

ANNUAL FINANCIAL STATEMENTS 2022

CLARICA
SEGREGATED FUNDS

DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Contractholders of

Clarica CI Select Canadian Equity Benefit Fund
Clarica CI Select Canadian Equity Fund
Clarica CI Select Canadian Equity Fund B
Clarica CI Canadian Bond Fund 2
(collectively, the "Funds")

Opinion

We have audited the financial statements of the Funds, which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of comprehensive income, statements of changes in net assets attributable to contractholders and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2022 and 2021, and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Funds' financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud

is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Toronto, Canada

April 28, 2023



Chartered Professional Accountants
Licensed Public Accountants

Clarica CI Select Canadian Equity Benefit Fund

Financial Statements

Statements of Financial Position

as at December 31

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

	2022	2021
Assets		
Current assets		
Investments*	16,594	18,920
Cash	44	127
Fees rebate receivable	-	-
Interest receivable	-	-
Receivable for investments sold	-	-
Receivable for unit subscriptions	-	-
	16,638	19,047
Liabilities		
Current liabilities		
Bank overdraft	-	-
Payable for investments purchased	-	-
Payable for unit redemptions	-	-
Management fees payable	-	-
Administration fees payable	-	-
Insurance fees payable	-	-
	-	-
Net assets attributable to contractholders	16,638	19,047
*Investments at cost	15,504	13,392
Net assets attributable to contractholders per unit:		
Class A	1,552.75	1,689.00

Statements of Comprehensive Income

for the years ended December 31

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

	2022	2021
Income		
Net gain (loss) on investments		
Income distributions from investments	397	253
Capital gain distributions from investments	2,472	165
Net realized gain (loss) on sale of investments	214	537
Change in unrealized appreciation (depreciation) in value of investments	(4,438)	3,605
Other income		
Interest	1	-
Fees rebate (Note 6)	-	-
	(1,354)	4,560
Expenses (Note 6)		
Management fees	69	75
Administration fees	35	37
Insurance fees	35	37
Harmonized sales tax	14	15
	153	164
Increase (decrease) in net assets from operations attributable to contractholders	(1,507)	4,396
Increase (decrease) in net assets from operations attributable to contractholders per unit:		
Class A	(137.86)	368.10
Weighted average number of units:		
Class A	10,931	11,942

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

Statements of Changes in Net Assets Attributable to Contractholders for the years ended December 31 (in \$000's)

	2022	2021
Net assets attributable to contractholders at the beginning of year	19,047	16,387
Increase (decrease) in net assets from operations attributable to contractholders	(1,507)	4,396
Unit transactions		
Proceeds from issuance of units	100	209
Amounts paid on redemption of units	(1,002)	(1,945)
	(902)	(1,736)
Net assets attributable to contractholders at the end of year	16,638	19,047

Statements of Cash Flows for the years ended December 31 (in \$000's)

	2022	2021
Cash flows from (used in) operating activities		
Increase (decrease) in net assets from operations attributable to contractholders	(1,507)	4,396
Adjustments for:		
Net realized (gain) loss on sale of investments	(214)	(537)
Change in unrealized (appreciation) depreciation in value of investments	4,438	(3,605)
Proceeds from sale of investments	1,115	2,156
Purchase of investments	(144)	(193)
Non-cash distributions from investments	(2,869)	(418)
(Increase) decrease in fees rebate receivable	-	-
(Increase) decrease in interest receivable	-	-
Increase (decrease) in management fees payable	-	-
Increase (decrease) in administration fees payable	-	-
Increase (decrease) in insurance fees payable	-	-
Net cash from (used in) operating activities	819	1,799
Cash flows from (used in) financing activities		
Proceeds from issuance of units	100	209
Amounts paid on redemption of units	(1,002)	(1,945)
Net cash from (used in) financing activities	(902)	(1,736)
Net increase (decrease) in cash	(83)	63
Cash (bank overdraft), beginning of year	127	64
Cash (bank overdraft), end of year	44	127
Supplementary Information:		
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

as at December 31, 2022

Number of Units/Shares or Par Value	Description	Average Cost (\$)	Fair Value (\$)	% of Net Assets
695,092	CI Select Canadian Equity Corporate Class (I Shares)	15,503,765	16,594,420	99.74
Total Investment Portfolio		15,503,765	16,594,420	99.74
Other Net Assets (Liabilities)			43,864	0.26
Net Assets Attributable to Contractholders			16,638,284	100.00

