

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell these securities.*



September 16, 2022

## PROSPECTUS

### *Initial Public Offering and Continuous Offering*

#### **CI Global Investment Grade ETF (the "CI ETF")**

The CI ETF is an exchange-traded mutual fund (an "ETF") established under the laws of Ontario.

The CI ETF is structured as a trust and is offering the applicable Units described below for sale on a continuous basis by this prospectus.

The CI ETF is offering ETF C\$ Series Units ("**ETF C\$ Series Units**") and U.S. dollar-denominated hedged units (the "**ETF US\$ Hedged Series Units**" and together with the ETF C\$ Series Units, the "**Units**").

CI Global Asset Management (a registered business name of CI Investments Inc.) ("**CI GAM**" or the "**Manager**"), a registered portfolio manager and investment fund manager, is the promoter, manager and trustee of the CI ETF. See "*Organization and Management Details of the CI ETF*".

#### **Investment Objective**

The CI ETF's objective is to generate income and the potential for long-term capital appreciation by investing primarily in a diversified portfolio of investment grade fixed-income securities issued by companies or governments of any size, located anywhere in the world.

#### **Listing of Units**

The Units of the CI ETF have been conditionally approved for listing on the Toronto Stock Exchange ("**TSX**"). Subject to satisfying the TSX's original listing requirements, the Units of the CI ETF will be listed on the TSX and investors will be able to buy or sell such Units on the TSX through registered brokers and dealers in the province or territory where the investors reside. Investors may incur customary brokerage commissions in buying or selling Units. No fees are paid by investors to the Manager or the CI ETF in connection with buying or selling of Units on the TSX.

#### **Additional Considerations**

**No underwriter or dealer has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus.** The Canadian securities regulators have provided the CI ETF with a decision exempting it from the requirement to include a certificate of an underwriter in this prospectus. The applicable designated broker and dealers are not underwriters of the CI ETF in connection with the distribution of Units under this prospectus. While the CI ETF is a mutual fund under the securities

legislation of certain provinces and territories of Canada, the CI ETF has been granted exemptive relief from certain provisions of Canadian securities legislation applicable to conventional mutual funds. See "*Exemptions and Approvals*".

Provided that the CI ETF qualifies as a "*mutual fund trust*" within the meaning of the *Income Tax Act* (Canada) as amended from time to time, and the regulations thereunder (the "**Tax Act**"), or the Units of the CI ETF are listed on a "*designated stock exchange*" within the meaning of the Tax Act (which currently includes the TSX), the Units of the CI ETF, if issued on the date hereof, would on such date be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), a registered retirement income fund ("**RRIF**"), a registered disability savings plan ("**RDSP**"), a deferred profit sharing plan ("**DPSP**"), a registered education savings plan ("**RESP**") or a tax-free savings account ("**TFSA**" and, collectively with an RRSP, RRIF, RDSP, DPSP and RESP, the "**Plans**").

Pursuant to the FHSA Amendments (as defined under "*Income Tax Considerations – Taxation of Plans*"), it is expected that the Units of the CI ETF will be qualified investments under the Tax Act for a trust governed by a first home savings account ("**FHSA**") provided the conditions discussed above in relation to the Plans are satisfied. For a discussion of the risks associated with an investment in Units, see "*Risk Factors*".

During the period in which the CI ETF is in continuous distribution, additional information about the CI ETF will be available in its most recently filed annual financial statements, any interim financial statements filed after those annual financial statements, the most recently filed annual management report of fund performance, any interim management report of fund performance filed after that annual management report of fund performance and the most recently filed ETF Facts. These documents will be incorporated by reference into this prospectus which means that they legally form part of this prospectus. For further details, see "*Documents Incorporated by Reference*".

You can get a copy of these documents at your request, and at no cost, by calling 1-800-792-9355 (toll-free) or by e-mail at [service@ci.com](mailto:service@ci.com) or from your dealer. These documents will also be available on the internet at [www.ci.com](http://www.ci.com). These documents and other information about the CI ETF will also be available on the website of SEDAR (the System for Electronic Document Analysis and Retrieval) at [www.sedar.com](http://www.sedar.com).

**CI Global Asset Management**  
**15 York Street, Second Floor**  
**Toronto, Ontario M5J 0A3**

**Toll Free: 1-800-792-9355**

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## PROSPECTUS SUMMARY

*The following is a summary of the principal features of the Units of the CI ETF and should be read together with the more detailed information, financial data and financial statements contained elsewhere in this prospectus or incorporated by reference in this prospectus.*

*Unless otherwise indicated, the references to dollar amounts in this prospectus summary and prospectus are to Canadian dollars and all references to times in this prospectus summary and prospectus are to Toronto time.*

**Issuer:** CI Global Investment Grade ETF (the "**CI ETF**")

**Offerings:** The CI ETF is an ETF established under the laws of Ontario.

The CI ETF is offering ETF C\$ Series Units and ETF US\$ Hedged Series Units pursuant to this prospectus.

**Continuous Distribution:** Units are offered for sale on a continuous basis by this prospectus, and there is no maximum number of Units that may be issued. The Units are offered for sale at a price equal to the net asset value ("**NAV**") of the Units determined at 4:00 p.m. (Toronto time) on the effective date of the subscription order.

The Units of the CI ETF have been conditionally approved for listing on the TSX. Subject to satisfying the TSX's original listing requirements, the Units of the CI ETF will be listed on the TSX and investors will be able to buy or sell such Units on the TSX through registered brokers and dealers in the province or territory where the investors reside. Investors may incur customary brokerage commissions in buying or selling Units. No fees are paid by investors to the Manager or the CI ETF in connection with buying or selling of Units on the TSX.

The CI ETF issues Units directly to the applicable Designated Broker and Dealers (as defined herein). From time to time and as may be agreed between the CI ETF and the Designated Broker and Dealers, such Designated Broker and Dealers may deliver a group of Units and/or assets determined by the Manager from time to time representing the constituent securities of the CI ETF (a "**Basket of Securities**") as payment for Units.

See "*Plan of Distribution*" and "*Purchases of Units – Issuance of Units*".

**Investment Objective:** The CI ETF's objective is to generate income and the potential for long-term capital appreciation by investing primarily in a diversified portfolio of investment grade fixed-income securities issued by companies or governments of any size, located anywhere in the world.

**Investment Strategies:** The CI ETF will primarily invest in investment grade fixed-income securities across multiple currencies and asset classes including, but not limited to, corporate and government bonds, floating-rate instruments,

mortgage-backed securities, asset-backed securities, inflation-linked bonds, and preferred shares.

The CI ETF may also invest up to 15% of its assets in fixed-income securities of issuers rated below investment grade by a nationally recognized ratings agency, and up to 30% if one rating from a nationally recognized rating agency is investment grade (BBB or equivalent rating or higher).

The portfolio adviser will employ a flexible approach, allocating assets across credit quality, structured sectors, currencies and countries. The portfolio adviser may also choose to invest all of the CI ETF's assets in foreign fixed-income securities (i.e. non-USD and non-CAD securities), with up to 10% in emerging market securities, of which some may be below investment grade and subject to the below investment grade limit.

The CI ETF may also hold up to 5% in common shares as a result of a restructuring or enhancement of a bond issue.

**Special Considerations for Purchasers:**

The provisions of the so-called "early warning" requirements set out in Canadian securities legislation do not apply in connection with the acquisition of Units of the CI ETF. In addition, the CI ETF is entitled to rely on exemptive relief from the Canadian securities regulatory authorities to permit a holder of Units (a "**Unitholder**") of the CI ETF to acquire more than 20% of the Units of the CI ETF through purchases on the TSX, without regard to the takeover bid requirements of applicable Canadian securities legislation.

*See "Attributes of the Units - Description of the Units Distributed".*

**Distribution/Dividend Policy:**

Any cash distributions on the Units of the CI ETF are expected to be made monthly, if any.

The CI ETF does not have a fixed distribution/dividend amount. The amount of ordinary cash distributions/dividends, if any, will be based on the Manager's assessment of anticipated cash flow and anticipated expenses of the CI ETF from time to time, and therefore will likely fluctuate from period to period.

*See "Distribution/Dividend Policy".*

**Distribution Reinvestment Plan:**

At any time, a Unitholder may elect to participate in the Manager's distribution reinvestment plan (the "**Reinvestment Plan**") by contacting the CDS Participant (as defined herein) through which the Unitholder holds its Units. Under the Reinvestment Plan, cash distributions (net of any required withholding tax) will be used to acquire additional Units in the market and will be credited to the account of the Unitholder through CDS Clearing and Depositary Services Inc. ("**CDS**").

*See "Distribution/Dividend Policy – Distribution Reinvestment Plan".*

**Redemptions:**

In addition to the ability to sell Units on the TSX, Unitholders may redeem Units for cash at a redemption price per Unit equal to 95% of the closing price for the Units on the TSX, on the effective day of the redemption, subject to a maximum redemption price per Unit equal to the NAV per Unit on the effective day of redemption, less any applicable redemption fee determined by the Manager, in its sole discretion, from time to time.

The CI ETF also offers additional redemption or exchange options which are available where a Dealer, Designated Broker, or Unitholder redeems or exchanges a prescribed number of Units ("**PNU**") as determined by the Manager from time to time for the purpose of subscription orders, redemptions or for other purposes.

See "*Exchange and Redemption of Units*".

**Income Tax Considerations:**

A holder of Units of the CI ETF (a "**Unitholder**") who is an individual (other than a trust) resident in Canada for purposes of the Tax Act will generally be required to include, in computing income for a taxation year, the amount of income (including any net realized taxable capital gains) that is paid or becomes payable to the Unitholder by the CI ETF in that year (including such income that is reinvested in additional Units of the CI ETF).

A Unitholder of the CI ETF who disposes of a Unit of the CI ETF that is held as capital property, including on a redemption or otherwise, will generally realize a capital gain (or capital loss) to the extent that the proceeds of disposition (which do not include any amount of capital gains made payable by the CI ETF to the Unitholder which represents capital gains realized by the CI ETF in connection with dispositions to fund the redemption) net of costs of disposition, exceed (or are less than) the adjusted cost base of that Unit.

See "*Income Tax Considerations*".

**Eligibility for Investment:**

Provided that the CI ETF qualifies (or is deemed to qualify) as a "*mutual fund trust*" within the meaning of the Tax Act, or the Units of the CI ETF are listed on a "*designated stock exchange*" within the meaning of the Tax Act (which currently includes the TSX), the Units of the CI ETF, if issued on the date hereof, would on such date be qualified investments under the Tax Act for a trust governed by a Plan.

Pursuant to the FHSA Amendments, it is expected that the Units of the CI ETF will be qualified investments under the Tax Act for a trust governed by an FHSA provided the conditions discussed above in relation to the Plans are satisfied.

See "*Income Tax Considerations – Taxation of Plans*".

**Documents Incorporated by Reference:**

During the period in which the CI ETF is in continuous distribution, additional information about the CI ETF will be available in its most recently filed annual financial statements, any interim financial statements filed after those annual financial statements, the most recently filed annual management report of fund performance, any interim management report of fund performance filed after that annual management report of fund performance, and the most recently filed ETF Facts document. These documents will be incorporated by reference into this prospectus. Documents incorporated by reference into this prospectus legally form part of this prospectus just as if they were printed as part of this prospectus. These documents will be publicly available on the website of the CI ETF at [www.ci.com](http://www.ci.com) and may be obtained upon request, at no cost, by calling 1-800-792-9355 (toll free) or by contacting your dealer. These documents and other information about the CI ETF are also publicly available at [www.sedar.com](http://www.sedar.com).

**Termination:**

See "*Documents Incorporated by Reference*".

The CI ETF does not have a fixed termination date but may be terminated at the discretion of the Manager in accordance with the terms of the Declaration of Trust (as defined herein). See "*Termination of the CI ETF*".

**Risk Factors:**

An investment in Units is subject to certain risk factors, which are described under the heading "*Risk Factors*".

***Organization and Management of the CI ETF***

**The Manager and Trustee:**

CI GAM, a registered portfolio manager and investment fund manager, is the promoter, manager and trustee of the CI ETF. The Manager is responsible for providing or arranging for the provision of administrative services and management functions to, including the day-to-day management of, the CI ETF. The principal office of the Manager is located at 15 York Street, Second Floor, Toronto, Ontario M5J 0A3.

See "*Organization and Management Details of the CI ETF – Manager of the CI ETF*" and "*Organization and Management Details of the CI ETF – The Trustee*".

**Portfolio Manager:**

CI GAM acts as the portfolio manager of the CI ETF (the "**Portfolio Manager**") and provides investment advisory and portfolio management services to the CI ETF.

The principal office of CI GAM is located in Toronto, Ontario.

See "*Organization and Management Details of the CI ETF – Portfolio Manager*".

**Custodian:** CIBC Mellon Trust Company is the custodian of the CI ETF (the "**Custodian**"). The Custodian is located in Toronto, Ontario, and is independent of the Manager.

See "*Organization and Management Details of the CI ETF – Custodian*".

**Valuation Agent:** CIBC Mellon Global Securities Services Company (the "**Valuation Agent**") provides accounting and valuation services in respect of the CI ETF. The Valuation Agent is located in Toronto, Ontario.

See "*Organization and Management Details of the CI ETF – Valuation Agent*".

**Auditors:** Ernst & Young LLP is responsible for auditing the annual financial statements of the CI ETF. The auditors are independent with respect to the CI ETF within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario. The head office of Ernst & Young LLP is located in Toronto, Ontario.

See "*Organization and Management Details of the CI ETF – Auditors*".

**Registrar and Transfer Agent:** TSX Trust Company, at its principal offices in Toronto, Ontario is the registrar and transfer agent for the Units ("**Registrar and Transfer Agent**") pursuant to a master registrar and transfer agency agreement. The Registrar and Transfer Agent is independent of the Manager.

See "*Organization and Management Details of the CI ETF – Registrar and Transfer Agent*".

**Lending Agent:** The Bank of New York Mellon (the "**Lending Agent**") acts as the securities lending agent for the CI ETF. The Lending Agent is located in New York, New York.

See "*Organization and Management Details of the CI ETF – Lending Agent*".

**Promoter:** The Manager is also the promoter of the CI ETF. The Manager took the initiative in founding and organizing the CI ETF and is, accordingly, the promoter of the CI ETF within the meaning of securities legislation of certain provinces and territories of Canada.

See "*Organization and Management Details of the CI ETF – Promoter*".

### ***Summary of Fees and Expenses***

The following table lists the fees and expenses payable by the CI ETF, and the fees and expenses that Unitholders may have to pay if they invest in the CI ETF. Unitholders may have to pay some of these fees and expenses directly. Alternatively, the CI ETF may have to pay some of these fees and expenses, which will therefore reduce the value of an investment in the CI ETF.

| <b>Type of Charge:</b> | <b>Description</b> |
|------------------------|--------------------|
|------------------------|--------------------|

*Fees and Expenses Payable by the CI ETF*

|                        |  |
|------------------------|--|
| <b>Management Fee:</b> |  |
|------------------------|--|

Each series of Units of the CI ETF pays to the Manager an annual management fee (the "**Management Fee**") of 0.50% of the NAV of that series, calculated daily and payable monthly in arrears, plus applicable taxes. The Portfolio Manager of the CI ETF is remunerated by the Manager out of the Management Fee it receives in respect of the CI ETF.

The Manager may, at its discretion, waive or agree to charge a reduced fee as compared to the fee it would otherwise be entitled to receive from the CI ETF with respect to large investments in the CI ETF by Unitholders, including investments by other investment funds managed by the Manager. Such a reduction will be dependent upon a number of factors, including the amount invested, the total assets of the CI ETF under administration and the expected amount of account activity. In such cases, an amount equal to the difference between the fee otherwise chargeable and the waived or reduced fee will be distributed by the CI ETF to the applicable Unitholders as management fee distributions.

*See "Fees and Expenses" and "Income Tax Considerations – Taxation of Holders of the CI ETF".*

|                            |  |
|----------------------------|--|
| <b>Administration Fee:</b> |  |
|----------------------------|--|

Each series of Units of the CI ETF pays to the Manager a fixed rate administration fee of 0.15% (the "**Administration Fee**") of the NAV of that series, calculated daily and payable monthly in arrears, plus applicable taxes.

In exchange for the Administration Fee, the Manager pays all operating expenses of the CI ETF (the "**Variable Operating Expenses**"), other than certain expenses described and defined as "**Certain ETF Costs**" in "*Fees and Expenses*". The Variable Operating Expenses paid by the Manager of the CI ETF include, but are not limited to, audit fees; fees payable to third party service providers; trustee and custodial expenses; valuation, accounting and record keeping costs; legal expenses; prospectus preparation and filing expenses; costs associated with delivering documents to Unitholders; listing fees and expenses and other administrative expenses and costs incurred in connection with continuous public filing requirements; costs and expenses of preparing financial and other reports; fees, costs and expenses associated with compliance with existing governmental and regulatory requirements (imposed after the time of the CI ETF's listing (the "**Effective Date**")); CDS fees; Unitholder reports and servicing costs; registrar and transfer agent fees; fees and expenses of the members of the IRC; expenses related to compliance with NI 81-107; and fees and expenses relating to the voting of proxies by a third party.

*See "Fees and Expenses".*

**Expenses of the Issue:**

Apart from the initial organization costs for the CI ETF, all expenses related to the issuance of Units shall be borne by the CI ETF unless otherwise waived or reimbursed by the Manager.

See "*Fees and Expenses*".

*Fees and Expenses Payable Directly by Unitholders*

**Redemption fee:**

This fee, which is payable to the CI ETF, does not apply to Unitholders who buy and sell their Units through the facilities of the TSX.

An amount as may be agreed to between the Manager and the Designated Broker or a Dealer of the CI ETF may be charged by the Manager at its discretion, on behalf of the CI ETF, to the Designated Broker and/or Dealers to offset certain transaction costs including brokerage expenses, commissions and other costs and expenses associated with the issue, exchange or redemption of Units of the CI ETF to or by such Designated Broker and/or Dealer. The current redemption fee of the CI ETF is available upon request.

See "*Exchange and Redemption of Units*".

## OVERVIEW OF THE LEGAL STRUCTURE OF THE CI ETF

The CI ETF is a mutual fund for Canadian securities law purposes and is established under the laws of Ontario. The promoter, manager and trustee of the CI ETF is CI GAM, a registered portfolio manager and investment fund manager. The head office of CI GAM and the CI ETF is located at 15 York Street, Second Floor, Toronto, Ontario M5J 0A3. CI GAM is a wholly-owned subsidiary of CI Financial Corp., which is listed on the TSX and the New York Stock Exchange ("**NYSE**").

CI GAM is the Portfolio Manager to the CI ETF.

The full name under which the CI ETF exists and carries on business is disclosed on the front cover of this prospectus. The TSX ticker symbol of the ETF C\$ Series Units CI ETF is CGIN. The TSX ticker symbol of the ETF US\$ Hedged Series Units CI ETF is CGIN.U.

The CI ETF exists pursuant to and is governed by the amended and restated declaration of trust for the CI ETF, as supplemented, amended or amended and restated from time to time (the "**Declaration of Trust**").

While the CI ETF is a mutual fund under the securities legislation of certain provinces and territories of Canada, the CI ETF is entitled to rely on exemptive relief from certain provisions of Canadian securities legislation applicable to conventional mutual funds. See "*Exemptions and Approvals*".

## INVESTMENT OBJECTIVE

The CI ETF's objective is to generate income and the potential for long-term capital appreciation by investing primarily in a diversified portfolio of investment grade fixed-income securities issued by companies or governments of any size, located anywhere in the world.

The investment objective of the CI ETF may not be changed except with the approval of its Unitholders. See "*Unitholder Matters*".

## INVESTMENT STRATEGIES

The CI ETF will primarily invest in investment grade fixed-income securities across multiple currencies and asset classes including, but not limited to, corporate and government bonds, floating-rate instruments, mortgage-backed securities, asset-backed securities, inflation-linked bonds, and preferred shares.

The CI ETF may also invest up to 15% of its assets in fixed-income securities of issuers rated below investment grade by a nationally recognized ratings agency, and up to 30% if one rating from a nationally recognized rating agency is investment grade (BBB or equivalent rating or higher).

The portfolio adviser will employ a flexible approach, allocating assets across credit quality, structured sectors, currencies and countries. The portfolio adviser may also choose to invest all of the CI ETF's assets in foreign fixed-income securities (i.e. non-USD and non-CAD securities), with up to 10% in emerging market securities, of which some may be below investment grade and subject to the below investment grade limit.

The CI ETF may also hold up to 5% in common shares as a result of a restructuring or enhancement of a bond issue.

