day operations of the Funds.

The management fee is calculated as an annual percentage of the total NAV of each class of each Fund at the end of each day and is paid at the end of each month.

The Funds that invest in an underlying fund other than a CI mutual fund pay management fee to a third-party portfolio manager.

In addition to the management fee, each Fund and each underlying fund is charged an annual administration fee. In return for an annual administration fee, the Manager bears all of the operating expenses of each Fund and each underlying fund (other than certain taxes, borrowing costs, certain new governmental fees and costs and expenses of reports and information folders required to comply with laws and regulatory guidelines regulating the issuance or sale of variable annuity contracts).

The administration fee is calculated as an annual percentage of the total NAV of each class of each Fund at the end of each business day and is paid at the end of each month.

A Fund that invests in units of an underlying fund will not pay a duplicate management and administration fee on the portion of assets that are invested in units of the underlying fund. During the reporting period, a Fund may have received a management and/or administration fee rebate from the underlying fund's Manager relating to its investment in an underlying fund. The rebates are included in "Fees rebate receivable" and "Fees rebate" as reflected in the Statements of Financial Position and Statements of Comprehensive Income of each Fund, as applicable. The management fees and the fee rebates reported in the Statements of Comprehensive Income of each Fund are each presented on a gross basis.

The Funds pay an insurance fee to Sun Life. The insurance fee of each class of the Fund is a charge by Sun Life for the applicable Guarantee Option in respect of that Fund Class. The insurance fees payable at period-end are included in the "Insurance fees payable" in the Statements of Financial Position, while insurance fees expense for the period are included in the "Insurance fees" in the Statements of Comprehensive Income.

## 7. RELATED PARTY TRANSACTIONS

A Fund may invest in an underlying fund that is also managed by CI, the Manager of the Funds. For details, refer to the Fund Specific Notes to Financial Statements or the Schedule of Investment Portfolio of each Fund.



# Notes to the Financial Statements (unaudited) (cont'd)

The management and administration fees paid to CI are also considered a related party transaction. For more details, refer to Note 6.

## 8. FINANCIAL INSTRUMENTS RISK

### Risk management

The Funds invest in units of the underlying fund(s) and are indirectly exposed to a variety of financial instruments risks: concentration risk, credit risk, liquidity risk and market risk (including other price risk, currency risk and interest rate risk). The level of risk to which each Fund is exposed to depends on the investment objective and the type of investments held by the underlying fund(s). The value of investments within an underlying fund portfolio can fluctuate daily as a result of changes in prevailing interest rates, economic and market conditions, and company-specific news related to investments held by the underlying fund, which affects the value of each of the Funds. The Manager of the underlying fund(s) may minimize potential adverse effects of these risks by, but not limited to, regular monitoring of the underlying fund(s)' positions and market events, diversification of the investment portfolio by asset type, country, sector, term to maturity within the constraints of the stated objectives, and through the usage of derivatives to hedge certain risk exposures.

### Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is a geographical allocation, asset type, industry sector or counterparty.

Details of each of the Fund's exposure to concentration risk are available in the Fund Specific Notes to Financial Statements.

### Credit risk

Credit risk is the risk that a security issuer or counterparty to a financial instrument will fail to meet its financial obligations. The fair value of a debt instrument includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt instruments represents the credit risk exposure of each underlying fund. Credit risk exposure for derivative instruments is based on each underlying fund(s)' unrealized gain on the contractual obligations with the counterparty as at the reporting date. The credit risk exposure of the Fund(s)' other assets is represented by their carrying amount as disclosed in the Statements of Financial Position.

### Liquidity risk

Liquidity risk is the risk that a Fund may not be able to settle or meet its obligations on time or at a reasonable price. The Funds are exposed to daily cash redemptions of redeemable units. The Funds invest all of their assets in the underlying fund(s) which can be readily disposed of.

### Market risk

The Funds' investments are subject to market risk, which is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market conditions.

#### *Other price risk*

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk). The value of each investment is influenced by the outlook of the issuer and by general economic and political conditions, as well as industry and market trends. All securities present a risk of loss of capital.

Other assets and liabilities are monetary items that are short-term in nature and therefore are not subject to other price risk.

#### *Currency risk*

Currency risk arises from financial instruments that are denominated in a currency other than Canadian dollars, which is the functional currency of the Funds and the underlying fund(s). As a result, the underlying fund(s) may be exposed to the risk that the value of securities denominated in other currencies will fluctuate due to changes in exchange rates. Equities traded in foreign markets are also exposed to currency risk as the prices denominated in foreign currencies are converted to the underlying fund(s)' functional currency to determine their fair value.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value of interest-bearing investments will fluctuate due to changes in prevailing levels of market interest rates. As a result, the value of the underlying fund(s) that invest in debt securities and/or income trusts will be affected by changes in applicable interest rates. If interest rates fall, the fair value of existing debt securities may increase due to the increase in yield. Alternatively, if interest rates rise, the yield of existing debt securities may decrease which may then lead to a decrease, in their fair value. The magnitude of the decline will generally be greater for long-term debt securities than for short-term debt securities.

Interest rate risk also applies to convertible securities. The fair value of these securities varies inversely with interest rates, similar to other debt securities. However, since they may be converted into common shares, convertible securities are generally less affected by interest rate fluctuations than other debt securities.

The Funds' exposure to interest rate sensitivity on short-term interest-bearing investments is minimal due to their short-term nature.

### Fair value hierarchy

The Funds are required to classify financial instruments measured at fair value using a fair value hierarchy. Investments whose values are based on quoted market prices in active markets are classified as Level 1. This level includes publicly traded equities, exchange-traded and retail mutual fund(s), exchange-traded warrants, futures contracts and traded options.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified as Level 2. These include fixed-income securities, mortgage-backed securities, short-term instruments, non-traded warrants, over-the-counter options, structured notes of indexed securities, if applicable, foreign currency forward contracts and swap instruments.

Investments classified as Level 3 have significant unobservable inputs. Level 3 instruments include private equities, private term loans, private equity fund(s) and certain derivatives. As observable prices are not available for these securities, the Funds may use a variety of valuation techniques to derive the fair value.

The Funds invest only in other investment fund(s) and these investments are classified as Level 1.

Details of each Fund's exposure to financial instruments risks are available in the Fund Specific Notes to Financial Statements for each Fund.

# Legal Notice

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