Top 25 Holdings of the Underlying Fund

as at December 31, 2022 (unaudited)

Number of Units/Shares or Par Value	Description	Average Cost (\$)	Fair Value (\$)
987,628	Manulife Financial Corp.	21,817,933	23,851,216
926,191	CI Global Financial Sector ETF (Common Units)	22,670,156	19,834,380
20,339	Fairfax Financial Holdings Ltd.	11,256,830	16,313,302
210,123	Canadian Natural Resources Ltd.	8,155,477	15,799,148
525,419	Cenovus Energy Inc.	7,515,726	13,802,757
255,859	Enbridge Inc.	12,265,453	13,540,058
195,095	Bank of Nova Scotia (The)	13,663,660	12,942,602
104,740	Bank of Montreal	11,534,455	12,847,408
232,169	Teck Resources Ltd., Class B	6,619,206	11,880,088
268,866	Suncor Energy Inc.	9,429,436	11,547,795
204,071	Wheaton Precious Metals Corp.	7,298,439	10,795,356
97,912	Canadian Pacific Railway Ltd.	5,773,109	9,884,216
314,656	TELUS Corp.	8,764,384	8,221,961
135,550	Alimentation Couche-Tard Inc.	2,909,319	8,065,225
10,409	UnitedHealth Group Inc.	4,557,119	7,472,243
57,077	Royal Bank of Canada	7,231,885	7,265,902
145,951	US Foods Holding Corp.	6,597,328	6,722,953
141,778	Brookfield Corp.	7,732,072	6,036,907
37,783	WSP Global Inc.	4,073,303	5,935,331
62,909	Advanced Micro Devices Inc.	1,836,185	5,517,030
33,268	Canadian National Railway Co.	3,409,154	5,350,825
59,754	Toronto-Dominion Bank (The)	4,728,719	5,238,633
57,056	East West Bancorp Inc.	5,008,297	5,091,027
51,154	Nutrien Ltd.	4,718,967	5,056,573
41,376	Amazon.com Inc.	2,915,960	4,705,941

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.

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

Interest in Underlying Fund(s) (Note 2)

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

as at December 31, 2022

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	464,899	16,594	3.6

as at December 31, 2021

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	830,105	18,920	2.3

Unit Transactions (Note 5)

for the years ended December 31

	Class A	
	2022	2021
Number of units at the beginning of year	11,277	12,368
Units issued for cash	64	134
Units redeemed	(626)	(1,225)
Number of units at the end of year	10,715	11,277

Loss Carry Forwards (Note 4)

as at December 31 (in \$000's)

	2022
Non-capital losses expiring:	
2032	-
2033	-
2034	-
2035	-
2036	-
2037	-
2038	-
2039	-
2040	-
2041	-
2042	-
Total	-

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 years ended December 31) (unaudited)

Financial Highlights

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years.

	The Fund's Net Asset	Ratios and Supplemental Data			Management Expense Ratio			
	Value per Unit							
	Net assets attributable to contractholders per unit at the end of the year shown (\$) ⁽¹⁾	Net assets (\$000's) ⁽¹⁾	Number of units outstanding ⁽¹⁾	Portfolio turnover rate (%) ⁽²⁾	Management expense ratio before taxes (%) ⁽³⁾	Harmonized sales tax (%) ⁽³⁾	Management expense ratio after taxes (%) ⁽³⁾	Effective HST rate for the year (%) ⁽³⁾
Class A								
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
2018	1,012.00	14,704	14,530	6.42	0.80	0.08	0.88	10.21

(1) This information is provided as at 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 year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of a contractholder receiving taxable capital gains in the year. 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

Financial Instruments Risk of the Underlying Fund(s)