The portfolio adviser may use techniques such as analyzing:

- the expected direction of interest rates,
- fundamental credit quality, credit ratings and credit risk, and
- expected performance relative to other types of fixed income securities.

This includes evaluating the expected supply and demand for corporate bonds, fundamental credit quality and the current stage of the credit cycle to determine the expected direction of credit spreads at different terms to maturity.

The portfolio adviser also assesses:

- the rate of economic growth,
- inflationary pressures,
- monetary policy in Canada, the U.S. and other major industrialized countries, and
- market conditions and sentiment.

This includes evaluating the term structure of government interest rates, central bank outlook and the current stage of the economic cycle to determine the expected direction of interest rates across yield curves.

The CI ETF may invest up to 10% of its assets in securities of other mutual funds, including domestic and foreign ETFs and other collective investment funds managed by us, as permitted by applicable exemptive relief. When selecting a mutual fund to invest in, the Manager will ensure that such investment is consistent with the CI ETF's investment objective and will consider such factors as the type of securities held within the underlying fund, the performance of the underlying fund and the associated expenses, if any.

The CI ETF may temporarily depart from its investment objective by investing a portion of its assets in cash or short-term money market securities while seeking investment opportunities or for defensive purposes depending on general market or economic conditions.

The CI ETF may invest in private placements or other illiquid equity or debt securities of public or private companies as permitted by securities regulations.

The CI ETF may invest, in aggregate, up to 10% of its net assets in ETFs that seek to:

- provide daily results that replicate the daily performance of a specified widely quoted market index (the "**Underlying Index**") on a leveraged basis (a multiple of 200% or an inverse multiple of 100% or 200%),
- provide daily results that replicate the daily performance of their Underlying Index, and
- replicate the performance of gold, or the value of a specified derivative the underlying interest of which is gold, on a leveraged (a multiple of 200%) or unlevered basis.

No more than 20% of the net assets of the CI ETF taken at market value at the time of a transaction, would consist of, in aggregate, securities of underlying ETFs and all securities sold short by the CI ETF.

Pursuant to exemptive relief from the Canadian securities authorities, the CI ETF may, subject to certain conditions, invest up to 10% of its net assets in debt obligations issued or guaranteed by either the Federal National Mortgage Association ("**Fannie Mae**") or the Federal Home Loan Mortgage Corporation ("**Freddie Mac**").

The portfolio adviser may actively trade the CI ETF's investments. This can increase trading costs, which may, in turn, lower the CI ETF's returns. It also increases the possibility that you will receive taxable capital gain distributions if you do not hold securities of the CI ETF in the Plans.

### *Currency Hedging*

In the event that the CI ETF invests in securities that are denominated in a currency other than the currency of the Units, the CI ETF may enter into one or more currency forward agreements that seek to hedge the currency risk associated with such an investment. At the discretion of the Portfolio Manager, the CI ETF may choose to enter into currency forward agreements to hedge all or a portion of the value of the CI ETF's foreign currency exposure back to the currency of the Units. All such currency forward agreements will be entered into in compliance with NI 81-102 *Investment Funds* ("**NI 81-102**") with financial institutions that have a "*designated rating*" as defined in NI 81-102. Hedging currency exposure to reduce the impact of fluctuations in exchange rates is intended to reduce the direct exposure to foreign currency risk for Unitholders.

The currency hedging mandate applicable to a particular series of Units shall not be changed by the Manager without first obtaining the approval of Unitholders of the affected series of Units.

### *Investment in Other Investment Funds*

In accordance with applicable securities legislation, including any exemptions obtained therefrom, and as an alternative to or in conjunction with investing in and holding securities directly, the CI ETF may also invest in one or more other investment funds, including investment funds managed by the Manager (each, an "**Other Fund**"), provided that no management fees or incentive fees are payable by the CI ETF that, to a reasonable person, would duplicate a fee payable by the Other Fund for the same service. The CI ETF's allocation to investments in other investment funds, if any, will vary from time to time depending on the relative size and liquidity of the investment fund and the ability of the Portfolio Manager of the CI ETF to identify appropriate investment funds that are consistent with the CI ETF's investment objective and strategies.

The CI ETF has obtained an exemption from certain provisions of NI 81-102 in order to permit the CI ETF to invest in certain foreign ETFs, as well as other collective investment funds managed by the Manager, subject to conditions. Please see "*Exemptions and Approvals*" for more details.

### ***Use of Derivative Instruments***

The CI ETF may use derivative instruments to reduce transaction costs and increase the liquidity and efficiency of trading, in accordance with the CI ETF's investment restrictions. The CI ETF may, from time to time, use derivatives to hedge its exposure to Units.

The CI ETF may invest in or use derivative instruments, including futures contracts, forward contracts and swaps, provided that the use of such derivative instruments is in compliance with NI 81-102 or the appropriate regulatory exemptions have been obtained, and is consistent with the investment objective and strategy of the CI ETF.

The Manager expects that the CI ETF will not use derivative instruments for non-hedging purposes in a taxation year of the CI ETF unless the CI ETF qualifies as a mutual fund trust under the Tax Act throughout the taxation year.

A "**derivative**" is an instrument, agreement or security, the market price, value or payment obligations of which is derived from, referenced to or based on an underlying interest.

A "**forward contract**" is an agreement between two parties to buy or sell an asset at a specified point of time in the future at a predetermined price.

"**Futures contracts**" are standardized contracts entered into on domestic or foreign exchanges which call for the future delivery of specified quantities of various assets such as stocks, bonds, agricultural commodities, industrial commodities, currencies, financial instruments, energy products or metals at a specified time and place. The terms and conditions of futures contracts of a particular commodity are standardized and as such are not subject to any negotiation between the buyer and seller.

A "**swap**" is a financial derivative contract in which two counterparties agree to exchange cash flows determined with reference to prices of currencies, indices or interest rates, according to predetermined rules. At inception, this instrument typically has zero market value, but as market prices change the swap acquires value.

### ***Securities Lending, Repurchase and Reverse Repurchase Transactions***

The CI ETF may enter into securities lending transactions, repurchase and reverse repurchase transactions in accordance with NI 81-102 to earn additional income for the CI ETF. The Manager has entered into a written securities lending authorization agreement (the "**Securities Lending Agreement**") with its sub-custodian, the Lending Agent and certain of its affiliates, pursuant to which the Lending Agent's agent, CIBC Mellon Global Securities Services Company, administers securities lending transactions for the CI ETF. The Lending Agent is not an affiliate or an associate of the Manager. The Securities Lending Agreement complies with the applicable provisions of NI 81-102 and all securities loans must qualify as "*securities lending arrangements*" for the purposes of the Tax Act.

The Manager manages the risks associated with securities lending by the CI ETF by requiring the Lending Agent to, among other things: (a) enter into securities lending transactions with borrowers selected by the Lending Agent on a basis of certain creditworthiness standards applied by the Lending Agent; (b) maintain appropriate internal controls and procedures which include, as applicable, transaction and credit limits for borrowers; (c) establish daily the market value of both the securities loaned by the CI ETF under a securities lending transaction and the collateral held by the CI ETF; (d) if on any day the market value of the collateral held by the CI ETF is less than 102% of the market value of the borrowed securities, request that the borrower provide additional collateral to the CI ETF to make up the shortfall; and (e) ensure that the

collateral to be delivered to the CI ETF is one or more of cash (if agreed to by the Manager and the applicable lending agent), qualified securities or securities immediately convertible into, or exchangeable for, securities of the same issuer, class or type, and same term, if applicable, as the securities being loaned by the CI ETF.

The Manager reviews its written policies and procedures at least annually to ensure that the risks associated with securities lending transactions are being properly managed. The Lending Agent reviews its written policies and procedures at least annually. The Lending Agent employs a risk management framework of counterparty limits and stringent collateral guidelines, including counterparty and program minimums and maximums for various security classes. Acceptable counterparties, counterparty limits and collateral guidelines are reviewed and amended as dictated by market conditions. At present, there are no simulations used to test the portfolios under stress conditions to measure risk in connection with the use of securities lending transactions.

### ***Short Selling Strategies***

The CI ETF may engage in short selling in compliance with NI 81-102 in order to manage volatility or enhance the performance of the CI ETF in declining or volatile markets. Short selling is an investment strategy whereby the CI ETF sells a security that it does not own on the basis that the Portfolio Manager believes that the security is overvalued and that its market value will decline. The resulting trade creates a "short position" which will create a profit for the CI ETF if the market value of the security does, in fact, decline. A successful short strategy will allow the CI ETF to subsequently purchase the security (and thereby repay its "short position") at a price that is lower than the price the CI ETF received for selling the securities, thereby creating a profit for the CI ETF.

In periods of little or negative corporate earnings growth and/or extreme market valuations, and in other circumstances when it appears likely that the market price of a particular security will decrease, short selling provides an opportunity for the CI ETF to control volatility and possibly enhance performance. The Portfolio Manager is of the view that the CI ETF can benefit from the implementation and execution of a controlled and limited short selling strategy. This strategy would operate as a complement to the CI ETF's primary strategy of purchasing securities with the expectation that they will appreciate in market value. Risks associated with short selling are managed by adhering to certain stringent controls.

## **OVERVIEW OF THE SECTORS THAT THE CI ETF INVESTS IN**

The CI ETF will primarily invest in investment grade fixed-income securities across multiple currencies and asset classes including, but not limited to, corporate and government bonds, floating-rate instruments, mortgage-backed securities, asset-backed securities, inflation-linked bonds, and preferred shares.

## **INVESTMENT RESTRICTIONS**

Subject to exemptive relief that has been obtained or will be obtained or has been applied for, the CI ETF is subject to certain investment restrictions and practices contained in Canadian securities legislation, including NI 81-102, which are designed in part to ensure that the investments of the CI ETF are diversified and relatively liquid and to ensure its proper administration. The investment restrictions and practices applicable to the CI ETF which are contained in Canadian securities legislation, including NI-81-102, may not be deviated from without an exemption from the Canadian securities regulatory authorities having jurisdiction over the CI ETF. See "*Exemptions and Approvals*".

### ***Tax Related Investment Restrictions Applicable to the CI ETF***

The CI ETF will not make an investment or conduct any activity that would result in the CI ETF (i) failing to qualify as a "unit trust" or "mutual fund trust" within the meaning of the Tax Act or (ii) being subject to the tax for "SIFT trusts" for purposes of the Tax Act. In addition, the CI ETF will not (i) make or hold any investment in property that would be "taxable Canadian property" (if the definition of such term in the Tax Act were read without reference to paragraph (b) thereof) if more than 10% of the CI ETF's property consisted of such property; (ii) invest in or hold (a) an "offshore investment fund property" (or an interest in a partnership that holds such property) which would require the CI ETF to include significant amounts in income pursuant to section 94.1 of the Tax Act, (b) an interest in a trust (or a partnership which holds such an interest) which would require the CI ETF to report significant amounts of income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act, or (c) any interest in a non-resident trust other than an "exempt foreign trust" for the purposes of section 94 of the Tax Act (or a partnership which holds such an interest); or (iii) invest in any security that would be a "tax shelter investment" within the meaning of section 143.2 of the Tax Act.

In addition, the CI ETF may not enter into any arrangement (including the acquisition of securities for its portfolio) where the result is a "dividend rental arrangement" for the purposes of the Tax Act, and the CI ETF may not engage in securities lending that does not constitute a "securities lending arrangement" for purposes of the Tax Act.

## **FEES AND EXPENSES**

### ***Fees and Expenses Payable by the CI ETF***

#### **Management Fees**

Each series of Units of the CI ETF pays to the Manager an annual Management Fee of 0.50% of the NAV of that series, calculated daily and payable monthly in arrears, plus applicable taxes.

The Management Fee compensates the Manager for services it provides to the CI ETF including, without limitation and as applicable: investment advisory and portfolio management services, implementation of the CI ETF's investment strategies, negotiating contracts with certain third-party service providers, including, but not limited to, investment managers, custodians, registrars, transfer agents, auditors and printers; authorizing the payment of operating expenses incurred on behalf of the CI ETF; maintaining certain accounting and financial records; calculating the amount and determining the frequency of distributions by the CI ETF; ensuring that Unitholders are provided with financial statements and other reports as are required from time to time by applicable law; ensuring that the CI ETF complies with all other regulatory requirements including continuous disclosure obligations under applicable securities laws; administering purchases, redemptions and other transactions in Units; and arranging for any payments required upon termination of the CI ETF. The Portfolio Manager of the CI ETF is remunerated by the Manager out of the Management Fee it receives in respect of the CI ETF.

#### ***Management Fee Distributions***

To encourage very large investments in the CI ETF, and to ensure the Management Fee is competitive for these investments, the Manager may at its discretion agree to waive or charge a reduced fee as compared to the fee it otherwise would be entitled to receive from the CI ETF with respect to investments in the CI ETF by Unitholders that hold, on average during any period specified by the Manager from time to time, Units of the CI ETF having a specified aggregate value, including investments by other investment funds managed by the Manager. Such a reduction will be dependent upon a number of factors, including the amount

invested, the total assets of the CI ETF under administration and the expected amount of account activity. An amount equal to the difference between the fee otherwise chargeable and the waived or reduced fee of the applicable ETF will be distributed by the CI ETF, at the discretion of the Manager, to those Unitholders as management fee distributions (generally representing an amount equal to the difference between the Management Fee otherwise chargeable by the Manager and a reduced fee determined by the Manager, at its discretion, from time to time, a "**Management Fee Distribution**").

The availability and amount of Management Fee Distributions with respect to Units of the CI ETF will be determined by the Manager. Management Fee Distributions for the CI ETF will generally be calculated and applied based on a Unitholder's average holdings of Units of the CI ETF over each applicable period as specified by the Manager from time to time. Management Fee Distributions will be available only to beneficial owners of Units of the CI ETF and not to the holdings of Units of the CI ETF by dealers, brokers or other participants in CDS that hold Units of the CI ETF on behalf of beneficial owners ("**CDS Participants**"). Management Fee Distributions will be paid first out of net income of the CI ETF then out of capital gains of the CI ETF and thereafter out of capital. In order to receive a Management Fee Distribution for any applicable period, a beneficial owner of Units of the CI ETF must submit a claim for a Management Fee Distribution that is verified by a CDS Participant on the beneficial owner's behalf and provide the Manager with such further information as the Manager may require in accordance with the terms and procedures established by the Manager from time to time.

The Manager reserves the right to discontinue or change Management Fee Distributions at any time. The income tax consequences of Management Fee Distributions made by the CI ETF generally will be borne by the Unitholders of the CI ETF receiving these distributions.

#### **Administration Fees**

Each series of Units of the CI ETF pays to the Manager an annual Administration Fee of 0.15% of the NAV of that series, calculated daily and payable monthly in arrears, plus applicable taxes.

In exchange for the Administration Fee, the Manager pays all operating expenses of the CI ETF (the "**Variable Operating Expenses**"), other than certain expenses described below as "**Certain ETF Costs**". The Variable Operating Expenses paid by the Manager of the CI ETF include, but are not limited to, audit fees; fees payable to third party service providers; trustee and custodial expenses; valuation, accounting and record keeping costs; legal expenses; prospectus preparation and filing expenses; costs associated with delivering documents to Unitholders; listing fees and expenses and other administrative expenses and costs incurred in connection with continuous public filing requirements; costs and expenses of preparing financial and other reports; fees, costs and expenses associated with compliance with existing governmental and regulatory requirements (imposed after the time of the CI ETF's listing (the "**Effective Date**")); CDS fees; Unitholder reports and servicing costs; registrar and transfer agent fees; fees and expenses of the members of the IRC; expenses related to compliance with NI 81-107; and fees and expenses relating to the voting of proxies by a third party.

"**Certain ETF Costs**", which are payable by the CI ETF, are (a) borrowing and interest costs incurred by the CI ETF from time to time; (b) investor meeting costs (as permitted by Canadian securities regulations); (c) fees, costs and expenses associated with compliance with any changes to existing governmental and regulatory requirements or new requirements (imposed on or after the Effective Date); (d) any new types of costs, expenses or fees not incurred prior to the Effective Date, including those arising from new governmental or regulatory requirements relating to operating expenses, or related to those external services that were not commonly charged in the Canadian mutual fund industry as of the Effective Date; and (e) operating expenses considered outside of the normal course of business of the CI ETF (on or after the Effective Date). For greater certainty, the Manager will bear all taxes (such as G.S.T., H.S.T. and any

applicable provincial sales taxes) charged to the Manager for providing the goods, services and facilities included in the Variable Operating Expenses. However, fees charged directly to investors are not included in the Variable Operating Expenses.

The CI ETF is responsible for the payment of its transaction costs, which include brokerage fees, spread, brokerage commissions and all other transaction fees, including the costs of derivatives and foreign exchange, as applicable ("**Transaction Costs**").

For greater certainty, in respect of a Hedged Series, such series is responsible for its own hedging transactions and the costs and gains or losses of such hedging transactions will be attributable and accrue solely to the particular hedged series. Transaction Costs are not considered to be operating expenses and are not part of the management expense ratio of a series of the CI ETF.

The Administration Fees are calculated and accrued daily and payable monthly in arrears, based on the NAV of each series of the CI ETF, and are subject to applicable taxes.

The Manager may, in some cases or in respect of certain series, waive all or a portion of the CI ETF's or series' Administration Fee. The decision to waive Administration Fees is at the Manager's discretion and may continue indefinitely or be terminated at any time without notice to Unitholders.

### **Expenses of the Issue**

Apart from the initial organization costs for the CI ETF, all expenses related to the issuance of Units are borne by the CI ETF unless otherwise waived or reimbursed by the Manager.

### ***Fees and Expenses Payable Directly by the Unitholders***

#### **Redemption Fee**

This fee, which is payable to the CI ETF, does not apply to Unitholders who buy and sell their Units through the facilities of the TSX.

An amount as may be agreed to between the Manager and the Designated Broker or a Dealer of the CI ETF may be charged by the Manager at its discretion, on behalf of the CI ETF, to the Designated Broker and/or Dealers to offset certain transaction costs including brokerage expenses, commissions and other costs and expenses associated with the issue, exchange or redemption of Units of the CI ETF to or by such Designated Broker and/or Dealer. The current redemption fee of the CI ETF is available upon request. Please see "*Exchange and Redemption of Units*".

## **RISK FACTORS**

In addition to the considerations set out elsewhere in this prospectus, below are certain considerations relating to an investment in Units of the CI ETF which prospective investors should consider before purchasing such Units.

### ***Absence of an Active Market for the Units and No Operating History Risk***

The CI ETF is a newly established investment trust with no operating history as an ETF. Although Units of the CI ETF may be listed on the TSX, there can be no assurance that it will do so or that an active public market for the Units will develop or be sustained.

***Capital Depletion Risk***

The CI ETF may make distributions comprised in whole or in part, of return of capital. A return of capital distribution is a return of a portion of an investor's original investment and may, over time, result in the return of the entire amount of the original investment to the investor. This distribution should not be confused with yield or income generated by the CI ETF. Return of capital distributions will reduce the CI ETF's NAV, which could reduce the CI ETF's ability to generate future income. You should not draw any conclusions about the CI ETF's investment performance from the amount of this distribution.

***Cease Trading of Securities Risk***

If the securities of an issuer included in the portfolio of the CI ETF are cease-traded by order of the relevant Canadian securities regulatory authority or are halted from trading by the relevant stock exchange, the CI ETF may halt trading in its Units. Accordingly, Units of the CI ETF bear the risk of cease trading orders against all issuers whose securities are included in its portfolio, not just one. If portfolio securities of the CI ETF are cease-traded by order of a Canadian securities regulatory authority, if normal trading of such securities is suspended on the relevant exchange, or if for any reason it is likely there will be no closing bid price for such securities, the CI ETF may suspend the right to redeem Units for cash, subject to any required prior regulatory approval. If the right to redeem Units for cash is suspended, the CI ETF may return redemption requests to Unitholders who have submitted them. If Units are cease-traded, they may not be delivered on an exchange of a PNU for a Basket of Securities until such time as the cease-trade order is lifted.

***Changes in Legislation Risk***

There can be no assurance that tax, securities and other laws or the interpretation and application of such laws by courts or government authorities will not be changed in a manner which adversely affects the CI ETF's Unitholders.

***Commodity Risk***

The CI ETF may invest directly or indirectly in commodities, or gain exposure to commodities by investing in companies engaged in commodity-focused industries or by using exchange-traded funds. Commodity prices can fluctuate significantly in short time periods, which will have a direct or indirect impact on the value of the CI ETF. Commodity prices can change as a result of a number of factors including supply and demand, government and regulatory matters, speculation, international monetary and political factors, central bank activity and changes in interest rates and currency values. Direct investments in bullion may generate higher transaction and custody costs and may be subject to loss, damage or theft.