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

Statements of Financial Position

as at December 31

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

	2022	2021
Assets		
Current assets		
Investments*	32,201	36,741
Cash	37	136
Fees rebate receivable	-	-
Interest receivable	-	-
Receivable for investments sold	12	-
Receivable for unit subscriptions	-	-
	32,250	36,877
Liabilities		
Current liabilities		
Bank overdraft	-	-
Payable for investments purchased	3	-
Payable for unit redemptions	17	-
Management fees payable	-	-
Administration fees payable	-	-
Insurance fees payable	-	-
	20	-
Net assets attributable to contractholders	32,230	36,877
*Investments at cost	30,063	25,991
Net assets attributable to contractholders per unit:		
Class A	1,351.39	1,471.85

Statements of Comprehensive Income

for the years ended December 31

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

	2022	2021
Income		
Net gain (loss) on investments		
Income distributions from investments	764	476
Capital gain distributions from investments	4,805	311
Net realized gain (loss) on sale of investments	400	669
Change in unrealized appreciation (depreciation) in value of investments	(8,612)	7,155
Other income		
Interest	2	-
Fees rebate (Note 6)	-	-
	(2,641)	8,611
Expenses (Note 6)		
Management fees	202	211
Administration fees	27	28
Insurance fees	67	70
Harmonized sales tax	31	33
	327	342
Increase (decrease) in net assets from operations attributable to contractholders	(2,968)	8,269
Increase (decrease) in net assets from operations attributable to contractholders per unit:		
Class A	(121.74)	318.50
Weighted average number of units:		
Class A	24,382	25,962

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

Statements of Changes in Net Assets Attributable to Contractholders for the years ended December 31 (in \$000's)

	2022	2021
Net assets attributable to contractholders at the beginning of year	36,877	30,555
Increase (decrease) in net assets from operations attributable to contractholders	(2,968)	8,269
Unit transactions		
Proceeds from issuance of units	238	315
Amounts paid on redemption of units	(1,917)	(2,262)
	(1,679)	(1,947)
Net assets attributable to contractholders at the end of year	32,230	36,877

Statements of Cash Flows for the years ended December 31 (in \$000's)

	2022	2021
Cash flows from (used in) operating activities		
Increase (decrease) in net assets from operations attributable to contractholders	(2,968)	8,269
Adjustments for:		
Net realized (gain) loss on sale of investments	(400)	(669)
Change in unrealized (appreciation) depreciation in value of investments	8,612	(7,155)
Proceeds from sale of investments	2,104	2,678
Purchase of investments	(216)	(306)
Non-cash distributions from investments	(5,569)	(787)
(Increase) decrease in fees rebate receivable	-	-
(Increase) decrease in interest receivable	-	-
Increase (decrease) in management fees payable	-	-
Increase (decrease) in administration fees payable	-	-
Increase (decrease) in insurance fees payable	-	-
Net cash from (used in) operating activities	1,563	2,030
Cash flows from (used in) financing activities		
Proceeds from issuance of units	238	315
Amounts paid on redemption of units	(1,900)	(2,262)
Net cash from (used in) financing activities	(1,662)	(1,947)
Net increase (decrease) in cash	(99)	83
Cash (bank overdraft), beginning of year	136	53
Cash (bank overdraft), end of year	37	136
Supplementary Information:		
Interest received*	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

as at December 31, 2022

Number of Units/Shares or Par Value	Description	Average Cost (\$)	Fair Value (\$)	% of Net Assets
1,348,799	CI Select Canadian Equity Corporate Class (I Shares)	30,063,129	32,200,824	99.91
Total Investment Portfolio		30,063,129	32,200,824	99.91
Other Net Assets (Liabilities)			28,785	0.09
Net Assets Attributable to Contractholders			32,229,609	100.00

Top 25 Holdings of the Underlying Fund

as at December 31, 2022 (unaudited)