***Concentration Risk***

The CI ETF may hold significant investments in a few issuers, rather than investing the CI ETF's assets across a large number of issuers. In some cases, more than 10% of the net assets of the CI ETF may be invested in securities of a single issuer due to appreciation in value of such investment and/or the liquidation or decline in value of other investments. The investment portfolio of the CI ETF is less diversified. As a result, the CI ETF may be more susceptible to any single economic, political or regulatory occurrence than a diversified ETF investing in a broader range of issuers. Further, a decline in the market value of one of the CI ETF's investment may affect the CI ETF's value more than if the CI ETF was a diversified fund.

### *Convertible Securities Risk*

The CI ETF's portfolio may contain convertible securities which involve risks of default on interest and principal and price changes due to, without limitation, such factors as interest rates, general economic conditions and the issuer's creditworthiness. Convertible securities may be less liquid than other securities and involve the risk that a Portfolio Manager may not be able to dispose of them at current market prices. During periods of thin trading, the spread between bid and ask prices is likely to increase. Convertible securities may experience greater price volatility than conventional debt securities, due to, among other things, the volatility of the underlying equity security. There is no guarantee that an investment in convertible securities of an issuer will provide a greater rate of return than either the equity or fixed income securities of such issuer, or any positive return at all. Convertible securities, such as convertible debentures, are often subordinate to conventional debt securities of an issuer, and the analysis of the creditworthiness of convertible securities may be more complex than for rated debt instruments. Generally, debt securities will decrease in value when interest rates rise and increase in value when interest rates decline. In addition, convertible securities typically contain provisions which allow the issuer of these securities to call or redeem the securities. In circumstances where an issuer has exercised its call or redemption right, the CI ETF would have to seek alternative investment opportunities.

### *Corresponding NAV Risk*

The Units of the CI ETF may trade below, at, or above their respective NAVs per Unit, and the closing trading price of the Units may differ from its NAV. The NAV per Unit of the CI ETF will fluctuate with changes in the market value of the CI ETF's holdings. Whether Unitholders of the CI ETF will realize gains or losses upon a sale of Units will depend not upon the NAV but entirely upon whether the market price of Units at the time of sale is above or below the Unitholder's purchase price for the Units. The market price of the Units of the CI ETF will be determined by factors in addition to NAV such as relative supply of and demand for the Units in the market, general market and economic conditions, and other factors. However, given that Dealers may subscribe for or exchange a PNU of the CI ETF at the applicable NAV per Unit, the Manager expects that large discounts or premiums to the NAV per Unit of the CI ETF should not be sustained.

### *Currency Risk*

When the CI ETF buys an investment priced in a currency other than the CI ETF's base currency ("**foreign currency**") and the exchange rate between the base currency of the CI ETF and the foreign currency changes unfavourably, it could reduce the value of the CI ETF's investment. Of course, changes in the exchange rate can also increase the value of an investment. For example, if the U.S. dollar falls in value relative to the Canadian dollar, a U.S. dollar-denominated investment will be worth less for an ETF based in Canadian dollars. On the other hand, if the U.S. dollar rises in value relative to the Canadian dollar, a U.S. dollar-denominated investment will be worth more for an ETF based in Canadian dollars.

As a portion of the CI ETF's portfolio may be invested in securities traded in currencies other than the base currency of a series of the CI ETF, the net asset value of the series of the CI ETF, when measured in the base currency, will, to the extent this has not been hedged against, be affected by changes in the value of the foreign currencies relative to the base currency. Further, a series of the CI ETF may not be fully hedged or hedged at all. Accordingly, no assurance can be given that the CI ETF's portfolio will not be adversely impacted by changes in foreign exchange rates or other factors.

### ***Currency Hedging Risk***

The use of currency hedges by the CI ETF, if used, involves special risks, including the possible default by the other party to the transaction, illiquidity and, to the extent the Portfolio Manager's assessment of certain market movements is incorrect, the risk that the use of hedges could result in losses greater than if the hedging had not been used. Hedging arrangements may have the effect of limiting or reducing the total returns to the CI ETF if the Portfolio Manager's expectations concerning future events or market conditions prove to be incorrect. In addition, the costs associated with a hedging program may outweigh the benefits of the arrangements in such circumstances.

### ***Cyber Security Risk***

With the increased use of technologies, such as the Internet, to conduct business, the CI ETF is susceptible to operational, information security, and related risks through breaches in cyber security. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting the CI ETF, the Manager or the CI ETF's service providers (including, but not limited to, the CI ETF's custodian) have the ability to cause disruptions and impact each of their respective business operations, potentially resulting in financial losses, interference with the calculation of the NAV of the CI ETF, impediments to trading the portfolio securities of the CI ETF, the inability to process transactions in Units, including redemptions of Units, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs associated with the implementation of any corrective measures. Similar adverse consequences could result from cyber incidents affecting the issuers of securities in which the CI ETF invests and counterparties with which the CI ETF engages in transactions.

The Manager has established risk management systems designed to reduce the risks to the CI ETF associated with cyber security. However, there is no guarantee that such efforts will succeed. Furthermore, the Manager and the CI ETF cannot control the cyber security plans and systems of the CI ETF's service providers, the issuers of securities in which the CI ETF invests, the counterparties with which the CI ETF engages in transactions, or any other third parties whose operations may affect the CI ETF or its Unitholders.

### ***Debt securities risk***

The following risks are associated with investments in debt securities:

- ***Credit Risk***

When a company or government issues a fixed income security, it promises to pay interest and repay a specified amount on the maturity date. Credit risk is the risk that the company or government will not live up to that promise. Credit risk is lowest among issuers that have good credit ratings from recognized credit rating agencies. The riskiest fixed income securities are those with a low credit rating or no credit rating at all. These securities usually offer higher interest rates to compensate for the increased risk.

- ***Interest Rate Risk***

Funds that invest in fixed income securities such as bonds and money market instruments are sensitive to changes in interest rates. In general, when interest rates are rising, the value of these investments

tends to fall. When rates are falling, fixed income securities tend to increase in value. Fixed income securities with longer terms to maturity are usually more sensitive to changes in interest rates.

- ***Extension Risk***

If interest rates rise, repayments of principal on certain debt securities, including, but not limited to, floating rate loans and mortgage-related securities, may occur at a slower rate than expected and the expected maturity of those securities could lengthen as a result. Securities that are subject to extension risk generally have a greater potential for loss when prevailing interest rates rise, which could cause their values to fall sharply.

- ***Prepayment Risk***

If the CI ETF invests in debt securities such as floating rate loans and mortgage-related securities, there is a risk that the issuer of a debt security may repay all or a portion of the principal prior to the security's maturity. In times of declining interest rates, there is a greater likelihood that the CI ETF higher yielding securities will be pre-paid with the CI ETF being unable to reinvest the proceeds in an investment with as great a yield. Prepayments can therefore result in lower yields to Unitholders of the CI ETF.

### ***Derivatives Risk***

The CI ETF may use various hedging transactions and may purchase and sell derivative instruments. The CI ETF's use of derivative instruments involves risks different from, and possibly greater than, the risks associated with investing directly in loans and other traditional investments. Hedging with derivatives may not always be successful and could limit the CI ETF's ability to participate in increases in the value of the CI ETF's portfolio assets that are being hedged.

Amounts paid by the CI ETF as premiums and cash or other assets held in margin accounts are not otherwise available to the CI ETF for investment purposes and the CI ETF will incur trading costs, including trading commissions and option premiums in connection with transactions in derivatives.

The use of derivatives does not guarantee that there will not be a loss or that there will be a gain. Further, when the CI ETF invests in a derivative instrument, it could lose more than the principal amount invested. The following are some examples of the risks associated with the use of derivatives by the CI ETF:

- in the case of over-the-counter options and forward contracts, there is no guarantee that a market will exist for these investments when the CI ETF wants to close out its position; in the case of exchange-traded options and futures contracts, there may be a risk of a lack of liquidity when the CI ETF wants to close out its position;
- futures exchanges may impose daily trading limits on certain derivatives, which could prevent the CI ETF from closing out its position;
- if the other party to the derivative, in the case of over-the-counter transactions, is unable to fulfil its obligations, the CI ETF could experience a loss or fail to realize a gain;
- if the CI ETF has an open position in an options, futures or forward contract with a dealer who goes bankrupt, the CI ETF could experience a loss and, for an open futures contract, a loss of margin deposits with that dealer;
- if a derivative is based on a market index and trading is halted on a substantial number of securities in the index, or if there is a change in the composition of the index, it could have an adverse effect on the derivative;
- there may be mispricing or improper valuation and changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index; and

- the Tax Act or its interpretation may change in respect of the tax treatment of derivatives.

In addition, the use of futures contracts and options is a highly specialized activity which involves investment strategies and risks different from those associated with ordinary portfolio securities transactions, and there can be no guarantee that their use will increase the CI ETF's return or successfully hedge its currency exposure. While the use of these instruments by the CI ETF may reduce certain risks associated with owning its portfolio securities, these techniques themselves entail certain other risks including lowering the CI ETF's return. Certain strategies limit the CI ETF's possibilities to realize gains, as well as its exposure to losses. The CI ETF could also experience losses if the prices of its options and futures positions were poorly correlated with the currencies being hedged, or if it could not close out its positions because of an illiquid secondary market. In addition, the CI ETF will incur transaction costs, including trading commissions and option premiums, in connection with its futures and options transactions. Futures markets are highly volatile and are influenced by numerous factors, such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events, and changes in rates and prices. In addition, because of the low margin deposits required in futures trading, a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the trader. Futures trading may also be illiquid. Certain futures exchanges do not permit trading in particular contracts at prices that represent a fluctuation in price during a single day's trading beyond certain specified limits. If prices fluctuate during a single day's trading beyond those limits (which conditions have in the past sometimes lasted for several days in certain contracts) the trader could be prevented from promptly liquidating unfavourable positions and thus be subject to substantial losses.

#### ***Designated Broker/Dealer Risk***

As the CI ETF will only issue Units directly to the applicable Designated Broker and Dealers, in the event that a purchasing Designated Broker or Dealer is unable to meet its settlement obligations, the resulting costs and losses incurred will be borne by the CI ETF.

Furthermore, in the event that one or more Designated Brokers or Dealers that have substantial interests in Units of the CI ETF withdraw from participation, the liquidity of the Units of the CI ETF will likely decrease which could adversely affect the market price of the Units and result in Unitholders incurring a loss on their investment.

#### ***Early Closing Risk***

Unanticipated early closings of a stock exchange on which securities held by the CI ETF are listed may result in the CI ETF being unable to sell or buy securities on that day. If such stock exchange closes early on a day when the CI ETF needs to execute a high volume of securities trades late in the day, the CI ETF may incur substantial trading losses.

#### ***Emerging market risk***

In emerging market countries, securities markets may be smaller than in more developed countries, making it more difficult to sell securities in order to take profits or avoid losses. If the CI ETF buys these investments, its value may rise and fall substantially and fluctuate greatly from time to time.

### *Equity Risk*

The CI ETF may invest in equities. Equities such as common shares give the holder part ownership in a company. The value of equity securities change with the fortunes of the company that issued them. General market conditions and the health of the economy as a whole can also affect equity prices. The price of equity securities of certain companies or companies within a particular industry may fluctuate differently than the value of the overall stock market because of changes in the outlook for those individual companies or the particular industry. Equity-related securities that provide indirect exposure to the equity securities of an issuer can also be affected by equity risk.

### *Exchange Risk*

In the event that the TSX closes on any day that it is normally open for trading, Unitholders of the CI ETF will be unable to purchase or sell Units of the CI ETF on the TSX until it reopens and there is a possibility that, at the same time and for the same reason, the exchange and redemption of Units may be suspended until the TSX reopens.

### *Exchange-Traded Fund (ETF) risk*

The CI ETF may invest in an underlying fund whose securities are listed for trading on an exchange (an **"exchange-traded fund"** or **"ETF"**). The investments of ETFs may include stocks, bonds, gold, silver, and other financial instruments. Some ETFs have a passive investment strategy and some ETFs have an active investment strategy. Some ETFs, known as index ETFs, have a passive investment strategy and attempt to replicate the performance of a widely quoted market index. While an investment in an ETF generally presents similar risks as an investment in an open-ended, actively managed mutual fund that has the same investment objectives and strategies, it also carries the following additional risks, which do not apply to an investment in an open-ended, actively managed mutual fund:

- The performance of an index ETF may be different from the performance of the index, commodity or financial measure that the index ETF is seeking to track. There are several reasons that this might occur, including: transaction costs and other expenses borne by the ETF; the ETF's securities may trade at a premium or discount to their NAV; or the ETFs may employ complex strategies, such as leverage, making tracking with accuracy difficult.
- The ability of the CI ETF to realize the full value of its investment in an underlying ETF will depend on its ability to sell the ETF's securities on a securities market, and the CI ETF may receive less than 100% of the ETF's then NAV per security upon redemption. There can be no assurance that an ETF's securities will trade at prices that reflect their NAV.
- There is no guarantee that any particular ETF will be available or will continue to be available at any time. An ETF may be newly created or organized, with limited or no previous operating history, and an active trading market for an ETF's securities may fail to develop or fail to be maintained. In addition, there is no assurance that an ETF will continue to meet the listing requirements of the exchange on which its securities are listed for trading.
- Commissions may apply to the purchase or sale of an ETF's securities by the CI ETF. Therefore, investments in an ETF's securities may produce a return that is different than the change in the NAV of such securities.

### ***Floating Rate Loan Risk***

The following risks are associated with investments in floating rate loans:

- ***Liquidity***

The liquidity of floating rate loans, including the volume and frequency of secondary market trading in such loans, varies significantly over time and among individual floating rate loans. Moreover, trading in floating rate loans may exhibit wide bid/ask spreads and extended trading periods. A loss can result if a floating rate loan cannot be sold at a time, or at the price, that the CI ETF would prefer.

- ***Insufficient Collateral***

Floating rate loans are often secured by specific collateral of the borrower. The value of the collateral can decline, be insufficient to meet the obligations of the borrower or be difficult to liquidate. As a result, a floating rate loan may not be fully collateralized and can decline significantly in value. In the event of bankruptcy of a borrower, the CI ETF could experience delays or limitation with respect to its ability to realize benefits of any collateral securing the loan.

- ***Lower Credit Quality and Ranking***

Floating rate loans typically are below investment-grade quality and have below investment-grade credit ratings, and are generally associated with assets having high risk and speculative characteristics. The credit ratings of loans may be lowered if the financial condition of the borrower changes. Credit ratings assigned by rating agencies are based on a number of factors and may not reflect the issuer's current financial condition or the volatility or liquidity of the loan. In addition, the value of lower rated loans can be more volatile due to increased sensitivity to adverse borrower, political, regulatory, market, or economic developments. An economic downturn generally leads to a higher non-payment rate, and a loan may lose significant value before default occurs.

Moreover, floating rate loans may be made on a subordinated and/or unsecured basis. Due to their lower standing in the borrower's capital structure, these loans can involve a higher degree of overall risk than senior loans of the same borrower.

### ***Foreign Investment Risk***

Investments in foreign companies are influenced by economic and market conditions in the countries where the companies operate. Equities and fixed income securities issued by foreign companies and governments are often considered riskier than Canadian and U.S. investments. One reason for this is that many countries have lower standards for accounting, auditing and reporting. Some countries are less politically stable than Canada and the U.S. and there is often less available information about individual investments. Volume and liquidity in some foreign stock and bond markets are less than in Canadian and U.S. stock and bond markets and, at times, price volatility can be greater than in the Canadian and U.S. markets. In some countries, there is a risk of nationalization, expropriation or currency controls. It can be difficult to trade investments on foreign markets and the laws of some countries do not fully protect investor rights. These risks and others

can contribute to larger and more frequent price changes among foreign investments. U.S. investments are not considered to have foreign investment risk.

Generally, investments in foreign markets are subject to certain risks and the CI ETF may be adversely affected by, among other things, political upheaval, financial troubles, natural disasters, wars, occupations, economic sanctions, reduced government oversight as compared to Canada, difficulty in enforcing contractual obligations, currency volatility and government intervention in markets.

### ***Global Financial Developments Risk***

Significant events in foreign markets and economies can have material impacts on other markets worldwide, including Canada and the United States. Such events could, directly or indirectly, have a material effect on the prospects of the CI ETF and the value of the securities in its portfolios. Global financial markets have experienced a sharp increase in volatility in the last several years. This has been, in part, the result of the revaluation of assets on the balance sheets of international financial institutions and related securities. This has contributed to a reduction in liquidity among financial institutions and has reduced the availability of credit to those institutions and to the issuers who borrow from them. While central banks as well as global governments are attempting to restore much needed liquidity to the global economies, no assurance can be given that the combined impact of the significant revaluations and constraints on the availability of credit will not continue to materially and adversely affect economies around the world. No assurance can be given that this stimulus will continue or that if it continues, it will be successful or, that these economies will not be adversely affected by the inflationary pressures resulting from such stimulus or central banks' efforts to slow inflation. Further, market concerns about the economies of certain European Union countries and their ability to continue to borrow may adversely impact global equity markets. Some of these economies have experienced significantly diminished growth and some are experiencing or have experienced a recession. These market conditions and further volatility or illiquidity in capital markets may also adversely affect the prospects of the CI ETF and the value of the CI ETF's portfolio. A substantial drop in the markets in which the CI ETF invests could be expected to have a negative effect on the CI ETF.

### ***Halted Trading Risk***

Trading of the CI ETF may be halted by the activation of individual or market-wide "circuit breakers" (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). In the case of the TSX, trading of the CI ETF may also be halted if: (i) Units of the CI ETF are delisted from the TSX without first being listed on another exchange; or (ii) officials of the TSX determine that such action is appropriate in the interest of a fair and orderly market or to protect investors.

### ***Hedged Series Risk***

The CI ETF offers one or more hedged series (each a "**Hedged Series**"), such as ETF US\$ Hedged Series, to hedge against currency fluctuations between the currency of the Hedged Series and the base currency of the CI ETF (i.e. the Canadian-U.S. dollar exchange rate). Hedged Series are substantially hedged using derivative instruments such as forward foreign currency contracts. While it is not the CI ETF's intention, over-hedged or under-hedged positions may arise due to factors outside the control of the CI ETF. Hedged Series aim to provide investors with a return correlated to the base currency performance of the CI ETF, but they do not offer the exact same return as their equivalent unhedged series of the CI ETF.

Hedging transactions will be clearly attributable to a specified Hedged Series and, therefore, currency exposures of different Hedged Series may not be combined or offset. Although the CI ETF will maintain

separate accounts or book entries with respect to each series of Units, separate series of the CI ETF are not separate legal entities and the liabilities between series will not be segregated. Accordingly, there is a risk that, under certain circumstances, currency hedging transactions in relation to one Hedged Series could result in liabilities which might affect the net asset value of the other series of the CI ETF.

### ***High Yield Risk***

The CI ETF may invest in high yield securities and other unrated securities of similar credit quality as a part of its investment strategies. ETFs that invest in securities of this type may be subject to greater levels of credit and liquidity risk than other funds that do not make such investments. These types of securities can be considered speculative with respect to an issuer's continuing ability to make principal and interest payments. An economic downturn or period of rising interest rates could adversely affect the market for these securities and reduce the CI ETF's ability to sell them. If the issuer of a security is in default with respect to interest or principal payments, the CI ETF may lose its entire investment.

### ***Inflation-Indexed Bond Risk***

Inflation-indexed bond risk is the risk that such bonds will change in value in respect to actual or anticipated changes in inflation rates in a manner unanticipated by the CI ETF's portfolio management team or investors generally.

### ***Investment Trust Risk***

The CI ETF may invest in real estate, royalty, income and other investment trusts which are investment vehicles in the form of trusts rather than corporations. To the extent that claims, whether in contract, in tort or as a result of tax or statutory liability, against an investment trust are not satisfied by the trust, investors in the investment trust, including mutual funds, could be held liable for such obligations. Investment trusts generally seek to make this risk remote in the case of contract by including provisions in their agreements that the obligations of the investment trust will not be binding on investors personally. However, investment trusts could still have exposure to damage claims such as personal injury and environmental claims. Certain jurisdictions have enacted legislation to protect investors in investment trusts from the possibility of such liability.

### ***Large Transaction Risk***

Units of the CI ETF may be bought by other investment funds, financial institutions in connection with other investment offerings and/or investors who participate in an asset allocation program or model portfolio program. Independently or collectively, these other parties may, from time to time, purchase, hold or sell a large proportion of the CI ETF's Units. A large purchase of the CI ETF's Units could result in a subscription of additional Units by a Designated Broker or Dealer, which, if the Designated Broker or Dealer subscribes for Units in cash, could create a relatively large cash position in the CI ETF's portfolio. In this circumstance, the presence of this cash position may adversely impact the performance of the CI ETF. The investment of this cash position may also result in significant incremental trading costs, although these costs are generally borne by the applicable Dealer. Conversely, a large sale of the CI ETF's Units for cash could result in a large redemption of Units by a Designated Broker or Dealer, which may require the CI ETF to sell portfolio investments so that it can pay the redemption proceeds. This sale may impact the market value of those portfolio investments and it may accelerate or increase the payment of capital gains distributions to these

investors. In addition, this sale may result in significant incremental trading costs, although these costs are generally borne by the applicable Dealer.

### ***Liquidity Risk***

Liquidity is a measure of how easy it is to convert an investment into cash. An investment may be less liquid if it is not widely traded or if there are restrictions on the exchange where the trading takes place. Investments with low liquidity can have dramatic changes in value.

### ***Loan Risk***

Loan risk may arise in any of the following situations:

- if the CI ETF holds a loan through another financial intermediary, or relies on a financial intermediary to administer the loan, its receipt of principal and interest on the loan may be subject to the credit risk of that financial intermediary;
- any collateral securing a loan may be insufficient or unavailable to the CI ETF, because, for example, the value of the collateral securing a loan can decline, be insufficient to meet the obligations of the borrower, or be difficult to liquidate, and the CI ETF's rights to collateral may be limited by bankruptcy or insolvency laws;
- investments in highly leveraged loans or loans of stressed, distressed, or defaulted issuers may be subject to significant credit and liquidity risk;
- a bankruptcy or other court proceeding could delay or limit the ability of the CI ETF to collect the principal and interest payments on that borrower's loans or adversely affect the CI ETF's rights in collateral relating to a loan;
- there may be limited public information available regarding the loan and the relevant borrower(s);
- the use of a particular interest rate benchmark, such as the London Interbank Offered Rate ("LIBOR"), may limit the CI ETF's ability to achieve a net return to Unitholders that consistently approximates the average published prime rates of U.S. or Canadian banks;
- the prices of certain floating rate loans that include a feature that prevents their interest rates from adjusting if market interest rates are below a specified minimum level may appreciate less than other instruments in response to changes in interest rates should interest rates rise but remain below the applicable minimum level;
- if a borrower fails to comply with various restrictive covenants that may be found in loan agreements, the borrower may default in payment of the loan;
- if the CI ETF invests in loans that contain fewer or less restrictive constraints on the borrower than certain other types of loans ("covenant-lite" loans), it may have fewer rights against the borrowers of such loans, including fewer protections against the possibility of default and fewer remedies in the event of default;

- transactions in loans may settle on a delayed basis, and the CI ETF may not receive the proceeds from the sale of a loan for a substantial period of time after the sale, which may result in sale proceeds related to the sale of loans not being available to make additional investments or to meet the CI ETF's redemption obligations until potentially a substantial period after the sale of the loans; and
- loans may be difficult to value and may be illiquid, which may adversely affect an investment in the CI ETF.

### ***Market Risk***

Market risk is the risk that the CI ETF's investments (whether they are equity or debt securities) will go down in value, including the possibility that such investments will go down sharply or unpredictably. Such decline may be based on company-specific developments, industry-specific developments and/or market trends. Several factors can influence market trends, such as general economic conditions, changes in interest rates, political changes, economic sanctions, global pandemics and catastrophic events. All ETFs, funds and all investments are subject to market risk.

### ***Mortgage-Related and Other Asset-Backed Securities Investment Risk***

Mortgage-related securities include mortgage pass-through securities, collateralized mortgage obligations ("**CMOs**"), commercial mortgage-backed securities, mortgage dollar rolls, CMO residuals, stripped mortgage-backed securities ("**SMBSs**") and other securities that directly or indirectly represent a participation in, or are secured by and payable from, mortgage loans on real property. Collateralized debt obligations include collateralized bond obligations ("**CBOs**"), collateralized loan obligations ("**CLOs**") and other similarly structured securities. CBOs and CLOs are types of asset-backed securities. A CBO is a trust which is backed by a diversified pool of high risk, below investment grade fixed income securities. A CLO is a trust typically collateralized by a pool of loans, which may include, among others, domestic and foreign senior secured loans, senior unsecured loans, and subordinate corporate loans, including loans that may be rated below investment grade or equivalent unrated loans.

Mortgage-related and other asset-backed securities often involve risks that are different from or more acute than risks associated with other types of debt instruments. Generally, rising interest rates tend to extend the duration of fixed rate mortgage-related securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, if the CI ETF holds mortgage-related securities, it may exhibit additional volatility. This is known as extension risk. In addition, adjustable and fixed-rate mortgage-related securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the returns of the CI ETF because it may have to reinvest that money at the lower prevailing interest rates. The CI ETF's investments in other asset-backed securities are subject to risks similar to those associated with mortgage-related securities, as well as additional risks associated with the nature of the assets and the servicing of those assets.

The value of some mortgage- or asset-backed securities may be particularly sensitive to changes in prevailing interest rates. Early repayment of principal on some mortgage-related securities may expose the CI ETF to a lower rate of return upon reinvestment of principal. When interest rates rise, the value of a mortgage-related security generally will decline; however, when interest rates are declining, the value of mortgage-related securities with prepayment features may not increase as much as other fixed income securities. The rate of prepayments on underlying mortgages will affect the price and volatility of a mortgage-related security, and may shorten or extend the effective maturity of the security beyond what

was anticipated at the time of purchase. If unanticipated rates of prepayment on underlying mortgages increase the effective maturity of a mortgage-related security, the volatility of the security can be expected to increase. The value of these securities may fluctuate in response to the market's perception of the creditworthiness of the issuers, the underlying borrowers or in the assets backing the securities. Additionally, although mortgages and mortgage-related securities are generally supported by some form of government or private guarantee and/or insurance, there is no assurance that private guarantors or insurers will meet their obligations.

One type of SMBS has one class receiving all of the interest from the mortgage assets (the interest-only, or "IO" class), while the other class will receive all of the principal (the principal-only, or "PO" class). The yield to maturity on an IO class is extremely sensitive to the rate of principal payments (including prepayments) on the underlying mortgage assets, and a rapid rate of principal payments may have a material adverse effect on the CI ETF's yield to maturity from these securities.

### ***No Assurances on Achieving Investment Objective***

There is no assurance that the CI ETF will achieve its investment objective. There is no assurance that the CI ETF will be able to pay regular cash distributions on the Units. The funds available for distributions to Unitholders will vary according to, among other things, the interest, dividends and other distributions paid on the portfolio securities of the CI ETF, the level of option premiums received (if applicable) and the value of the securities comprising the portfolio of the CI ETF. As the interest, dividends and other distributions received by the CI ETF may not be sufficient to meet its objectives in respect of the payment of distributions, the CI ETF may depend on the realization of capital gains, and/or the receipt of option premiums (if applicable) to meet those objectives. Although many investors and financial market professionals price options based on the Black-Scholes Model, in practice actual option premiums are determined in the marketplace and there is no assurance that the premiums predicted by such a pricing model can be attained.

### ***Operational Risk***

The CI ETF's day to day operations may be adversely affected by circumstances beyond the reasonable control of the Manager, such as failure of technology or infrastructure, or natural disasters or global pandemics that affect the productivity of the Manager's or its suppliers' workforce.

### ***Preferred Shares Risk***

Preferred shares and debt securities involve risks of default on interest, dividends and/or principal and price changes due to such factors such as an issuer's credit worthiness, changes in interest rates and general economic conditions. Unlike interest payments on a debt security, there is generally no obligation to make dividend payments on a preferred share (even if such dividends have accrued), and the payment of dividends on preferred shares may be suspended at any time. In the event that an issuer of preferred shares experiences economic difficulties, the issuer's preferred shares may lose substantial value due to the reduced likelihood that a dividend will be declared and the fact that the preferred shares may be subordinated to other securities of the same issuer. In addition, the ability of 30 the board of directors of an issuer to declare dividends (even if such dividends have accrued) on outstanding preferred shares may be constrained by restrictions imposed by such issuer's lenders.

Many issuers of preferred shares have a right to prepay or call their securities. If interest rates fall, the issuer of preferred shares may call (or redeem) such preferred shares and replace them with a new preferred share issue at lower rates, conventional debt, or perhaps even equity. If preferred shares

owned by the CI ETF are prepaid, called or redeemed, the CI ETF typically will be forced to reinvest proceeds at a time when yields on securities available in the market are lower than the yield on the security prepaid, called or redeemed. The CI ETF may also lose any premium it paid on the security.

During periods of rising interest rates, an issuer may, if it has such rights, exercise its rights to pay the redemption amount on preferred shares later than expected. Under these circumstances, the value of the preferred shares will decrease causing the value of the CI ETF's investments to decline.

As many preferred shares pay dividends at a fixed rate, their market price can be sensitive to changes in interest rates in a manner similar to bonds in that, as interest rates decline the market value of fixed income securities tends to increase. Conversely, when interest rates increase, the market value of fixed income securities tends to decline. To the extent that the CI ETF invests in, or is exposed to, fixed rate securities, rising interest rates may cause the value of the CI ETF's investments to decline significantly. The volatility of a security's market value will differ depending upon the security's duration, the issuer and the type of instrument. The longer the time to maturity the greater the potential for variations in value.

Finally, as many preferred shares allow holders to convert preferred shares into common shares of the issuer, their market price can be sensitive to changes in the value of the issuer's common shares. To the extent that the CI ETF holds convertible preferred shares, declining common share values may also cause the value of the CI ETF's investments to decline.

### ***Potential Conflicts of Interest***

The Manager, its directors, officers, affiliates and associates may engage in the promotion, management or investment management of other accounts, funds or trusts that invest primarily in the securities held by the CI ETF.

Although officers, directors and professional staff of the Manager will devote as much time to the CI ETF as is deemed appropriate to perform their respective duties, the staff of the Manager may have conflicts in allocating their time and services among the CI ETF and the other funds managed by them.

### ***Real Estate Investment Risk***

Investments in real estate investment trusts ("**REITs**"), real estate operating corporations ("**REOCs**") and other real estate issuers are subject to the general risks associated with real property investments. Real property investments are affected by various factors including changes in general economic conditions (such as the levels of interest rates and the availability of long term mortgage financing) and in local conditions (such as oversupply of space or a reduction in demand for real estate in the area), the attractiveness of the properties to tenants, competition from other available space and various other factors. The value of real property and any improvements thereto may also depend on the credit and financial stability of the tenants. The income of a REIT, REOC or other real estate issuer that is available for payment to its unitholders or shareholders, as the case may be, would be adversely affected if a significant number of tenants were to become unable to meet their obligations to the REIT, REOC or other real estate issuer, or if the REIT, REOC or other real estate issuer was unable to lease a significant amount of available space in its properties on economically favourable lease terms.

### ***Reliance on Historical Data Risk***

Past trends may not be repeated in the future. The accuracy of the historical data used by the Manager and the Portfolio Manager and those individuals who are principally responsible for providing administration and portfolio management services to the CI ETF for research and development, which is often provided by third parties, cannot be guaranteed. The Manager and Portfolio Manager only seek to obtain such data from companies that it believes to be highly reliable and of high reputation.

### ***Reliance on Key Personnel Risk***

Unitholders of the CI ETF will be dependent on the abilities of the Manager and Portfolio Manager to effectively manage the CI ETF and its portfolio in a manner consistent with its investment objectives, investment strategies and investment restrictions. The Portfolio Manager will apply investment techniques and risk analyses in making investment decisions for the CI ETF, but there can be no guarantee that these decisions will produce the desired results. There is no certainty that the individuals who are principally responsible for providing administration and portfolio management services to the CI ETF will continue to be employed by the Manager or the Portfolio Manager.

### ***Restrictions on Trading Due to Status Risk***

The Portfolio Manager seeks to avoid the risks associated with creating information barriers that would allow it to simultaneously have public and private information about a single issuer. If the Portfolio Manager or any of its personnel were to receive material non-public information about a particular obligor or asset, or have an interest in causing the CI ETF to transact a particular asset, the Portfolio Manager may be prevented from causing the CI ETF to transact such asset due to internal restrictions imposed on the Portfolio Manager. Notwithstanding the maintenance of certain internal controls relating to the management of material non-public information, it is possible that such controls could fail and result in the Portfolio Manager, or one of its investment professionals, buying or selling an asset while, at least constructively, in possession of material non-public information. Inadvertent trading on material non-public information could have adverse effects on the Portfolio Manager's reputation, result in the imposition of regulatory or financial sanctions, and as a consequence, negatively impact the Portfolio Manager's ability to perform its investment management services to the CI ETF.

### ***Securities Lending, Repurchase and Reverse Repurchase Transaction Risk***

The CI ETF is authorized to enter into securities lending, repurchase and reverse repurchase transactions in accordance with NI 81-102. In a securities lending transaction, the CI ETF lends its portfolio securities through an authorized agent to another party (often called a "**counterparty**") in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, the CI ETF sells its portfolio securities for cash through an authorized agent while at the same time assuming an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, the CI ETF buys portfolio securities for cash while at the same time agreeing to resell the same securities for cash (usually at a higher price) at a later date. The following are some examples of the risks associated with securities lending, repurchase and reverse repurchase transactions:

- when entering into securities lending, repurchase and reverse repurchase transactions, the CI ETF is subject to the credit risk that the counterparty may default under the agreement and the CI ETF would be forced to make a claim in order to recover its investment;

- when recovering its investment on default, the CI ETF could incur a loss if the value of the portfolio securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the CI ETF; and
- similarly, the CI ETF could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by the CI ETF to the counterparty.

The CI ETF may engage in securities lending from time to time. When engaging in securities lending, the CI ETF will receive collateral in excess of the value of the securities loaned, and although such collateral is marked to market, the CI ETF may be exposed to the risk of loss should a borrower default on its obligation to return the borrowed securities and the collateral is insufficient to reconstitute the portfolio of loaned securities.

### ***Series Risk***

The CI ETF is offered in several series. Each series has its own fees and expenses, which the CI ETF tracks separately. However, if one series is unable to meet its financial obligations, the other series are legally responsible for making up the difference.

### ***Short Selling Risk***

The CI ETF may engage in a disciplined amount of short selling. A "short sale" is where the CI ETF borrows securities from a lender and then sells the borrowed securities (or "sells short" the securities) in the open market. At a later date, the same number of securities are repurchased by the CI ETF and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the CI ETF pays compensation to the lender. If the value of the securities declines between the time that the CI ETF borrows the securities and the time it repurchases and returns the securities, the CI ETF makes a profit for the difference (less any compensation the mutual fund pays to the lender). Short selling involves certain risks. There is no assurance that securities will decline in value during the period of the short sale sufficient to offset the compensation paid by the CI ETF and make a profit for the CI ETF, and securities sold short may instead increase in value. The CI ETF may also experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist. The lender from whom the CI ETF has borrowed securities may go bankrupt and the CI ETF may lose the collateral it has deposited with the lender. The lender may decide to recall the borrowed securities which would force the CI ETF to return the borrowed securities early. If the CI ETF is unable to borrow the securities from another lender to return to the original lender, the CI ETF may have to repurchase the securities at a higher price than what it might otherwise pay.

If the CI ETF engages in short selling, it will adhere to controls and limits that are intended to offset these risks by selling short only securities of larger issuers for which a liquid market is expected to be maintained and by limiting the amount of exposure for short sales. The CI ETF will also deposit collateral only with lenders that meet certain criteria for creditworthiness and only up to certain limits. Although the CI ETF may not itself engage in short selling, it may be exposed to short selling risk because the underlying fund or ETF in which it invests may be engaged in short selling.

### ***Small Capitalization Risk***

Capitalization is a measure of the value of a company. It is the current price of a company's stock, multiplied by the number of shares issued by the company. Companies with small capitalization may not have a well-developed market for their securities, may be newer and may not have a track record

or extensive financial resources. As a result, these securities may be difficult to trade, making their prices and liquidity more volatile than those of large companies.

### ***Sovereign Debt Risk***

The CI ETF may invest in sovereign debt securities which are issued or guaranteed by foreign government entities. Investments in sovereign debt are subject to the risk that a government entity may delay or refuse to pay interest or repay principal on its sovereign debt. Some of the reasons for this may include cash flow problems, insufficient foreign currency reserves, political considerations, the size of its debt position relative to its economy or failure to put in place economic reforms required by the International Monetary Fund or other agencies. If a government entity defaults, it may ask the lender for more time to pay, a reduction in the interest rate or for further loans. There is no legal process for collecting sovereign debts that a government does not pay or bankruptcy proceeding by which all or part of sovereign debt that a government entity has not repaid may be collected.

### ***Structured Products and Structured Notes Risk***

An investment in a structured product, which includes, among other things, collateralized debt obligations, mortgage-backed securities, other types of asset-backed securities and certain types of structured notes, may decline in value due to changes in the underlying instruments on which the product is based. The cash flow or rate of return on the underlying investments may be apportioned among the newly issued securities to create different investment characteristics, such as varying maturities, credit quality, payment priorities and interest rate provisions. The cash flow or rate of return on a structured investment may be determined by applying a multiplier to the rate of total return on the underlying investments or referenced indicator. Application of a multiplier is comparable to the use of financial leverage, a speculative technique.

Holders of structured products indirectly bear risks associated with the underlying investments, index or reference obligation, and are subject to counterparty risk. Structured products are generally privately offered and sold, and thus, are not registered under the securities laws. Certain structured products may be thinly traded or have a limited trading market and may have the effect of increasing the CI ETF's illiquidity to the extent that the CI ETF, at a particular point in time, may be unable to find qualified buyers for these securities. Structured notes are derivative securities for which the amount of principal repayment and/or interest payments is based on the movement of one or more factors. Investments in structured notes involve risks including interest rate risk, credit risk and market risk. Depending on the factor used and the use of multipliers or deflators, changes in interest rates and movement of the factor may cause significant price fluctuations.

### ***Style Risk***

The CI ETF is managed in accordance with a particular investment style. Focusing primarily on one particular investment style (e.g. value or growth) to the exclusion of others may create risk in certain circumstances. For example, if a particular focus is placed on growth investing at a time when this investment style is out of favour in the marketplace, increased volatility and lower short-term returns may result.

### ***Tax Risk***

It is anticipated that the CI ETF will qualify, or will be deemed to qualify, at all times as a "mutual fund trust" within the meaning of the Tax Act. For the CI ETF to qualify as a "mutual fund trust" it must comply on a

continuous basis with certain requirements relating to the qualification of its Units for distribution to the public, the number of Unitholders of a particular series of Units of the CI ETF and the dispersal of ownership of that series of Units.

Currently, a trust will be deemed not to be a mutual fund trust if it is established or maintained primarily for the benefit of non-residents unless, at that time, all or substantially all of its property is property other than property that would be "*taxable Canadian property*" (if the definition of such term in the Tax Act were read without reference to paragraph (b) thereof). The current law does not provide any means of rectifying a loss of mutual fund trust status if this requirement is not met.

Provided the CI ETF complies with its investment restrictions set forth under the heading "*Investment Restrictions*", no more than 10% of the fair market value of the CI ETF's assets will at any time consist of property that would be "*taxable Canadian property*" (if the definition of such term in the Tax Act were read without reference to paragraph (b) thereof).

The CI ETF is expected to meet all the requirements to qualify as a "*mutual fund trust*" for the purposes of the Tax Act before the 91st day after the end of its first taxation year (determined without regard to any taxation year end that may be deemed to occur for other purposes under the rules in the Tax Act relating to "*loss restriction events*"). Assuming the CI ETF meets these requirements before such day, it will file an election to qualify as a mutual fund trust from its inception in 2022.

If the CI ETF fails to qualify or were to cease to qualify as a mutual fund trust, the income tax considerations in respect of the CI ETF as described under "*Income Tax Considerations*" would in some respects be materially and adversely different. For example, if the CI ETF does not qualify as a mutual fund trust for the purposes of the Tax Act throughout a taxation year, the CI ETF may be liable to pay alternative minimum tax and/or tax under Part XII.2 of the Tax Act, and it would not be entitled to the Capital Gains Refund (as defined under "*Income Tax Considerations – Taxation of the CI ETF*"). In addition, if the CI ETF does not qualify as a mutual fund trust, it may be subject to the "*mark-to-market*" rules under the Tax Act if more than 50% of the fair market value of the Units of the CI ETF are held by "*financial institutions*" within the meaning of the Tax Act for purposes of the "*mark-to-market*" rules.

There can be no assurance that Canadian federal and provincial income tax laws respecting the treatment of mutual fund trusts will not be changed in a manner that adversely affects the Unitholders of the CI ETF.