Number of Units/Shares or Par Value	Description	Average Cost (\$)	Fair Value (\$)
987,628	Manulife Financial Corp.	21,817,933	23,851,216
926,191	CI Global Financial Sector ETF (Common Units)	22,670,156	19,834,380
20,339	Fairfax Financial Holdings Ltd.	11,256,830	16,313,302
210,123	Canadian Natural Resources Ltd.	8,155,477	15,799,148
525,419	Cenovus Energy Inc.	7,515,726	13,802,757
255,859	Enbridge Inc.	12,265,453	13,540,058
195,095	Bank of Nova Scotia (The)	13,663,660	12,942,602
104,740	Bank of Montreal	11,534,455	12,847,408
232,169	Teck Resources Ltd., Class B	6,619,206	11,880,088
268,866	Suncor Energy Inc.	9,429,436	11,547,795
204,071	Wheaton Precious Metals Corp.	7,298,439	10,795,356
97,912	Canadian Pacific Railway Ltd.	5,773,109	9,884,216
314,656	TELUS Corp.	8,764,384	8,221,961
135,550	Alimentation Couche-Tard Inc.	2,909,319	8,065,225
10,409	UnitedHealth Group Inc.	4,557,119	7,472,243
57,077	Royal Bank of Canada	7,231,885	7,265,902
145,951	US Foods Holding Corp.	6,597,328	6,722,953
141,778	Brookfield Corp.	7,732,072	6,036,907
37,783	WSP Global Inc.	4,073,303	5,935,331
62,909	Advanced Micro Devices Inc.	1,836,185	5,517,030
33,268	Canadian National Railway Co.	3,409,154	5,350,825
59,754	Toronto-Dominion Bank (The)	4,728,719	5,238,633
57,056	East West Bancorp Inc.	5,008,297	5,091,027
51,154	Nutrien Ltd.	4,718,967	5,056,573
41,376	Amazon.com Inc.	2,915,960	4,705,941

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.

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

Interest in Underlying Fund(s) (Note 2)

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

as at December 31, 2022

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	464,899	32,201	6.9

as at December 31, 2021

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	830,105	36,741	4.4

Unit Transactions (Note 5)

for the years ended December 31

	Class A	
	2022	2021
Number of units at the beginning of year	25,055	26,453
Units issued for cash	174	228
Units redeemed	(1,380)	(1,626)
Number of units at the end of year	23,849	25,055

Loss Carry Forwards (Note 4)

as at December 31 (in \$000's)

	2022
Non-capital losses expiring:	
2032	-
2033	-
2034	-
2035	-
2036	-
2037	-
2038	-
2039	-
2040	-
2041	-
2042	-
Total	-

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 years ended December 31) (unaudited)

Financial Highlights

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years.

	The Fund's Net Asset	Ratios and Supplemental Data			Management Expense Ratio			
	Value per Unit							
	Net assets attributable to contractholders per unit at the end of the year shown (\$) ⁽¹⁾	Net assets (\$000's) ⁽¹⁾	Number of units outstanding ⁽¹⁾	Portfolio turnover rate (%) ⁽²⁾	Management expense ratio before taxes (%) ⁽³⁾	Harmonized sales tax (%) ⁽³⁾	Management expense ratio after taxes (%) ⁽³⁾	Effective HST rate for the year (%) ⁽³⁾
Class A								
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
2018	883.82	25,824	29,219	6.29	0.88	0.09	0.97	10.59

(1) This information is provided as at 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 year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of a contractholder receiving taxable capital gains in the year. 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

Financial Instruments Risk of the Underlying Fund(s)

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

Statements of Financial Position

as at December 31

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

	2022	2021
Assets		
Current assets		
Investments*	27,360	30,607
Cash	17	79
Fees rebate receivable	-	-
Interest receivable	-	-
Receivable for investments sold	-	-
Receivable for unit subscriptions	-	-
	27,377	30,686
Liabilities		
Current liabilities		
Bank overdraft	-	-
Payable for investments purchased	3	1
Payable for unit redemptions	-	-
Management fees payable	-	-
Administration fees payable	-	-
Insurance fees payable	-	-
	3	1
Net assets attributable to contractholders	27,374	30,685
*Investments at cost	25,566	21,665
Net assets attributable to contractholders per unit:		
Class A	866.30	945.37