In determining its income for tax purposes, the CI ETF generally intends to treat gains and losses on dispositions of Units in the portfolio as capital gains and losses. Generally, the CI ETF will include gains and deduct losses on income account in connection with investments made through certain derivatives, including short sales of securities other than "*Canadian securities*" (as defined in the Tax Act) if the CI ETF has made an election under subsection 39(4) of the Tax Act, except where such derivatives are used to hedge portfolio securities held on capital account provided there is sufficient linkage. The CI ETF intends to recognize such gains or losses for tax purposes at the time they are realized by the CI ETF. In addition, gains or losses in respect of foreign currency hedges entered into in respect of amounts invested in the CI ETF's portfolio should constitute capital gains and capital losses to the CI ETF if the portfolio securities are capital property to the CI ETF and there is sufficient linkage. Designations with respect to the CI ETF's income and capital gains will be made and reported to Unitholders of the CI ETF on the foregoing basis. The practice of the Canada Revenue Agency (the "**CRA**") is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained. If some or all of the transactions undertaken by the CI ETF in respect of such dispositions or transactions are treated on income rather than capital account (whether because of the DFA Rules discussed under "*Income Tax Considerations – Taxation of the CI ETF*" or otherwise), the net income of the CI ETF for tax purposes and the taxable component of distributions to Unitholders could increase. Any such redetermination by the CRA may result in the CI ETF being liable for unremitted withholding taxes on prior distributions made to

Unitholders of the CI ETF who were not resident in Canada for the purposes of the Tax Act at the time of the distribution. Such potential liability may reduce the NAV of, or trading prices of, the Units of the CI ETF.

Pursuant to rules in the Tax Act, if the CI ETF experiences a "*loss restriction event*" it (i) will be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of the CI ETF's net income and net realized capital gains, if any, at such time to its Unitholders so that the CI ETF is not liable for non-refundable income tax on such amounts under Part I of the Tax Act), and (ii) will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses. Generally, the CI ETF will be subject to a loss restriction event if a person becomes a "*majority-interest beneficiary*", or a group of persons becomes a "*majority-interest group of beneficiaries*", of the CI ETF, as those terms are defined in the affiliated persons rules contained in the Tax Act, with certain modifications. Generally, a majority-interest beneficiary of the CI ETF is a beneficiary in the income or capital, as the case may be, of the CI ETF whose beneficial interests, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, have a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, as the case may be, of the CI ETF. Please see "*Income Tax Considerations – Taxation of Holders of the CI ETF*" for the tax consequences of an unscheduled or other distribution to Unitholders. Trusts that qualify as "*investment funds*" as defined in the rules in the Tax Act relating to "*loss restriction events*" are generally excepted from the application of such rules. An "*investment fund*" for this purpose includes a trust that meets certain conditions, including satisfying certain of the conditions necessary to qualify as a "*mutual fund trust*" for purposes of the Tax Act, not using any property in the course of carrying on a business and complying with certain asset diversification requirements. If the CI ETF were not to qualify as an "*investment fund*", it could potentially have a "*loss restriction event*" and thereby become subject to the related tax consequences described above.

The Tax Act contains rules concerning the taxation of publicly traded Canadian trusts and partnerships that own certain types of property defined as "*non-portfolio property*". A trust that is subject to these rules is subject to trust-level taxation, at rates comparable to those that apply to corporations, on the trust's income earned from "*non-portfolio property*" to the extent that such income is distributed to its unitholders. The CI ETF will not be subject to tax under these rules as long as the CI ETF complies with its investment restrictions in this regard. If the CI ETF is subject to tax under these rules, the after-tax return to its Unitholders could be reduced, particularly in the case of a Unitholder who is exempt from tax under the Tax Act or is a non-resident of Canada.

If the CI ETF realizes capital gains as a result of the transfer or disposition of its property undertaken to permit an exchange or redemption of Units by a Unitholder, allocation of fund-level capital gains will follow the Declaration of Trust. Recent changes to the Tax Act would, effective for the CI ETF's current and subsequent taxation years, deny the CI ETF a deduction for the portion of a capital gain of the CI ETF designated to a Unitholder on an exchange or redemption of Units that is greater than the Unitholder's accrued gain on those Units, where the Unitholder's proceeds of disposition are reduced by the designation.

Notwithstanding the foregoing, provided that certain Tax Amendments (together with the above noted amendments, the "**ATR Rule**") are enacted as proposed, amounts so allocated and designated to redeeming Unitholders will be deductible to an ETF to the extent of the redeeming Unitholders' pro rata share (as determined under the ATR Rule) of the net taxable capital gains of such ETF for the year. Any such taxable capital gains that would not be deductible by an ETF if allocated to redeeming or exchanging Unitholders may be made payable to non-redeeming or non-exchanging Unitholders of such ETF so that such ETF will not be liable for non-refundable income tax thereon. Accordingly, the amounts and taxable component of distributions to non-redeeming or non-exchanging Unitholders of an ETF may be greater than they would

have been in the absence of such ATR Rule. The ATR Rule would apply to an ETF as of its current and subsequent taxation years.

### ***Underlying Fund Risk***

The CI ETF may pursue its investment objective indirectly by investing in securities of other mutual funds, including ETFs, in order to gain access to the strategies pursued by those underlying funds. In doing so, the risks associated with investing in the CI ETF include the risks associated with the securities in which the underlying fund invests, along with the other risks of the underlying fund. There can be no assurance that any use of such multi-layered fund-of-fund structures will result in any gains for the CI ETF. If an underlying fund that is not traded on an exchange suspends redemptions, the CI ETF will be unable to value part of its portfolio and may be unable to redeem units. In addition, the portfolio adviser could allocate an underlying fund's assets in a manner that results in that fund underperforming relative to its peers.

### ***U.S. Government Securities Risk***

Debt securities issued or guaranteed by certain U.S. government agencies, instrumentalities, and sponsored enterprises, such as Fannie Mae or Freddie Mac, are not supported by the full faith and credit of the U.S. government, and so investments in securities or obligations issued by them involve credit risk greater than investments in other types of U.S. government securities.

### ***Withholding Tax Risk***

The CI ETF may invest in global debt or equity securities. While the CI ETF intends to make investments in such a manner as to minimize the amount of foreign taxes incurred under foreign tax laws and subject to any applicable tax conventions with respect to taxes on income and on capital, investments in global debt or equity securities may subject the CI ETF to foreign taxes on interest or dividends paid or credited to it or any gains realized on the disposition of such securities. The return on the CI ETF's portfolio will be net of such foreign withholding tax, unless the terms of the securities in such portfolio require the issuers of such securities to "gross-up" payments so that a holder of such securities receives the amount that it would have received in the absence of such withholding tax. There can be no assurances that (i) interest, dividends and gains on securities held in the CI ETF's portfolio will not be subject to foreign withholding tax, or (ii) the terms of securities held in the CI ETF's portfolio will provide for the gross-up referred to above.

Canada has entered into tax treaties with certain foreign countries which may entitle the CI ETF to a reduced rate of tax on such income. Some countries require the filing of a tax reclaim or other forms to receive the benefit of the reduced tax rate. Whether or when the CI ETF will receive the tax reclaim is within the control of the particular foreign country. Information required on these forms may not be available (such as Unitholder information); therefore, the CI ETF may not receive the reduced treaty rates or potential reclaims. Certain countries have conflicting and changing instructions and restrictive timing requirements which may cause the CI ETF not to receive the reduced treaty rates or potential reclaims. Certain countries may subject capital gains realized by the CI ETF on sale or disposition of certain securities to taxation in that country. If the CI ETF obtains a refund of foreign taxes, the NAV of the CI ETF will not be restated and the amount will remain in the CI ETF to the benefit of the then-existing Unitholders. See "*Income Tax Considerations*" for a discussion of certain Canadian federal income tax considerations relating to foreign withholdings taxes paid by the CI ETF.

## INVESTMENT RISK CLASSIFICATION METHODOLOGY

### Risk Ratings of the CI ETF

The investment risk level of the CI ETF is required to be determined in accordance with a standardized risk classification methodology that is based on its historical volatility, as measured by the 10-year standard deviation of its returns. As the CI ETF has less than 10 years of performance history, the Manager calculates the investment risk level of the CI ETF by using a reference index that is expected to reasonably approximate the standard deviation of the CI ETF. Once the CI ETF has 10 years of performance history, the methodology calculates the standard deviation of the CI ETF by using its performance history, rather than that of its reference index. The CI ETF is assigned an investment risk rating in one of the following categories: low, low to medium, medium, medium to high or high risk.

The reference index used for the CI ETF is as follows. The returns of the reference index is in Canadian dollars unless otherwise noted.

| CI ETF                         | Reference Index                                               |
|--------------------------------|---------------------------------------------------------------|
| CI Global Investment Grade ETF | ICE BofA Global Corporate Total Return Index (85% CAD Hedged) |

Unitholders should know that other types of risks, both measurable and non-measurable, exist. Also, just as historical performance may not be indicative of future returns, historical volatility may not be indicative of future volatility. The risk rating of the CI ETF is reviewed annually and anytime it is no longer reasonable in the circumstances. A more detailed explanation of the risk classification methodology used to identify the risk rating is available on request, at no cost, by calling 1-800-792-9355 (toll free) or by emailing [service@ci.com](mailto:service@ci.com).

### *Reference Index Descriptions*

The ICE BofA Global Corporate Total Return Index tracks the performance of investment grade corporate debt publicly issued in the major domestic and eurobond markets.

## DISTRIBUTION/DIVIDEND POLICY

Any cash distributions on the Units of the CI ETF are expected to be made monthly, if any.

The CI ETF does not have a fixed distribution/dividend amount. The amount of ordinary cash distributions/dividends, if any, will be based on the Manager's assessment of anticipated cash flow and anticipated expenses of the CI ETF from time to time. The date of any ordinary cash distribution of the CI ETF will be announced in advance by issuance of a press release. Subject to compliance with the investment objective of the CI ETF, the Manager may, in its complete discretion, change the frequency of these distributions in respect of the CI ETF and any such change will be announced by press release.

Depending on the underlying investments of the CI ETF, distributions on Units may consist of ordinary income, including foreign source income and taxable dividends from taxable Canadian corporations, interest or distributions received by the CI ETF but may also include net realized capital gains, in any case, less the expenses of that ETF and may include returns of capital. To the extent that the expenses of the CI

ETF exceed the income generated by the CI ETF in any applicable distribution period, it is not expected that a distribution for that period will be paid.

### ***Year-End Distributions***

If, in any taxation year, after the ordinary distributions, there would remain in the CI ETF additional net income or net realized capital gains, the CI ETF will, (i) where such taxation year ends on December 15, after December 15 but on or before December 31 of the calendar year in which such taxation year ends, or (ii) in any other case, at the end of the taxation year, be required to pay or make payable such net income and net realized capital gains as one or more special year-end distributions in such year to Unitholders of record as of the close of business on the day that is one business day before such day when such amount became due and payable, as is necessary to ensure that the CI ETF will not be liable for income tax on such amounts under Part I of the Tax Act (after taking into account all available deductions, credits and refunds) Such special distributions will be automatically reinvested in Units of the relevant series of the CI ETF and/or cash. Any special distributions payable in Units of the relevant series of the CI ETF will increase the aggregate adjusted cost base of a Unitholder's Units of that series. Immediately following automatic reinvestment of such a special distribution in Units, the number of Units outstanding will be automatically consolidated such that the number of Units of a series outstanding after such distribution will be equal to the number of Units of that series outstanding immediately prior to such distribution, except in the case of a non-resident Unitholder to the extent tax is required to be withheld in respect of the distribution. See "*Income Tax Considerations – Taxation of Holders of the CI ETF*".

### ***Distribution Reinvestment Plan***

At any time, a Unitholder may elect to participate in the Manager's distribution reinvestment plan (the "**Reinvestment Plan**") by contacting the CDS Participant through which the Unitholder holds its Units. Under the Reinvestment Plan, cash distributions (net of any required withholding tax) will be used to acquire additional Units of the same series of the CI ETF (the "**Plan Units**") from the market and will be credited to the account of the Unitholder (the "**Plan Participant**") through CDS.

Any eligible Unitholder may enrol in the Reinvestment Plan by notifying the CDS Participant through which the Unitholder holds its Units of such Unitholder's intention to participate in the Reinvestment Plan. Under the Reinvestment Plan, cash distributions will be used to acquire Plan Units in the market and will be credited to the account of the Plan Participant through CDS. The CDS Participant must, on behalf of such Plan Participant, elect online via CDSX no later than 5:00 p.m. (Toronto time) on each applicable date determined by the Manager as a record date for the determination of Unitholders of the CI ETF entitled to receive a distribution (each, a "**Distribution Record Date**") in respect of the next expected distribution in which the Unitholder wishes to participate. These elections are received directly by the Plan Agent via CDSX. If this election via CDSX is not received by the Plan Agent by the applicable deadline, the Unitholder will not participate in the Reinvestment Plan for that distribution.

The tax treatment to Unitholders of the CI ETF of reinvested distributions is discussed under the heading "*Income Tax Considerations – Taxation of Holders of the CI ETF*".

### **Fractional Units**

No fractional Plan Units will be purchased or sold under the Reinvestment Plan. Payments in cash for any remaining uninvested funds may be made in lieu of fractional Plan Units by the Plan Agent to CDS or CDS Participant, on a monthly or quarterly basis, as the case may be. Where applicable, CDS will, in turn, credit the Plan Participant, via the applicable CDS Participant.

### **Amendments, Suspension or Termination of the Reinvestment Plan**

Any Plan Participant may withdraw from the Reinvestment Plan by contacting the CDS Participant through which the Unitholder holds its Units.

Plan Participants may voluntarily terminate or modify their participation in the Reinvestment Plan. Plan Participants who no longer wish to participate in the Reinvestment Plan must notify their CDS Participant no later than 5:00 p.m. (Toronto time) at least two business days immediately prior to the applicable Distribution Record Date. If notice is received after this deadline, participation will continue for that distribution only. Future distributions will be made in cash to such Unitholders.

The Manager may terminate the Reinvestment Plan with respect to the CI ETF in its sole discretion, upon not less than 30 days' notice to: (i) the Plan Participants, via the CDS Participants through which the Plan Participants hold their Units, (ii) the Plan Agent, and (iii) the TSX. The Manager may also amend, modify or suspend the Reinvestment Plan with respect to the CI ETF at any time in its sole discretion, provided that it complies with certain requirements and gives notice of that amendment, modification or suspension (which notice may be given by issuing a press release containing a summary description of the amendment or in any other manner the Manager determines appropriate) to: (i) CDS Participants through which the Plan Participants hold their Units, (ii) the Plan Agent, and (iii) the TSX. The Reinvestment Plan will terminate automatically with respect to the CI ETF upon the termination of the CI ETF.

The Manager may adopt additional rules and regulations to facilitate the administration of the Reinvestment Plan, subject to the approval of the TSX (if required by the TSX rules). The Manager may, in its sole discretion, and upon at least 30 days' written notice to the Plan Agent, remove the Plan Agent and appoint a new Plan Agent.

### **Other Provisions Relating to the Reinvestment Plan**

Participation in the Reinvestment Plan is restricted to Unitholders who are residents of Canada for the purposes of the Tax Act. Partnerships (other than "*Canadian partnerships*" as defined in the Tax Act) are not eligible to participate in the Reinvestment Plan. Upon becoming a non-resident of Canada or a partnership (other than a Canadian partnership), a Plan Participant shall notify their CDS Participant and terminate participation in the Reinvestment Plan immediately. For the purpose of the Reinvestment Plan, the Plan Agent will not have any duty to inquire into the residency status or partnership status of Plan Participants, nor will the Plan Agent be required to know the residency status or partnership status of Plan Participants other than as notified by CDS or the Manager.

The automatic reinvestment of the distributions under the Reinvestment Plan will not relieve Plan Participants of any income tax applicable to such distributions. Each Plan Participant will be mailed annually the information necessary to enable such Plan Participant to complete an income tax return with respect to amounts paid or payable by the CI ETF to the Plan Participant in the preceding taxation year.

## **PURCHASES OF UNITS**

### ***Investment in the CI ETF***

In compliance with NI 81-102, the CI ETF will not issue Units to the public until subscriptions aggregating not less than \$500,000 have been received and accepted by the CI ETF from investors other than persons or companies related to the Manager or its affiliates.

### *Issuance of Units*

Units of the CI ETF are being issued and sold on a continuous basis and there is no maximum number of Units that may be issued.

### **To Designated Brokers and Dealers**

All orders to purchase Units directly from the CI ETF must be placed by the applicable Designated Broker or Dealers. The CI ETF reserves the absolute right to reject any subscription order placed by the Designated Broker and/or a Dealer. No fees will be payable by the CI ETF to the Designated Broker or a Dealer in connection with the issuance of Units. On the issuance of Units, the Manager may, at its discretion, charge an administrative fee to a Dealer or Designated Broker to offset any expenses (including any applicable TSX additional listing fees) incurred in issuing the Units.

On any Trading Day, the Designated Broker or a Dealer may place a subscription order for the PNU or integral multiple PNU of the CI ETF.

If a subscription order is received by the CI ETF at or before 9:00 a.m. (Toronto time) on a Trading Day, or such other time prior to 4:00 p.m. (Toronto time) (the "**Valuation Time**") on such Trading Day as the Manager may permit, and is accepted by the Manager, the CI ETF will generally issue to the Dealer or Designated Broker the PNU (or an integral multiple thereof) within two Trading Days from the effective date of the subscription order. The CI ETF must receive payment for the Units subscribed for within two Trading Days from the effective date of the subscription order. The effective date of a subscription order is the Trading Day on which the Valuation Time that applies to such subscription order takes place.

Unless the Manager shall otherwise agree or the Declaration of Trust shall otherwise provide, as payment for a PNU of the CI ETF, a Dealer or Designated Broker must deliver subscription proceeds consisting of a group of securities and/or assets determined by the Manager from time to time representing the constituents of the CI ETF (a "**Basket of Securities**") and cash in an amount sufficient so that the value of the Basket of Securities and cash delivered is equal to the NAV of the applicable PNU of the CI ETF determined at the Valuation Time on the effective date of the subscription order.

The Manager may, in its complete discretion, instead accept subscription proceeds consisting of (i) cash only in an amount equal to the NAV of the applicable PNU of the CI ETF determined at the Valuation Time on the effective date of the subscription order, plus (ii) if applicable, any fees payable in connection with cash-only payments for subscriptions of a PNU of the CI ETF, representing, as applicable, brokerage expenses, commissions, transaction costs and other costs or expenses that the CI ETF incurs or expects to incur in purchasing securities on the market with such cash proceeds.

The Manager will, except when circumstances prevent it from doing so, publish the applicable PNU for the CI ETF following the close of business on each Trading Day on its website, [www.ci.com](http://www.ci.com). The Manager may, at its discretion, increase or decrease the applicable PNU from time to time.

### **To the Applicable Designated Broker in Special Circumstances**

Units may be issued by the CI ETF to the applicable Designated Broker in connection with adjustments to the CI ETF as described under "*Investment Strategies*" and when cash redemptions of Units occur as described below under "*Exchange and Redemption of Units – Redemption of Units of the CI ETF for Cash*".

### **To Unitholders as Reinvested Distributions**

In addition to the issuance of Units as described above, Units of the CI ETF may be issued to Unitholders on the automatic reinvestment of certain distributions in accordance with the distribution policy of the CI ETF. See "*Distribution/Dividend Policy*".

### ***Buying and Selling Units of the CI ETF***

The Units of the CI ETF have been conditionally approved for listing on the TSX. Subject to satisfying the TSX's original listing requirements, the Units of the CI ETF will be listed on the TSX and investors will be able to buy or sell such Units on the TSX through registered brokers and dealers in the province or territory where the investors reside. Investors may incur customary brokerage commissions in buying or selling Units. No fees are paid by investors to the Manager or the CI ETF in connection with buying or selling of Units on the TSX.

### ***Special Considerations for Unitholders***

The provisions of the so-called "early warning" requirements set out in Canadian securities legislation do not apply in connection with the acquisition of Units. In addition, the CI ETF is entitled to rely on exemptive relief from the Canadian securities regulatory authorities to permit a Unitholder to acquire more than 20% of the Units of the CI ETF through purchases on the TSX without regard to the takeover bid requirements of applicable Canadian securities legislation.