Statements of Comprehensive Income

for the years ended December 31

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

	2022	2021
Income		
Net gain (loss) on investments		
Income distributions from investments	645	388
Capital gain distributions from investments	4,056	253
Net realized gain (loss) on sale of investments	240	325
Change in unrealized appreciation (depreciation) in value of investments	(7,148)	6,028
Other income		
Interest	1	-
Fees rebate (Note 6)	-	-
	(2,206)	6,994
Expenses (Note 6)		
Management fees	227	229
Administration fees	23	23
Insurance fees	56	58
Harmonized sales tax	33	34
	339	344
Increase (decrease) in net assets from operations attributable to contractholders	(2,545)	6,650
Increase (decrease) in net assets from operations attributable to contractholders per unit:		
Class A	(79.56)	202.43
Weighted average number of units:		
Class A	31,988	32,852

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

Statements of Changes in Net Assets Attributable to Contractholders for the years ended December 31 (in \$000's)

	2022	2021
Net assets attributable to contractholders at the beginning of year	30,685	24,757
Increase (decrease) in net assets from operations attributable to contractholders	(2,545)	6,650
Unit transactions		
Proceeds from issuance of units	160	251
Amounts paid on redemption of units	(926)	(973)
	(766)	(722)
Net assets attributable to contractholders at the end of year	27,374	30,685

Statements of Cash Flows for the years ended December 31 (in \$000's)

	2022	2021
Cash flows from (used in) operating activities		
Increase (decrease) in net assets from operations attributable to contractholders	(2,545)	6,650
Adjustments for:		
Net realized (gain) loss on sale of investments	(240)	(325)
Change in unrealized (appreciation) depreciation in value of investments	7,148	(6,028)
Proceeds from sale of investments	1,287	1,423
Purchase of investments	(245)	(295)
Non-cash distributions from investments	(4,701)	(641)
(Increase) decrease in fees rebate receivable	-	-
(Increase) decrease in interest receivable	-	-
Increase (decrease) in management fees payable	-	-
Increase (decrease) in administration fees payable	-	-
Increase (decrease) in insurance fees payable	-	-
Net cash from (used in) operating activities	704	784
Cash flows from (used in) financing activities		
Proceeds from issuance of units	160	251
Amounts paid on redemption of units	(926)	(985)
Net cash from (used in) financing activities	(766)	(734)
Net increase (decrease) in cash	(62)	50
Cash (bank overdraft), beginning of year	79	29
Cash (bank overdraft), end of year	17	79
Supplementary Information:		
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 Fund B

Schedule of Investment Portfolio

as at December 31, 2022

Number of Units/Shares or Par Value	Description	Average Cost (\$)	Fair Value (\$)	% of Net Assets
1,146,036	CI Select Canadian Equity Corporate Class (I Shares)	25,566,274	27,360,129	99.95
Total Investment Portfolio		25,566,274	27,360,129	99.95
Other Net Assets (Liabilities)			13,918	0.05
Net Assets Attributable to Contractholders			27,374,047	100.00

Top 25 Holdings of the Underlying Fund

as at December 31, 2022 (unaudited)

Number of Units/Shares or Par Value	Description	Average Cost (\$)	Fair Value (\$)
987,628	Manulife Financial Corp.	21,817,933	23,851,216
926,191	CI Global Financial Sector ETF (Common Units)	22,670,156	19,834,380
20,339	Fairfax Financial Holdings Ltd.	11,256,830	16,313,302
210,123	Canadian Natural Resources Ltd.	8,155,477	15,799,148
525,419	Cenovus Energy Inc.	7,515,726	13,802,757
255,859	Enbridge Inc.	12,265,453	13,540,058
195,095	Bank of Nova Scotia (The)	13,663,660	12,942,602
104,740	Bank of Montreal	11,534,455	12,847,408
232,169	Teck Resources Ltd., Class B	6,619,206	11,880,088
268,866	Suncor Energy Inc.	9,429,436	11,547,795
204,071	Wheaton Precious Metals Corp.	7,298,439	10,795,356
97,912	Canadian Pacific Railway Ltd.	5,773,109	9,884,216
314,656	TELUS Corp.	8,764,384	8,221,961
135,550	Alimentation Couche-Tard Inc.	2,909,319	8,065,225
10,409	UnitedHealth Group Inc.	4,557,119	7,472,243
57,077	Royal Bank of Canada	7,231,885	7,265,902
145,951	US Foods Holding Corp.	6,597,328	6,722,953
141,778	Brookfield Corp.	7,732,072	6,036,907
37,783	WSP Global Inc.	4,073,303	5,935,331
62,909	Advanced Micro Devices Inc.	1,836,185	5,517,030
33,268	Canadian National Railway Co.	3,409,154	5,350,825
59,754	Toronto-Dominion Bank (The)	4,728,719	5,238,633
57,056	East West Bancorp Inc.	5,008,297	5,091,027
51,154	Nutrien Ltd.	4,718,967	5,056,573
41,376	Amazon.com Inc.	2,915,960	4,705,941

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.

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

Interest in Underlying Fund(s) (Note 2)

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

as at December 31, 2022

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	464,899	27,360	5.9

as at December 31, 2021

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	830,105	30,607	3.7

Unit Transactions (Note 5)

for the years ended December 31

	Class A	
	2022	2021
Number of units at the beginning of year	32,458	33,298
Units issued for cash	182	288
Units redeemed	(1,041)	(1,128)
Number of units at the end of year	31,599	32,458

Loss Carry Forwards (Note 4)

as at December 31 (in \$000's)

	2022
Non-capital losses expiring:	
2032	-
2033	-
2034	-
2035	-
2036	-
2037	-
2038	-
2039	-
2040	-
2041	-
2042	-
Total	-

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 years ended December 31) (unaudited)

Financial Highlights

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years.

	The Fund's Net Asset	Ratios and Supplemental Data			Management Expense Ratio			
	Value per Unit							
	Net assets attributable to contractholders per unit at the end of the year shown (\$) ⁽¹⁾	Net assets (\$000's) ⁽¹⁾	Number of units outstanding ⁽¹⁾	Portfolio turnover rate (%) ⁽²⁾	Management expense ratio before taxes (%) ⁽³⁾	Harmonized sales tax (%) ⁽³⁾	Management expense ratio after taxes (%) ⁽³⁾	Effective HST rate for the year (%) ⁽³⁾
Class A								
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
2018	571.70	20,836	36,446	6.54	1.08	0.12	1.20	10.76

(1) This information is provided as at 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 year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of a contractholder receiving taxable capital gains in the year. 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

Financial Instruments Risk of the Underlying Fund(s)

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

Statements of Financial Position

as at December 31

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

	2022	2021
Assets		
Current assets		
Investments*	896	1,065
Cash	3	3
Fees rebate receivable	-	-
Interest receivable	-	-
Receivable for investments sold	-	-
Receivable for unit subscriptions	-	-
	899	1,068
Liabilities		
Current liabilities		
Bank overdraft	-	-
Payable for investments purchased	-	-
Payable for unit redemptions	-	-
Management fees payable	-	-
Administration fees payable	-	-
Insurance fees payable	-	-
	-	-
Net assets attributable to contractholders	899	1,068
*Investments at cost	989	1,022
Net assets attributable to contractholders per unit:		
Class A	257.68	291.98

Statements of Comprehensive Income

for the years ended December 31

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

	2022	2021
Income		
Net gain (loss) on investments		
Income distributions from investments	28	28
Capital gain distributions from investments	-	-
Net realized gain (loss) on sale of investments	(5)	4
Change in unrealized appreciation (depreciation) in value of investments	(136)	(52)
Other income		
Interest	-	-
Fees rebate (Note 6)	-	-
	(113)	(20)
Expenses (Note 6)		
Management fees	7	9
Administration fees	2	2
Insurance fees	2	2
Harmonized sales tax	1	1
	12	14
Increase (decrease) in net assets from operations attributable to contractholders	(125)	(34)
Increase (decrease) in net assets from operations attributable to contractholders per unit:		
Class A	(34.83)	(9.02)
Weighted average number of units:		
Class A	3,593	3,757