## **EXCHANGE AND REDEMPTION OF UNITS**

### ***Exchange of Units of the CI ETF at NAV per Unit for Baskets of Securities and/or Cash***

Unitholders of the CI ETF may exchange the applicable PNU (or an integral multiple thereof) of the CI ETF on any Trading Day for Baskets of Securities and cash, subject to the requirement that a minimum PNU be exchanged. To effect an exchange of Units of the CI ETF, a Unitholder must submit an exchange request in the form and at the location prescribed by the CI ETF from time to time at or before 9:00 a.m. (Toronto time) on a Trading Day, or such other time prior to the Valuation Time on such Trading Day as the Manager may permit. The exchange price will be equal to the NAV of each PNU tendered for exchange determined at the Valuation Time on the effective date of the exchange request, payable by delivery of a Basket of Securities (constituted as most recently published prior to the effective date of the exchange request) and cash. The Units will be redeemed in the exchange. The Manager will also make available to Dealers and the Designated Broker the applicable PNU to redeem Units of the CI ETF on each Trading Day. The effective date of an exchange request is the Trading Day on which the Valuation Time that applies to such redemption request takes place.

Upon the request of a Unitholder, the Manager may, in its complete discretion, satisfy an exchange request by delivering cash only in an amount equal to the NAV of each PNU tendered for exchange determined at the Valuation Time on the effective date of the exchange request, provided that the Unitholder agrees to pay any fee payable in connection with cash-only payments for exchange of a PNU of the CI ETF, representing, as applicable, brokerage expenses, commissions, transaction costs and other costs or expenses that the CI ETF incurs or expects to incur in selling Units on the market to obtain the necessary cash for the exchange.

If an exchange request is not received by the applicable cut-off time, the exchange request will be effective only on the next Trading Day. Settlement of exchanges for Baskets of Securities and/or cash will generally be made by the second Trading Day after the effective day of the exchange request.

If any Units in which the CI ETF has invested are cease traded at any time by order of a Canadian securities regulatory authority or other relevant regulator or stock exchange, the delivery of Baskets of Securities to a Unitholder, Dealer or Designated Broker on an exchange in the PNU may be postponed until such time as the transfer of the Baskets of Securities is permitted by law.

As described under "*Book-Entry Only System*", registration of interests in, and transfers of, Units will be made only through the book-entry only system of CDS. The redemption rights described below must be exercised through the CDS Participant through which the owner holds Units. Beneficial owners of Units should ensure that they provide redemption instructions to the CDS Participant through which they hold such Units sufficiently in advance of the cut-off times described below to allow such CDS Participant to notify CDS and for CDS to notify the Registrar and Transfer Agent prior to the relevant cut-off time.

### ***Redemption of Units of the CI ETF for Cash***

On any Trading Day, Unitholders of the CI ETF may redeem (i) Units of the CI ETF for cash at a redemption price per Unit equal to 95% of the closing price for the Units on the TSX on the effective day of the redemption, subject to a maximum redemption price per Unit equal to the NAV per Unit on the effective day of redemption, less any applicable redemption fee determined by the Manager, in its sole discretion, from time to time, or (ii) a PNU of the CI ETF or a multiple PNU of the CI ETF for cash equal to the NAV of that number of Units of the CI ETF less any applicable redemption fee determined by the Manager, in its sole discretion from time to time. Because Unitholders will generally be able to sell Units at the market price on the TSX through a registered broker or dealer subject only to customary brokerage commissions, Unitholders of the CI ETF are advised to consult their brokers, dealers or investment advisors before redeeming such Units for cash. No fees or expenses are paid by Unitholders to the Manager or the CI ETF in connection with selling Units on the TSX.

In order for a cash redemption to be effective on a Trading Day, a cash redemption request with respect to the CI ETF must be delivered to the Manager in the form and at the location prescribed by the Manager from time to time at or before 9:00 a.m. (Toronto time) on such Trading Day. Any cash redemption request received after such time will be effective only on the next Trading Day. The cash redemption request forms may be obtained from any registered broker or dealer. Where possible, payment of the redemption price will be made by no later than the second Trading Day after the effective day of the redemption.

Unitholders that have delivered a redemption request prior to the Distribution Record Date for any distribution will not be entitled to receive that distribution.

In connection with the redemption of Units of the CI ETF, the CI ETF will generally dispose of securities or other financial instruments.

### ***Suspension of Exchanges and Redemptions***

The Manager may suspend the exchange or redemption of Units of the CI ETF or payment of redemption proceeds of the CI ETF: (i) during any period when normal trading is suspended on a stock exchange or other market on which Units owned by the CI ETF are listed and traded, if these Units represent more than 50% by value or underlying market exposure of the total assets of the CI ETF, without allowance for liabilities, and if these Units are not traded on any other exchange that represents a reasonably practical alternative for the CI ETF; or (ii) with the prior permission of the Canadian securities regulatory authorities where required, for any period not exceeding 30 days during which the Manager determines that conditions exist which render impractical the sale of assets of the CI ETF or which impair the ability of the Custodian to determine the value of the assets of the CI ETF. The suspension may apply to all requests for exchange or redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised

by the Manager of the suspension and that the exchange or redemption will be effected at a price determined on the Trading Day following the termination of the suspension. All such Unitholders shall have and shall be advised that they have the right to withdraw their requests for exchange or redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the CI ETF, any declaration of suspension made by the Manager shall be conclusive.

#### ***Costs Associated with Exchanges and Redemptions***

An amount may be charged by the Manager at its discretion, on behalf of the CI ETF, to exchanging or redeeming Unitholders to offset certain transaction costs including brokerage expenses, commissions and other costs and expenses associated with the exchange or redemption of Units of the CI ETF. The current redemption fee of the CI ETF is available upon request.

This fee, which is payable to the CI ETF, does not apply to Unitholders who buy and sell their Units through the facilities of the TSX.

#### ***Allocations of Capital Gains to Redeeming or Exchanging Unitholders***

Pursuant to the Declaration of Trust, the CI ETF may allocate and designate as payable any capital gains realized by the CI ETF as a result of any disposition of property of the CI ETF undertaken to permit or facilitate the redemption or exchange of Units to a Unitholder whose Units are being redeemed or exchanged. Any such allocations and designations will reduce the redemption price otherwise payable to the redeeming Unitholder.

#### ***Book-Entry Only System***

Registration of interests in, and transfers of, Units of the CI ETF will be made only through the book-entry only system of CDS. Units of the CI ETF must be purchased, transferred and surrendered for redemption only through a CDS Participant. All rights of an owner of Units must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Units. Upon buying Units of the CI ETF, the owner will receive only the customary confirmation. References in this prospectus to a holder of Units means, unless the context otherwise requires, the owner of the beneficial interest of such Units.

Neither the CI ETF nor the Manager will have any liability for: (i) records maintained by CDS relating to the beneficial interests in Units or the book entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

The ability of a beneficial owner of Units of the CI ETF to pledge such Units or otherwise take action with respect to such owner's interest in such Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The CI ETF has the option to terminate registration of Units through the book-entry only system in which case certificates for Units in fully registered form will be issued to beneficial owners of such Units or to their nominees.

### ***Short-Term Trading***

Unlike conventional open-end mutual funds in which short term trading by investors may cause the mutual fund to incur additional unnecessary trading costs in connection with the purchase of additional portfolio securities and the sale of portfolio securities to fund unitholder redemptions, the Manager does not believe that it is necessary to impose any short-term trading restrictions on the CI ETF at this time as: (i) the CI ETF is exchange-traded funds that are primarily traded in the secondary market; and (ii) the few transactions involving Unitholders of the CI ETF that do not occur on the secondary market involve Designated Brokers and Dealers, who can only purchase or redeem Units in a PNU and on whom the Manager may impose a redemption fee. The redemption fee is intended to compensate the CI ETF for any costs and expenses incurred by the CI ETF in order to fund the redemption.

## **PRIOR SALES**

### ***Trading Price and Volume***

This information is not yet available for the CI ETF because it is new.

## **INCOME TAX CONSIDERATIONS**

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to the acquisition, holding and disposition of Units of the CI ETF by a Unitholder who acquires Units pursuant to this prospectus. This summary only applies to a prospective Unitholder of the CI ETF who is an individual (other than a trust) resident in Canada for purposes of the Tax Act, who deals at arm's length with the CI ETF and the Designated Broker or Dealer and is not affiliated with the CI ETF or the Designated Broker or Dealer and who holds Units of the CI ETF as capital property (a "**Holder**").

Generally, Units of the CI ETF will be considered to be capital property to a Holder provided that the Holder does not hold such Units in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Holders who might not otherwise be considered to hold Units of the CI ETF as capital property may, in certain circumstances, be entitled to have such Units and all other "Canadian securities" owned or subsequently acquired by them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. This summary does not apply to a Holder who has entered or will enter into a "derivative forward agreement" as that term is defined in the Tax Act with respect to the Units disposed of in exchange for Units.

This summary is based on the facts disclosed herein and assumes that at all times the CI ETF will comply with its investment restrictions, that none of the issuers of the securities in the portfolio of the CI ETF will be foreign affiliates of the CI ETF or of any Holder and that none of the securities in the portfolio of the CI ETF will be a "*tax shelter investment*" within the meaning of section 143.2 of the Tax Act.

Further, this summary assumes that none of the securities in the portfolio of the CI ETF will be an "*offshore investment fund property*" (or an interest in a partnership that holds such property) which would require the CI ETF to include significant amounts in income pursuant to section 94.1 of the Tax Act, or an interest in a trust (or a partnership which holds such an interest) which would require the CI ETF to report significant amounts of income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act, or

an interest in a non-resident trust other than an "*exempt foreign trust*" as defined in section 94 of the Tax Act (or a partnership which holds such an interest).

This summary is also based on the assumption that the CI ETF will not be subject to the tax for SIFT trusts for purposes of the Tax Act.

This summary is based on the current provisions of the Tax Act, and an understanding of the current publicly available administrative policies and assessing practices of the CRA published in writing prior to the date hereof. This summary takes into account proposed amendments to the Tax Act publicly announced by the Minister of Finance (Canada) prior to the date hereof (the "**Tax Amendments**"). This description is not exhaustive of all Canadian federal income tax consequences and does not take into account or anticipate changes in the law or in administrative policy or assessing practice, whether by legislative, governmental or judicial action other than the Tax Amendments in their present form, nor does it take into account provincial, territorial or foreign tax considerations which may differ significantly from those discussed herein. There can be no assurance that the Tax Amendments will be enacted in the form publicly announced, or at all.

**This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units of the CI ETF. This summary does not address the deductibility of interest on any funds borrowed by an investor to purchase Units of the CI ETF. The income and other tax consequences of investing in Units will vary depending on an investor's particular circumstances including the province or territory in which the investor resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any investor in Units of the CI ETF. Prospective investors should consult their own tax advisors with respect to the income tax consequences to them of an acquisition of Units of the CI ETF based on their particular circumstances.**

#### *Status of the CI ETF*

This summary is based on the assumptions that the CI ETF will qualify or will be deemed to qualify at all relevant times as a "*mutual fund trust*" within the meaning of the Tax Act, that the CI ETF will elect under the Tax Act to be a mutual fund trust from the date it was established, and that the CI ETF has not been established and will not be maintained primarily for the benefit of non-residents at any time unless, at that time, substantially all of its property consists of property other than property that would be "*taxable Canadian property*" within the meaning of the Tax Act (if the definition of such term were read without reference to paragraph (b) of that definition).

To qualify as a mutual fund trust, (i) the CI ETF must be a Canadian resident "unit trust" for purposes of the Tax Act, (ii) the only undertaking of the CI ETF must be (a) the investing of its funds in property (other than real property or interests in real property or an immovable or a real right in an immovable), (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in immovables) that is capital property of the CI ETF, or (c) any combination of the activities described in (a) and (b), and (iii) the CI ETF must comply with certain minimum requirements respecting the ownership and dispersal of Units of a particular series (the "**minimum distribution requirements**"). In this connection, (i) the Manager intends to cause the CI ETF to qualify as a unit trust throughout the life of the CI ETF, (ii) the CI ETF's undertaking conforms with the restrictions for mutual fund trusts, and (iii) the CI ETF intends to file the necessary election so that it will be deemed to qualify as a mutual fund trust from its inception in 2022 and the Manager has no reason to believe that the CI ETF will not comply with the minimum distribution requirements before the 91st day after the end of its first taxation year (determined without regard to any taxation year-end that may be deemed to occur for other purposes under the rules in the Tax Act relating to "loss restriction events"), thereby permitting the filing by the CI ETF of such election and at all times thereafter.

If the CI ETF were not to qualify or be deemed to qualify as a mutual fund trust at all times, the income tax considerations described below would, in some respects, be materially and adversely different in respect of that ETF than would be the case if it were a mutual fund trust.

Provided the Units of the CI ETF are listed on a "*designated stock exchange*" (within the meaning of the Tax Act, which currently includes the TSX) or the CI ETF qualifies as a "*mutual fund trust*" within the meaning of the Tax Act, Units of that ETF will be qualified investments under the Tax Act for a trust governed by a Plan. Pursuant to the FHSA Amendments, it is expected that the Units of the CI ETF will be qualified investments under the Tax Act for a trust governed by an FHSA provided the conditions discussed above in relation to the Plans are satisfied. See "*Income Tax Considerations – Taxation of Plans*" for the consequences of holding Units in Plans.

### ***Taxation of the CI ETF***

The CI ETF may elect to have a taxation year that ends on December 15 of each calendar year. The CI ETF must pay tax on its net income (including net realized taxable capital gains) for a taxation year, less the portion thereof that it deducts in respect of the amount paid or payable (or deemed to be paid or payable) to its Unitholders in the calendar year in which the taxation year-end falls. An amount will be considered to be payable to a Unitholder of the CI ETF in a calendar year if it is paid to the Unitholder in that year by the CI ETF or if the Unitholder is entitled in that year to enforce payment of the amount. The Declaration of Trust requires that sufficient amounts be paid or made payable in respect of each taxation year so that the ETF is not liable for any non-refundable income tax under Part I of the Tax Act.

The CI ETF will be required to include in its income for each taxation year any dividends received (or deemed to be received) by it in such year on a security held in its portfolio.

In general, the CI ETF will realize a capital gain (or capital loss) upon the actual or deemed disposition of a security included in its portfolio to the extent the proceeds of disposition, net of any amounts included as interest on the disposition of the security and any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such security, unless the CI ETF were considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the CI ETF has acquired the security in a transaction or transactions considered to be an adventure or concern in the nature of trade. The CI ETF intends to purchase the securities in its portfolio with the objective of receiving distributions and income thereon and intends to take the position that gains and losses realized on the disposition of its securities are capital gains and capital losses.

The CI ETF is entitled for each taxation year throughout which it is a mutual fund trust for purposes of the Tax Act to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Units during the year (the "**Capital Gains Refund**"). The Capital Gains Refund in a particular taxation year may not completely offset the tax liability of the CI ETF for such taxation year which may arise upon the sale or other disposition of securities included in the portfolio in connection with the redemption of Units.

In general, gains and losses realized by the CI ETF from derivative transactions, including short sales of securities other than Canadian securities, will be on income account except where such derivatives are used to hedge portfolio securities held on capital account provided there is sufficient linkage, subject to the DFA Rules discussed below, and such gains and losses will be recognized for tax purposes at the time they are realized by the CI ETF.

A loss realized by the CI ETF on a disposition of capital property will be a suspended loss for purposes of the Tax Act if the CI ETF, or a person affiliated with the CI ETF, acquires a property (a "**substituted property**")

that is the same as or identical to the property disposed of, within 30 days before and 30 days after the disposition and the CI ETF, or a person affiliated with the CI ETF, owns the substituted property 30 days after the original disposition. If a loss is suspended, the CI ETF cannot deduct the loss from the CI ETF's capital gains until the substituted property is disposed of and is not reacquired by the CI ETF, or a person affiliated with the CI ETF, within 30 days before and after the disposition.

The CI ETF may enter into transactions denominated in currencies other than the Canadian dollar, including the acquisition of securities in their portfolios. The cost and proceeds of disposition of securities, dividends, interest and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars using the appropriate exchange rates determined in accordance with the detailed rules in the Tax Act in that regard. The amount of income, gains and losses realized by the CI ETF may be affected by fluctuations in the value of foreign currencies relative to the Canadian dollar. Gains or losses in respect of currency hedges entered into in respect of amounts invested in the portfolio of the CI ETF should constitute capital gains or capital losses to the CI ETF if the Units in the CI ETF's portfolio are capital property to the CI ETF and provided there is sufficient linkage.

The Tax Act contains rules (the "**DFA Rules**") that target certain financial arrangements (described in the DFA Rules as "derivative forward agreements") that seek to reduce tax by converting, through the use of derivative contracts, the return on an investment that would have the character of ordinary income to capital gains. The DFA Rules are broad in scope and could apply to other agreements or transactions. If the DFA Rules were to apply in respect of derivatives to be utilized by the CI ETF, gains realized in respect of the property underlying such derivatives could be treated as ordinary income rather than capital gains.

The CI ETF may derive income or gains from investments in countries other than Canada, and as a result, may be liable to pay income or profits tax to such countries. To the extent that such foreign tax paid by the CI ETF exceeds 15% of the amount included in the CI ETF's income from such investments, such excess may generally be deducted by the CI ETF in computing its net income for the purposes of the Tax Act. To the extent that such foreign tax paid does not exceed 15% of such amount and has not been deducted in computing the CI ETF's income, the CI ETF may designate in respect of a Holder a portion of its foreign source income that can reasonably be considered to be part of the CI ETF's income distributed to such Holder so that such income and a portion of the foreign tax paid by the CI ETF may be regarded as foreign source income of, and foreign tax paid by, the Holder for the purposes of the foreign tax credit provisions of the Tax Act.

With respect to an issuer that is a trust resident in Canada whose units are included in the portfolio of the CI ETF and held as capital property for the purposes of the Tax Act, and that is not subject in a taxation year to tax under the rules in the Tax Act applicable to certain publicly traded trusts and partnerships (the "**SIFT Rules**"), the CI ETF will be required to include in the calculation of its income for a taxation year the net income, including net taxable capital gains, paid or payable to the CI ETF by such trust in the calendar year in which that taxation year ends, notwithstanding that certain of such amounts may be reinvested in additional units of the trust. Provided that appropriate designations are made by such trust, net taxable capital gains realized by the trust, foreign source income of the trust and taxable dividends from taxable Canadian corporations received by the trust that are paid or payable by the trust to the CI ETF will effectively retain their character in the hands of the CI ETF. The CI ETF will be required to reduce the adjusted cost base of units of such trust by any amount paid or payable by the trust to the CI ETF except to the extent that the amount was included in calculating the income of the CI ETF or was the CI ETF's share of the non-taxable portion of capital gains of the trust, the taxable portion of which was designated in respect of the CI ETF. If the adjusted cost base to the CI ETF of such units becomes a negative amount at any time in a taxation year of the CI ETF, that negative amount will be deemed to be a capital gain realized by the CI ETF in that taxation

year and the CI ETF's adjusted cost base of such units will be increased by the amount of such deemed capital gain to zero.

The Portfolio Manager expects that the portfolio of the CI ETF will not include issuers that are non-resident trusts, limited partnerships, SIFT trusts or SIFT partnerships (the latter two, as defined under the SIFT Rules).

The CI ETF is entitled to deduct an amount equal to the reasonable expenses that it incurs in the course of issuing Units. Such issue expenses paid by the CI ETF and not reimbursed are deductible by the CI ETF ratably over a five-year period subject to reduction in any taxation year which is less than 365 days. In computing its income under the Tax Act, the CI ETF may deduct reasonable administrative and other expenses incurred to earn income.

Losses incurred by the CI ETF in a taxation year cannot be allocated to Holders, but may be deducted by the CI ETF in future years in accordance with the Tax Act.

### ***Taxation of Holders of the CI ETF***

A Holder will generally be required to include in computing income for a particular taxation year of the Holder such portion of the net income of the CI ETF, including the taxable portion of any net realized capital gains, as is paid or becomes payable to the Holder in that particular taxation year (whether in cash or in Units, whether such amount is automatically reinvested in additional Units of the CI ETF pursuant to the Reinvestment Plan or whether as a Management Fee Distribution). Provided that an election is made by the CI ETF to have a taxation year that ends on December 15 of each calendar year, amounts paid or payable by the CI ETF to a Holder after December 15 and before the end of the calendar year are deemed to have been paid or become payable to the Holder on December 15.