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

Statements of Changes in Net Assets Attributable to Contractholders for the years ended December 31 (in \$000's)

	2022	2021
Net assets attributable to contractholders at the beginning of year	1,068	1,159
Increase (decrease) in net assets from operations attributable to contractholders	(125)	(34)
Unit transactions		
Proceeds from issuance of units	2	1
Amounts paid on redemption of units	(46)	(58)
	(44)	(57)
Net assets attributable to contractholders at the end of year	899	1,068

Statements of Cash Flows for the years ended December 31 (in \$000's)

	2022	2021
Cash flows from (used in) operating activities		
Increase (decrease) in net assets from operations attributable to contractholders	(125)	(34)
Adjustments for:		
Net realized (gain) loss on sale of investments	5	(4)
Change in unrealized (appreciation) depreciation in value of investments	136	52
Proceeds from sale of investments	57	72
Purchase of investments	(1)	(1)
Non-cash distributions from investments	(28)	(28)
(Increase) decrease in fees rebate receivable	-	-
(Increase) decrease in interest receivable	-	-
Increase (decrease) in management fees payable	-	-
Increase (decrease) in administration fees payable	-	-
Increase (decrease) in insurance fees payable	-	-
Net cash from (used in) operating activities	44	57
Cash flows from (used in) financing activities		
Proceeds from issuance of units	2	1
Amounts paid on redemption of units	(46)	(58)
Net cash from (used in) financing activities	(44)	(57)
Net increase (decrease) in cash	-	-
Cash (bank overdraft), beginning of year	3	3
Cash (bank overdraft), end of year	3	3
Supplementary Information:		
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

as at December 31, 2022

Number of Units/Shares or Par Value	Description	Average Cost (\$)	Fair Value (\$)	% of Net Assets
97,376	CI Canadian Bond Fund (Series I)	988,732	896,133	99.73
Total Investment Portfolio		988,732	896,133	99.73
Other Net Assets (Liabilities)			2,441	0.27
Net Assets Attributable to Contractholders			898,574	100.00

Top 25 Holdings of the Underlying Fund

as at December 31, 2022 (unaudited)

Number of Units/Shares or Par Value	Description	Average Cost (\$)	Fair Value (\$)
313,805,000	Province of Ontario, 3.75%, June 02, 2032	312,256,991	306,699,112
202,162,000	Government of Canada, 0.5%, September 01, 2025	186,204,206	185,332,933
178,260,000	Government of Canada, 2%, December 01, 2051	153,642,708	135,537,715
71,906,000	Province of Ontario, 4.65%, June 02, 2041	80,954,148	74,617,866
74,570,000	Government of Canada, 3%, November 01, 2024	73,373,036	73,196,159
62,064,000	Government of Canada, 1.25%, March 01, 2027	57,944,301	56,741,864
76,853,000	Province of Ontario, 2.55%, December 02, 2052	59,896,213	54,860,658
55,976,000	Government of Canada, 2%, June 01, 2032	51,993,423	50,134,478
50,000,000	Province of Ontario, 3.5%, June 02, 2024	49,929,000	49,410,518
50,133,000	Province of Ontario, 2.4%, June 02, 2026	47,957,245	47,695,909
37,218,543	Government of Canada, 4.25%, December 01, 2026	43,854,175	41,070,694
40,229,000	Government of Canada, 2.5%, June 01, 2024	39,822,039	39,316,645
45,426,000	Government of Canada, 1.5%, December 01, 2031	39,202,951	39,113,053
34,619,000	Province of Ontario, 4.6%, June 02, 2039	36,101,993	35,680,227
48,257,000	Government of Canada, 1.75%, December 01, 2053	35,044,634	34,008,731
40,581,000	Province of Alberta, 3.1%, June 01, 2050	41,905,734	32,892,036
35,920,000	Province of Ontario, 2.05%, June 02, 2030	31,441,516	31,554,161
32,715,000	Province of Ontario, 3.75%, December 02, 2053	31,881,704	30,022,381
19,419,800	United States Treasury Bond, 4.25%, September 30, 2024	25,964,147	26,173,208
36,654,000	Province of Manitoba, 2.05%, September 05, 2052	33,683,342	22,612,224
8,618,000	Toronto-Dominion Bank (The), Variable Rate, October 31, 2082	11,831,304	12,164,695
22,621,000	Government of Canada, 1.5%, September 01, 2024	21,813,970	21,699,523
22,897,000	Government of Canada, 1.25%, March 01, 2025	21,969,497	21,644,085
18,776,000	Government of Canada, 4%, June 01, 2041	20,600,646	20,387,843
32,618,000	Province of Ontario, 1.9%, December 02, 2051	24,009,934	19,899,907