Under the Tax Act, the CI ETF is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions of income for the year, to the extent necessary to enable the CI ETF to use, in that year, losses from prior years without affecting the ability of the CI ETF to distribute its income annually. In such circumstances, the amount distributed to a Holder of the CI ETF but not deducted by the CI ETF will not be included in the Holder's income. However, the adjusted cost base of the Holder's Units of the CI ETF will be reduced by such amount. The non-taxable portion of the CI ETF's net realized capital gains for a taxation year, the taxable portion of which was designated in respect of a Holder in the calendar year in which that taxation year ends, that is paid or becomes payable to the Holder in the calendar year in which that taxation year ends will not be included in computing the Holder's income for the year. Any other amount in excess of a Holder's share of the net income of the CI ETF for a taxation year that is paid or becomes payable to the Holder in the calendar year in which that taxation year ends (i.e. returns of capital) will not generally be included in the Holder's income for the year, but will reduce the adjusted cost base of the Holder's Units of the CI ETF. To the extent that the adjusted cost base of Units of the CI ETF to a Holder would otherwise be a negative amount, the negative amount will be deemed to be a capital gain and the adjusted cost base of the Units to the Holder will be increased by the amount of such deemed capital gain to zero.

Provided that appropriate designations are made by the CI ETF, such portion of the net realized taxable capital gains of the CI ETF, the taxable dividends received or deemed to be received by the CI ETF on shares of taxable Canadian corporations and foreign source income as is paid or becomes payable to a Holder will effectively retain its character and be treated as such in the hands of the Holder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the gross-up and dividend tax credit rules will apply.

Any loss of the CI ETF for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Holder.

On the disposition or deemed disposition of a Unit of the CI ETF, including on a redemption, a Holder will realize a capital gain (or capital loss) to the extent that the Holder's proceeds of disposition (which do not include any amount of capital gains payable by the CI ETF to the Holder which represents capital gains realized by the CI ETF in connection with dispositions to fund the redemption), net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Unit. For the purpose of determining the adjusted cost base of a Holder's Units of a particular series of the CI ETF, when additional Units of that series of the CI ETF are acquired by the Holder (pursuant to the Reinvestment Plan or otherwise), the cost of the newly acquired Units of that series of the CI ETF will be averaged with the adjusted cost base of all Units of the same series of the CI ETF owned by the Holder as capital property immediately before that time. For this purpose, the cost of Units that have been issued on a distribution will generally be equal to the amount of the distribution. A consolidation of Units of the CI ETF following a distribution paid in the form of additional Units of the CI ETF will not be regarded as a disposition of Units of the CI ETF and will not affect the aggregate adjusted cost base to a Holder of Units of that series of the particular CI ETF.

In the case of an exchange of Units for a Basket of Securities, a Holder's proceeds of disposition of Units would generally be equal to the aggregate of the fair market value of the distributed property and the amount of any cash received. The cost to a Holder of any property received from the CI ETF upon the exchange will generally be equal to the fair market value of such property at the time of the distribution, less any amount that is deductible as interest accrued on such property to the date of distribution and not yet due. In the case of an exchange of Units for a Basket of Securities, the investor may receive securities that may or may not be qualified investments under the Tax Act for Plans. If such securities are not qualified investments for Plans, such Plans (and, in the case of certain Plans, the annuitants, beneficiaries or subscribers thereunder or holders thereof) may be subject to adverse tax consequences. Investors should consult their own tax counsel for advice on whether or not such securities would be qualified investments for Plans.

Pursuant to the Declaration of Trust, the CI ETF may allocate and designate as payable any capital gains realized by the CI ETF as a result of any disposition of property of the CI ETF undertaken to permit or facilitate the redemption or exchange of Units to a Holder whose Units are being redeemed or exchanged. Any such allocations and designations will reduce the redemption price otherwise payable to the Holder and therefore the Holder's proceeds of disposition. Recent changes to the Tax Act would, effective for the CI ETF's current and subsequent taxation years, deny the CI ETF a deduction for the portion of a capital gain of the CI ETF designated to a Holder on an exchange or redemption of Units that is greater than the Holder's accrued gain on those Units, where the Holder's proceeds of disposition are reduced by the designation. Notwithstanding the foregoing, under the ATR Rule in its current form, amounts so allocated and designated to redeeming Unitholders will be deductible to an ETF to the extent of the redeeming Unitholders' pro rata share (as determined under the ATR Rule) of the net taxable capital gains of such ETF for the year. Any such taxable capital gains that would not be deductible by an ETF if allocated to redeeming or exchanging Unitholders may be made payable to non-redeeming or non-exchanging Unitholders of such ETF so that such ETF will not be liable for non-refundable income tax thereon. Accordingly, the amounts and taxable component of distributions to non-redeeming or non-exchanging Unitholders of an ETF may be greater than they would have been in the absence of such ATR Rule. The ATR Rule would apply to an ETF as of its current and subsequent taxation years.

In general, one-half of any capital gain (a "**taxable capital gain**") realized by a Holder on the disposition of Units of the CI ETF or a taxable capital gain designated by the CI ETF in respect of the Holder in a taxation year of the Holder will be included in computing the Holder's income for that year and one-half of any capital loss (an "**allowable capital loss**") realized by the Holder in a taxation year of the Holder must be deducted from taxable capital gains realized by the Holder in the taxation year or designated by the CI ETF in respect of the Holder in the taxation year in accordance with the detailed provisions of the Tax Act.

Allowable capital losses for a taxation year in excess of taxable capital gains for that taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains in accordance with the provisions of the Tax Act.

A Holder will be required to compute all amounts, including the adjusted cost base of Units of the CI ETF and proceeds of disposition, in Canadian dollars in accordance with the detailed rules in the Tax Act and may, as a result, realize foreign exchange gains or losses. For example, if a Holder acquires ETF US\$ Hedged Series Units, because the proceeds of disposition would be valued in U.S. dollars, the Holder may realize a foreign exchange gain or loss if the exchange rate between the Canadian and U.S. dollar at the time of purchase of the ETF US\$ Hedged Series Units differs from the exchange rate at the time such ETF US\$ Hedged Series Units are disposed of.

Amounts designated by the CI ETF to a Holder of the CI ETF as taxable capital gains or dividends from taxable Canadian corporations, and taxable capital gains realized on the disposition of Units of the CI ETF may increase the Holder's liability for alternative minimum tax.

### ***Tax Implications of the CI ETF's Distribution Policy***

The NAV per Unit of the CI ETF will, in part, reflect income and capital gains that the CI ETF has accrued or realized, but not yet paid out as a distribution. Accordingly, an investor who acquires Units of the CI ETF at any time in the year, including on a reinvestment of distributions or a distribution of Units, but prior to a distribution being paid or made payable will have to pay tax on the entire distribution (to the extent it is a taxable distribution) notwithstanding that such amounts may have been reflected in the price paid by the investor for the Units. Further, where an investor acquires Units in a calendar year after December 15 of such year, such investor may become taxable on income earned or capital gains realized in the taxation year ending on December 15 of such calendar year but that had not been made payable before the Units were acquired.

### ***Taxation of Plans***

Amounts of income and capital gains included in a Plan's income from Units are generally not taxable under Part I of the Tax Act provided the Units are "*qualified investments*" for the Plan and in the case of certain Plans, not "*prohibited investments*" for the Plan. However, amounts withdrawn from a Plan may be subject to tax (other than a return of contributions from an RESP or certain withdrawals from an RDSP, and withdrawals from a TFSA).

Investors should consult with their own advisors regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a Plan.

Provided that the CI ETF qualifies or is deemed to qualify as a mutual fund trust within the meaning of the Tax Act, or the Units of the CI ETF are listed on a designated stock exchange within the meaning of the Tax Act (which currently includes the TSX), the Units of the CI ETF will be "*qualified investments*" for the Plan for purposes of the Tax Act.

Notwithstanding that Units of the CI ETF may be "*qualified investments*" for a Plan, the holder of a TFSA or RDSP, the annuitant under an RRSP or RRIF and the subscriber of an RESP (each a "*Plan Holder*") will be subject to a penalty tax in respect of Units held by such TFSA, RDSP, RRSP, RRIF or RESP, as the case may be, if such Units are a "*prohibited investment*" for such Plans for the purposes of the Tax Act. Generally, Units of the CI ETF would be a prohibited investment for a Plan if the Plan Holder (i) does not deal at arm's length with the CI ETF for purposes of the Tax Act; or (ii) has a "*significant interest*" as defined in the Tax Act in the CI ETF.

Units of the CI ETF will not be a "*prohibited investment*" if such Units are "*excluded property*" as defined in the Tax Act for your Plan. Under a safe harbour for new mutual funds, Units of the CI ETF may be "*excluded property*" at any time during the first 24 months of the CI ETF's existence provided, among other things, that the CI ETF is, or is deemed to be, a mutual fund trust under the Tax Act, and the CI ETF remains in substantial compliance with the requirements of NI 81-102 or follows a reasonable policy of investment diversification within the period. Investors should consult their own tax advisors for advice with respect to whether Units of the CI ETF would be a "*prohibited investment*" for their Plans.

Based on Tax Amendments released on August 9, 2022 to implement tax measures applicable to FHSAs proposed by the 2022 Federal Budget (Canada) ("**FHSA Amendments**"), FHSAs would be subject to the rules described above for Plans for purposes of the Tax Act. In particular, pursuant to the FHSA Amendments, it is expected that the Units of the CI ETF will be "*qualified investments*" for a trust governed by an FHSA provided the conditions discussed above in relation to the Plans are satisfied. In addition, the rules in respect of a "*prohibited investment*" are also proposed to apply to FHSAs and the holders thereof. The FHSA Amendments are proposed to come into force on January 1, 2023.

Securities received on the redemption of Units of the CI ETF may not be "*qualified investments*" for Plans. Investors should consult their own tax advisors for advice on whether or not such securities would be "*qualified investments*" and not "*prohibited investments*" for their Plans.

## **ORGANIZATION AND MANAGEMENT DETAILS OF THE CI ETF**

### ***Manager of the CI ETF***

CI GAM, a registered portfolio manager and investment fund manager, is the promoter, manager and trustee of the CI ETF. The Manager's principal office is located at 15 York Street, Second Floor, Toronto, Ontario M5J 0A3. The Manager is a wholly owned subsidiary of CI Financial Corp., which is listed on the TSX and the NYSE (TSX: CIX; NYSE: CIXX). The Manager performs or arranges for the performance of management services for the CI ETF, is responsible for the administration of the CI ETF, and provides investment advisory and portfolio management services to the CI ETF. The Manager is entitled to receive fees as compensation for management services rendered to the CI ETF.

### **Duties and Services Provided by the Manager to the CI ETF**

Pursuant to the Declaration of Trust, unless a Portfolio Manager has been appointed in respect of the CI ETF, the Manager is responsible for execution of the CI ETF's investment strategy, and also provides and/or arranges for the provision of required administrative services to the CI ETF including, without limitation: investment advisory and portfolio management services, implementation of the CI ETF's investment strategies, negotiating contracts with certain third-party service providers, including, but not limited to, investment managers, custodians, registrars, transfer agents, auditors and printers; authorizing the payment of operating expenses incurred on behalf of the CI ETF; maintaining accounting records; preparing the reports to Unitholders and to the applicable Canadian securities regulatory authorities; calculating the amount and determining the frequency of distributions by the CI ETF; preparing financial statements, income tax returns and financial and accounting information as required; ensuring that Unitholders are provided with financial statements and other reports as are required from time to time by applicable law; ensuring that the CI ETF complies with all other regulatory requirements including continuous disclosure obligations under applicable securities laws; administering purchases, redemptions and other transactions in Units; arranging for any payments required upon termination of the CI ETF; and dealing and communicating with Unitholders. The Manager will provide office facilities and personnel to carry out these

services, if not otherwise furnished by any other service provider to the CI ETF. The Manager will also monitor the investment strategy of the CI ETF to ensure that the CI ETF complies with its investment objective, investment strategies and investment restrictions and practices.

No manager of the CI ETF shall be a person who (i) is not a resident of Canada for purposes of the Tax Act, or (ii) does not agree to carry out its functions of managing the CI ETF in Canada.

Pursuant to the Declaration of Trust, the Manager has full authority and responsibility to manage and direct the business and affairs of the CI ETF, to make all decisions regarding the business of the CI ETF and to bind the CI ETF. The Manager may delegate certain of its powers to third parties where, in the discretion of the Manager, it would be in the best interests of the CI ETF to do so.

The Manager is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Unitholders of the CI ETF, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Declaration of Trust provides that the Manager will not be liable to the CI ETF or to any Unitholder or any other person for any loss or damage relating to any matter regarding that ETF, including any loss or diminution of value of the assets of the CI ETF if it has satisfied its standard of care set forth above.

The Manager and each of its directors, officers, employees and agents may be indemnified out of the assets of the CI ETF from and against all claims whatsoever, including costs, charges and expenses in connection therewith, brought, commenced or prosecuted against it for or in respect of any act, deed, matter or thing whatsoever made, done or omitted in or in relation to the execution of its duties to the CI ETF as long as the person acted honestly and in good faith with a view to the best interests of the CI ETF.

The Manager may resign upon 90 days' prior written notice to the Trustee (defined below) or upon such lesser notice period as the Trustee may accept. The Manager may also be removed by the Trustee on at least 90 days' written notice to the Manager. The Trustee shall make every effort to select and appoint a successor manager prior to the effective date of the Manager's resignation.

The Manager is entitled to fees for its services as manager under the Declaration of Trust as described under "*Fees and Expenses*" and will be reimbursed for all reasonable costs and expenses incurred by the Manager on behalf of the CI ETF. The Manager may, in its discretion, terminate the CI ETF without the approval of Unitholders if, in its opinion, it is no longer economically feasible to continue the CI ETF and/or it would otherwise be in the best interests of Unitholders to terminate the CI ETF.

The administration and management services of the Manager under the Declaration of Trust are not exclusive and nothing in the Declaration of Trust prevents the Manager from providing similar administrative and management services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the CI ETF) or from engaging in other activities.

### **Directors and Executive Officers of the Manager**

The name, municipality of residence, position and principal occupation of each of the directors and executive officers of the Manager are as follows:

| <i><b>Name and municipality of residence</b></i> | <i><b>Office held with the Manager</b></i> | <i><b>Principal occupation in the last five years</b></i>                                                       |
|--------------------------------------------------|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| Darie Urbanky<br>Toronto, Ontario                | Director, President,<br>Chief Operating    | President and Ultimate Designated Person (since April 2021), Director (since December 2019) and Chief Operating |

| <i>Name and municipality of residence</i> | <i>Office held with the Manager</i>                        | <i>Principal occupation in the last five years</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------------|------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                           | Officer and Ultimate Designated Person                     | Officer, CI Global Asset Management, since September 2018<br><br>President (since June 2019) and Chief Operating Officer, CI Financial Corp. since September 2018                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Amit Muni<br>Manhasset, New York, USA     | Director and Chief Financial Officer                       | Chief Financial Officer, CI Global Asset Management, since May 2022<br><br>Director, CI Global Asset Management, since May 2021<br><br>Executive Vice-President and Chief Financial Officer, CI Financial Corp. since May 2021<br><br>Executive Vice-President and Chief Financial Officer, WisdomTree Investments, Inc., from March 2008 to May 2021<br><br>Director (since 2016), Executive Vice-President and Chief Financial Officer, WisdomTree Asset Management Inc., from March 2008 to May 2021<br><br>Director (since 2015) and Chief Financial Officer, WisdomTree Asset Management Canada, Inc., from April 2016 to February 2020 |
| William Chinkiwsky<br>Toronto, Ontario    | Chief Compliance Officer                                   | Chief Compliance Officer, CI Global Asset Management, since February 2021<br><br>Head, Global Asset Management Compliance, Bank of Montreal, from October 2012 to February 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Edward Kelterborn<br>Toronto, Ontario     | Director, Executive Vice-President and Chief Legal Officer | Executive Vice-President since November 2020 and Chief Legal Officer, CI Financial Corp. since September 2018<br><br>Director, Executive Vice-President and Chief Legal Officer, CI Global Asset Management, since February 2019                                                                                                                                                                                                                                                                                                                                                                                                             |

Except where another company is disclosed above, all directors and executive officers have held position(s) with CI Global Asset Management for the last five (5) consecutive years. Where a director or executive officer has held multiple positions within CI Global Asset Management or another company for the last five (5)

consecutive years, the above table generally sets out only the current or most recently held position(s) held at such company. The start date for each position generally refers to the date on which the director or executive officer commenced the applicable position(s).

Elsa Li currently acts as corporate secretary for the Manager.

As of September 9, 2022, the directors and senior officers of the Manager did not beneficially own, directly or indirectly, in aggregate, any class or series of voting or equity securities of the Manager or any material amount of any class or series of voting or equity securities of any material service provider to the CI ETF or to the Manager.

### ***Portfolio Manager***

The Manager's portfolio management team is responsible for executing the investment strategy for the CI ETF.

The following representatives of the Manager work with a team of portfolio managers to manage the CI ETF, and all decisions are reviewed in a team-oriented manner, in which individual inputs of the group members are sought in order to reach a single consensus opinion on an issuer or the market as a whole.

| <b><i>Name and Title</i></b>                                                | <b><i>Length of Service with the Manager</i></b> | <b><i>Principal Occupation in the last 5 years</i></b>                                                                                                        |
|-----------------------------------------------------------------------------|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leanne Ongaro<br>Vice-President, Portfolio Management and Portfolio Manager | 15 years                                         | Vice-President, Portfolio Management and Portfolio Manager, CI, since March 2019<br><br>Before March 2019, Associate Portfolio Manager, CI, since August 2016 |
| John P. Shaw<br>Vice-President, Portfolio Management and Portfolio Manager  | 19 years                                         | Vice-President, Portfolio Management and Portfolio Manager, CI, since January 2006                                                                            |

Investment decisions by the above-named portfolio managers are not subject to oversight, approval or ratification of a committee.

### ***Designated Brokers***

The Manager, on behalf of the CI ETF, has entered into an agreement with a registered dealer (a "**Designated Broker Agreement**") pursuant to which the registered dealer (each such registered dealer, a "**Designated Broker**") has agreed to perform certain duties relating to the CI ETF including, without limitation: (i) to subscribe for a sufficient number of Units of the CI ETF to satisfy the TSX's original listing requirements; (ii) to subscribe for Units of the CI ETF on an ongoing basis, and (iii) to post a liquid two way

market for the trading of Units of the CI ETF on the TSX. Payment for Units of the CI ETF must be made by the Designated Broker, and those Units will be issued, by no later than the second Trading Day after the subscription notice has been delivered.

Units do not represent an interest or an obligation of such Designated Broker or Dealers or any affiliate thereof and a Unitholder of the CI ETF will not have any recourse against any such parties in respect of amounts payable by the CI ETF to such Designated Broker or Dealers.

### ***Brokerage Arrangements***

The Portfolio Manager is responsible for selecting members of securities exchanges, brokers and investment dealers for the execution of transactions in respect of the CI ETF's investments and, when applicable, the negotiation of commissions in connection therewith. The CI ETF is responsible to pay any commissions negotiated in relation to these brokerage arrangements, except where prohibited by applicable law. The Portfolio Manager has established policies and procedures for selecting markets, brokers and investment dealers for the execution of transactions in respect of the CI ETF's investments and for seeking to obtain the best price and execution for those transactions.

The name of any broker or third party that provides research and/or order execution goods and services through a soft dollar arrangement with the Portfolio Manager will be provided upon request by contacting the Portfolio Manager at 1-800-792-9355 or by e-mail at [service@ci.com](mailto:service@ci.com).

The Portfolio Manager's allocation of brokerage business for effecting portfolio transactions on behalf of the CI ETF is based on decisions made by the portfolio managers, analysts and traders of the Portfolio Manager, and will only be made in compliance with applicable law and in accordance with the Portfolio Manager's policies and procedures. The Portfolio Manager does not allocate brokerage business to affiliates. The allocation of business among brokers is based on a number of factors including, but not limited to, the quality of service and the terms offered for specific transactions including price, volume, speed and certainty of execution, the competitiveness of commission terms and prices, the range of brokerage services provided, the quality of research provided, total transaction cost, the broker's capital strength and stability and the Portfolio Manager's knowledge of any actual or apparent operational problems of the brokers. These same factors are used by the Portfolio Manager in making a good-faith determination as to the reasonableness of the commission rate and such other benefits that may be derived by the CI ETF.

In addition, the Portfolio Manager may, consistent with its duty to seek best price and execution, utilize the services of soft dollar brokerage firms. A portion of the commissions generated through the use of soft dollar brokerage accounts are used to pay for order execution and research goods and services which may include, but are not limited to, order management systems, trading software and raw market data, custody, clearance and settlement services, databases, analytical software and research reports. The order execution and research goods and services may be provided directly from the soft dollar brokerage firm, or indirectly from a third party.