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.

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

Interest in Underlying Fund(s) (Note 2)

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

as at December 31, 2022

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	3,478,738	896	-

as at December 31, 2021

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	2,744,012	1,065	-

Unit Transactions (Note 5)

for the years ended December 31

	Class A	
	2022	2021
Number of units at the beginning of year	3,659	3,856
Units issued for cash	8	5
Units redeemed	(180)	(202)
Number of units at the end of year	3,487	3,659

Loss Carry Forwards (Note 4)

as at December 31 (in \$000's)

	2022
Non-capital losses expiring:	
2032	-
2033	-
2034	-
2035	-
2036	-
2037	-
2038	-
2039	-
2040	-
2041	-
2042	-
Total	-

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 years ended December 31) (unaudited)

Financial Highlights

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years.

	The Fund's Net Asset	Ratios and Supplemental Data			Management Expense Ratio			
	Value per Unit							
	Net assets attributable to contractholders per unit at the end of the year shown (\$) ⁽¹⁾	Net assets (\$000's) ⁽¹⁾	Number of units outstanding ⁽¹⁾	Portfolio turnover rate (%) ⁽²⁾	Management expense ratio before taxes (%) ⁽³⁾	Harmonized sales tax (%) ⁽³⁾	Management expense ratio after taxes (%) ⁽³⁾	Effective HST rate for the year (%) ⁽³⁾
Class A								
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
2018	259.54	1,115	4,296	3.14	1.12	0.12	1.24	11.04

(1) This information is provided as at 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 year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of a contractholder receiving taxable capital gains in the year. 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

Financial Instruments Risk of the Underlying Fund(s)

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

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 April 28, 2023.

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 December 31, 2022 and 2021. The Statements of Comprehensive Income, Statements of Changes in Net Assets Attributable to Contractholders and Statements of Cash Flows are for the years ended December 31, 2022 and 2021. The Schedules of Investment Portfolio are as at December 31, 2022. The Fund Specific Notes to Financial Statements for each Fund consist of Interest in Underlying Fund(s) as at December 31, 2022 and 2021, Unit Transactions for the years ended December 31, 2022 and 2021, and Financial Instruments Risks as at December 31, 2022 and 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 a summary of the significant accounting policies 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 comprises 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 year.

Notes to the Financial Statements (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 year.

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.

Refer to Loss Carry Forwards table in the Fund Specific Notes to Financial Statements for further information relating to non-capital loss carry forwards.

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 year, 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 year-end are included in the "Insurance fees payable" in the Statements of Financial Position, while insurance fees expense for the year 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 (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

Ukraine-Russian Federation conflict

The conflict between Ukraine and the Russian Federation has resulted in significant volatility and uncertainty in financial markets. NATO, EU and G7 member countries, including Canada, have imposed severe and coordinated sanctions against Russia. Restrictive measures have also been imposed by Russia and some securities have materially declined in value and/or may no longer be tradable. These actions have resulted in significant disruptions to investing activities and businesses with operations in Russia. The longer-term impact to geopolitical norms, supply chains and investment valuations is uncertain.

While the situation remains fluid, the Manager continues to monitor ongoing developments and the impact to investment strategies.

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.

Notes to the Financial Statements (cont'd)

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.

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AR_E 04/23