### ***Conflicts of Interest***

The Manager and its affiliates are engaged in a wide range of investment management, investment advisory and other business activities. The services provided by the Manager under the Declaration of Trust are not exclusive and nothing in the agreement prevents the Manager or any of its affiliates from providing similar services to other investment funds or clients (whether or not their investment objectives, strategies and policies are similar to those of the CI ETF) or from engaging in other activities. The Manager therefore will have conflicts of interest in allocating management time, services and functions to the CI ETF and the other

persons for which it provides similar services. The Manager's investment decisions for the CI ETF will be made independently of those made on behalf of its other clients or for its own investments. On occasion, however, the Manager will make the same investment for the CI ETF and for one or more of its other clients. If the CI ETF and one or more of the other clients of the Manager, or any of its affiliates, are engaged in the purchase or sale of the same security, the transactions will be effected on an equitable basis. In this regard, the Manager will generally endeavour to allocate investment opportunities to the CI ETF on a pro rata basis.

The Manager may trade and make investments for its own account, and the Manager currently trades and manages and will continue to trade and manage accounts other than the CI ETF's accounts utilizing trading and investment strategies which are the same as or different from the ones to be utilized in making investment decisions for the CI ETF. In addition, in proprietary trading and investment, the Manager may take positions the same as, different than or opposite to those of the CI ETF. Furthermore, all of the positions held by accounts owned, managed or controlled by the Manager will be aggregated for purposes of applying certain position limits. As a result, the CI ETF may not be able to enter into or maintain certain positions if such positions, when added to the positions already held by the CI ETF and such other accounts, would exceed applicable limits. All of such trading and investment activities may also increase the level of competition experienced with respect to priorities of order entry and allocations of executed trades. See "*Risk Factors*".

The Manager has established policies and procedures relating to conflicts of interest. The Manager has adopted the CI Financial's Code of Conduct, CI Conflicts of Interest Policy and CI Personal Trading Policy (the "**Codes**"), which establish rules of conduct designed to ensure fair treatment of the Unitholders and to ensure that at all times the interests of the CI ETF and its Unitholders are placed above personal interests of employees, officers and directors of the Manager, and each of its subsidiaries, affiliates and portfolio sub-advisors. The Codes apply the highest standards of integrity and ethical business conduct. The objective is not only to remove any potential for real conflict of interest, but also to avoid any perception of conflict. The Codes address the area of investments, which covers personal trading by employees, conflict of interest, and confidentiality among departments and portfolio sub-advisors. They also address confidentiality, fiduciary duty, enforcement of rules of conduct and sanctions for violations.

The Manager may at times have interests that differ from the interests of the Unitholders. Where the Manager or its affiliates otherwise perceive in the course of business, that it is or may be in a material conflict of interest position, the matter will be referred to the IRC. The IRC will consider all matters referred to it and provide its recommendations to the Manager as soon as possible.

In evaluating these conflicts of interest, potential investors should be aware that the Manager has a responsibility to the Unitholders to exercise good faith and fairness in all dealings affecting the CI ETF. In the event that a Unitholder believes that the Manager has violated its duty to such Unitholder, the Unitholder may seek relief for itself or on behalf of the CI ETF to recover damages from or to require an accounting by the Manager. Unitholders should be aware that the performance by the Manager of its responsibilities to the CI ETF will be measured in accordance with (i) the provisions of the agreement by which the Manager has been appointed to its position with the CI ETF; and (ii) applicable laws.

A registered dealer acts as a Designated Broker, and one or more registered dealers may act as a Dealer and/or a market maker. These relationships may create actual or perceived conflicts of interest which investors should consider in relation to an investment in the CI ETF. In particular, by virtue of these relationships, these registered dealers may profit from the sale and trading of Units. The Designated Broker, as market maker of the CI ETF in the secondary market, may therefore have economic interests which differ from and may be adverse to those of Unitholders.

Any such registered dealer and its affiliates may, at present or in the future, engage in business with the CI ETF, the issuers of Units making up the investment portfolio of the CI ETF, or with the Manager or any funds

sponsored by the Manager or its affiliates, including by making loans, entering into derivative transactions or providing advisory or agency services. In addition, the relationship between any such registered dealer and its affiliates, and the Manager and its affiliates may extend to other activities, such as being part of a distribution syndicate for other funds sponsored by the Manager or its affiliates.

No Designated Broker or Dealer has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus. The applicable Designated Broker and Dealers do not act as underwriters of the CI ETF in connection with the distribution of Units under this prospectus. Units of the CI ETF do not represent an interest or an obligation of any Designated Broker, any Dealer or any affiliate thereof, and a Unitholder does not have any recourse against any such parties in respect of amounts payable by the CI ETF to the applicable Designated Broker or Dealers. The Canadian securities regulators have provided the CI ETF with a decision exempting the CI ETF from the requirement to include a certificate of any underwriter in the prospectus.

### ***Independent Review Committee***

NI 81-107 requires the CI ETF to establish an independent review committee (the “**IRC**”) to whom the Manager must refer conflict of interest matters for review or approval. NI 81-107 also imposes obligations upon the Manager to establish written policies and procedures for dealing with conflict of interest matters, maintain records in respect of these matters and provide assistance to the IRC in carrying out its functions. The IRC will be required to conduct regular assessments and provide reports to the Manager and to Unitholders in respect of its functions.

The fees and expenses of the IRC are borne and shared by the CI ETF and other mutual funds managed by the Manager. The CI ETF is also responsible for all expenses associated with insuring and indemnifying the IRC members.

Set out below is a list of the individuals who comprise the independent review committee for the CI ETF.

| <b>Name and municipality of residence</b> | <b>Principal occupation in the last 5 years</b>                                                                                                                                                                               |
|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Karen Fisher<br>Newcastle, Ontario        | Chair of the IRC<br>Corporate director                                                                                                                                                                                        |
| Thomas A. Eisenhauer<br>Toronto, Ontario  | Chief Executive Officer of Bonnefield Financial Inc.                                                                                                                                                                          |
| Donna E. Toth<br>Thornbury, Ontario       | Corporate director                                                                                                                                                                                                            |
| James McPhedran<br>Toronto, Ontario       | Corporate director<br>Senior Advisor, McKinsey & Company, since 2018<br>Supervisory Board Director, Maduro & Curiel’s Bank (Curacao), since 2018<br>Executive Vice-President, Canadian Banking, Scotiabank, from 2015 to 2018 |

Each member of the IRC is independent of the Manager, the Manager’s affiliates and the CI ETF. The IRC provides independent oversight and impartial judgment on conflicts of interest involving the CI ETF. Its mandate is to consider matters relating to conflicts of interest and recommend to the Manager what action the Manager should take to achieve a fair and reasonable result for the CI ETF in those circumstances; and to review and advise on or consent to, if appropriate, any other matter required by the Declaration of Trust and by applicable securities laws, regulations and rules. The IRC meets at least quarterly.

The IRC will prepare a report, at least annually, of its activities for Unitholders which will be available on the CI ETF's website at [www.ci.com](http://www.ci.com), or at the Unitholder's request at no cost, by contacting the Manager at [service@ci.com](mailto:service@ci.com).

The IRC members perform a similar function as the independent review committee for other investment funds managed by the Manager or the Manager's affiliates. The Chair of the IRC is paid \$88,000 annually and each member other than the Chair is paid \$72,000. Members of the IRC are also paid a meeting fee of \$1,500 per meeting after the sixth meeting attended and are reimbursed for their expenses which are typically nominal and associated with travel and the administration of meetings. Their annual fees are allocated across all investment funds managed by the Manager with the result that only a small portion of such fees were allocated to any single fund. The individuals who comprise the IRC also perform a function similar to an audit committee for the CI ETF.

As of September 9, 2022, the members of the IRC did not beneficially own, directly or indirectly, in aggregate, any material amount of issued and outstanding Units of the CI ETF, (ii) any class or series of voting or equity securities of the Manager, or (iii) any material amount of any class or series of voting or equity securities of any material service provider to the CI ETF or to the Manager.

### *Liquidity Risk Oversight Committee*

The Manager has established a Liquidity Risk Oversight Committee for the CI ETF, which is responsible for the oversight of policies and procedures related to liquidity risk management and is part of the Manager's broader risk management process. The committee members include representatives from capital markets, operations, compliance, risk management and product development.

### *Trustee*

CI GAM is also the trustee of the CI ETF (in such capacity, the "**Trustee**") pursuant to the Declaration of Trust. The Trustee may resign and be discharged from all further duties under the Declaration of Trust upon 90 days' prior written notice to the Manager or upon such lesser notice as the Manager may accept.

The Trustee is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the CI ETF, and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Declaration of Trust provides that the Trustee will not be liable in carrying out its duties under the Declaration of Trust as long as the Trustee has adhered to its standard of care set out above. In addition, the Declaration of Trust contains other customary provisions limiting the liability of the Trustee and indemnifying the Trustee in respect of certain liabilities incurred by it in carrying out its duties.

The Trustee will not receive any fees from the CI ETF but will be reimbursed for all expenses and liabilities that it properly incurs in carrying out activities on behalf of the CI ETF.

### *Custodian*

The Custodian is the custodian of the assets of the CI ETF pursuant to an amended and restated custodial services agreement dated as of April 11, 2022 between the Manager, as manager and trustee of the CI ETF, and CIBC Mellon Trust Company, as may be further supplemented, amended and/or amended and restated from time to time (the "**Custody Agreement**"). The Custodian is located in Toronto, Ontario. Pursuant to the Custody Agreement, the Custodian is required to exercise its duties with the same degree of care, diligence and skill that a reasonably prudent person would exercise in the same circumstances, or, if higher,

the degree of care, diligence and skill that the Custodian exercises in respect of its own property of a similar nature in its custody. Provided the Custodian has not breached its standard of care as set out in the Custody Agreement, the Custodian shall not be responsible for the holding or control of any property of the CI ETF which is not directly held by the Custodian, including any property of the CI ETF that is loaned or pledged to a counterparty.

Under the Custody Agreement, the Manager, for and on behalf of the CI ETF, shall pay fees to the Custodian at such rate as determined by the parties from time to time and shall reimburse the Custodian for all reasonable expenses and disbursements incurred in the performance of its duties under the Custody Agreement. The CI ETF shall also indemnify the Custodian or any of its officers, directors, employees or agents for any loss, damage or expense, including reasonable counsel fees and expenses, arising in connection with the Custody Agreement, except to the extent caused by a breach by the Custodian of its standard of care or a material breach of the Custody Agreement. The Manager and the CI ETF will be indemnified in certain circumstances as set out in the Custody Agreement. Either party may terminate the Custody Agreement upon at least 90 days' written notice or immediately if the other party becomes insolvent, or makes an assignment for the benefit of creditors, or a petition in bankruptcy is filed by or against that party and is not discharged within 30 days, or proceedings for the appointment of a receiver for that party are commenced and not discontinued within 30 days.

### ***Valuation Agent***

The Manager has retained the Valuation Agent to provide accounting and valuation services in respect of the CI ETF pursuant to the amended and restated fund administration services agreement between the Manager and the Valuation Agent made as of April 11, 2022, as may be further supplemented, amended and/or amended and restated from time to time.

### ***Auditors***

Ernst & Young LLP is the auditor of the CI ETF. The office of the auditors is located at Ernst & Young Tower, 100 Adelaide Street West, P.O. Box 1, Toronto, Ontario, M5H 0B3 Canada.

### ***Registrar and Transfer Agent***

The Registrar and Transfer Agent, at its principal offices in Toronto, Ontario, is the registrar and transfer agent for the CI ETF pursuant to a master registrar and transfer agency agreement.

### ***Lending Agent***

The Lending Agent is the lending agent for the CI ETF pursuant to the Securities Lending Agreement. The Lending Agent is located in New York, New York. The Manager and the Lending Agent may each terminate the Securities Lending Agreement upon 30 days' written notice to the other at any time. The Lending Agent is not an affiliate of the Manager.

Under the Securities Lending Agreement, the collateral posted by a securities borrower to the CI ETF is required to have an aggregate value of not less than 102% of the market value of the loaned securities. In addition to the collateral held by the CI ETF, the CI ETF also benefits from a borrower default indemnity provided by the Lending Agent. The Lending Agent's indemnity provides for the replacement of a number of securities equal to the number of unreturned loaned securities.

***Promoter***

The Manager took the initiative in founding and organizing the CI ETF and accordingly, the Manager is the promoter of the CI ETF within the meaning of securities legislation of certain provinces and territories of Canada. Except as otherwise described herein, the Manager will not receive any benefits, directly or indirectly, from the issuance of Units of the CI ETF offered hereunder.

***Accounting and Reporting***

The CI ETF's fiscal year is the calendar year or such other fiscal period permitted under the Tax Act as the CI ETF elects. The annual financial statements of the CI ETF shall be audited by the CI ETF's auditors in accordance with Canadian generally accepted auditing standards. The auditors will be asked to report on the fair presentation of the annual financial statements in accordance with the International Financial Reporting Standards. The Manager will arrange for the CI ETF's compliance with all applicable reporting and administrative requirements.

The Manager will keep, or arrange for the keeping of, adequate books and records reflecting the activities of the CI ETF. A Unitholder or his or her duly authorized representative will have the right to examine the books and records of the CI ETF during normal business hours at the offices of the Manager or such other location as the Manager shall determine. Notwithstanding the foregoing, a Unitholder shall not have access to any information that, in the opinion of the Manager, should be kept confidential in the interests of the CI ETF.

**CALCULATION OF NAV**

The NAV per Unit for the ETF C\$ Series Units is determined in Canadian dollars and the NAV per Unit for the ETF US\$ Hedged Series Units is determined in U.S. dollars.

A separate NAV per Unit is calculated for each series by taking the value of the assets of the CI ETF, subtracting any liabilities of the CI ETF common to all series, subtracting any liabilities of the particular series, and dividing the balance by the number of Units held by investors in such series of the CI ETF.

Please note that the NAV per Unit for the Hedged Series takes into account the use of derivatives such as forward currency contracts, as applicable, and the costs and gains of hedging transactions undertaken by such Hedged Series will accrue solely to it.

The Manager calculates NAV of the CI ETF and each of its series at the Valuation Time on each "**Valuation Day**", which is any day that the Manager is open for a full day of business. The NAV per Unit of each series of the CI ETF so determined will be adjusted to the nearest cent per Unit of that series and will remain in effect until the next Valuation Day. The NAV per Unit of each series of the CI ETF may be determined at an earlier Valuation Time if the Manager closes earlier on that Valuation Day.

***Valuation Policies and Procedures of the CI ETF***

In calculating the NAV, the CI ETF values the various assets as described below. The Manager may deviate from these valuation practices in circumstances where this would be appropriate, for example, if trading in a security is halted because of significant negative news about the company.

| <b>Type of asset</b>                                                                                                                                                                               | <b>Method of valuation</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Liquid assets, including cash on hand, on deposit or on call; bills and notes and accounts receivables; prepaid expenses; cash dividends to be received; and interest accrued but not yet received | Valued at full face value unless CI determines the asset is not worth full face value, in which case CI will determine a fair value.                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Money market instruments                                                                                                                                                                           | The purchase cost amortized to the instrument's due date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Bonds, debentures or other debt obligations                                                                                                                                                        | The mid-price, which is the average of the bid and ask prices quoted by a pricing vendor selected by CI. The pricing vendor will determine the price from quotes received from one or more dealers in the applicable bond, debenture, or debt obligation market, selected for this purpose by the pricing vendor.                                                                                                                                                                                                                                                                               |
| Shares, subscription rights and other securities listed or traded on a stock exchange                                                                                                              | The latest available sale price reported by any means in common use. If a price is not available, CI will determine a price not higher than the latest available asked price and not lower than the latest available bid price. If the securities are listed or traded on more than one exchange, CI will calculate the value in a manner that it believes accurately reflects fair value. If CI believes stock exchange quotations do not accurately reflect the price the CI ETF would receive from selling a security, it can value the security at a price CI believes reflects fair value. |
| Shares, subscription rights and other securities not listed or traded on a stock exchange                                                                                                          | The price quotation or valuation that CI believes best reflects fair value.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Restricted securities as defined in NI 81-102                                                                                                                                                      | The market value of securities of the same class which are not restricted, multiplied by the percentage that the CI ETF's acquisition cost was of the market value of such securities at the time of acquisition. The extent of the restrictions (including materiality) will be taken into consideration, provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restrictions will be lifted is known or such lower value as may be available from reported quotations in common use.                                       |
| Long positions in clearing corporation options, options on futures, over-the-counter options, debt-like securities, warrants, and rights                                                           | The current market value.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Premiums received from written clearing corporation options, options on futures, or over-the-counter options                                                                                       | Treated as deferred credits and valued at an amount equal to the market value that would trigger closing the position. The deferred credit is deducted when calculating the NAV of the CI ETF. Any securities that are the subject of a written clearing corporation                                                                                                                                                                                                                                                                                                                            |

| Type of asset                                                                                                                                                                                              | Method of valuation                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                            | option or over-the-counter option will be valued as described above.                                                                                                                                                                                                                                                                                                                                                                                         |
| Futures contracts, forward contracts, and swaps                                                                                                                                                            | Valued according to the gain or loss the CI ETF would realize if the position were closed out on the day of the valuation. If daily limits are in effect, the value will be based on the current market value of the underlying interest. Margin paid or deposited in respect of futures contracts, forward contracts and swaps will be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin. |
| Assets valued in foreign currency; deposits and contractual obligations payable to the CI ETF in a foreign currency; and liabilities and contractual obligations the CI ETF must pay in a foreign currency | Valued using the exchange rate at 4:00 p.m. Eastern time on the Valuation Day.                                                                                                                                                                                                                                                                                                                                                                               |
| Precious metals (certificates or bullion) and other commodities                                                                                                                                            | Precious metals (certificates or bullion) and other commodities are valued at their fair market value, generally based on prevailing market prices as reported on exchanges or other markets.                                                                                                                                                                                                                                                                |
| Securities of other mutual funds, other than exchange-traded mutual funds                                                                                                                                  | The value of the securities will be the NAV per security on that day or, if the day is not a Valuation Day, the NAV per security on the most recent Valuation Day. The manager may also use fair value to value the securities.                                                                                                                                                                                                                              |

When a portfolio transaction becomes binding, the transaction is included in the next calculation of the CI ETF's NAV.

The following are liabilities of the CI ETF:

- all bills and accounts payable
- all administrative expenses payable and/or accrued
- all contractual obligations to pay money or property, including distributions the CI ETF has declared but not yet paid
- allowance that we have approved for taxes or contingencies
- all other liabilities except liabilities to investors for outstanding Units.

Prior to the calculation of the NAV of each series of the CI ETF, any non-Canadian dollar denominated assets and liabilities of the CI ETF will be translated into Canadian dollars at the prevailing rate of exchange, as determined by the Manager, on the applicable Valuation Day.

In calculating the NAV of the CI ETF, the CI ETF will generally value its investments based on the market value of its investments at the time the NAV of the CI ETF is calculated. If no market value is available for an investment of the CI ETF or if the Manager determines that such value is inappropriate in the circumstances (i.e., when the value of an investment of the CI ETF has been materially changed by effects occurring after

the market closes), the Manager will value such investments using methods that have generally been adopted by the marketplace. Fair valuing the investments of the CI ETF may be appropriate if: (i) market quotations do not accurately reflect the fair value of an investment; (ii) an investment's value has been materially affected by events occurring after the close of the exchange or market on which the investment is principally traded; (iii) a trading halt closes an exchange or market early; or (iv) other events result in an exchange or market delaying its normal close. The risk in fair valuing an investment of the CI ETF is that the value of the investment may be higher or lower than the price that the CI ETF may be able to realize if the investment had to be sold.

In determining the NAV of the CI ETF, Units of the CI ETF subscribed for will be deemed to be outstanding immediately following the calculation of the applicable NAV per Unit that is the issue price of the Units and the amount payable in connection with the issuance shall then be deemed to be an asset of the CI ETF. Units of the CI ETF that are being redeemed shall be deemed to remain outstanding until immediately following the calculation of the applicable NAV per Unit that is the redemption price of the Units and thereafter, the redemption proceeds, until paid, will be a liability of the CI ETF.

### ***Reporting of NAV***

Following the Valuation Time on each Valuation Day, the most recent NAV or NAV per Unit of the CI ETF will be made available to persons or companies, at no cost, by calling the Manager at 1-800-792-9355 (toll free), or checking the CI ETF's website at [www.ci.com](http://www.ci.com).

## **ATTRIBUTES OF THE UNITS**

### ***Description of the Units Distributed***

The CI ETF is authorized to issue an unlimited number of redeemable, transferable Units. Each Unit represents an undivided interest in the net assets of that ETF pursuant to this prospectus. The ETF C\$ Series Units are available for purchase in Canadian dollars only. The ETF US\$ Hedged Series Units are available for purchase in U.S. dollars only.

On December 16, 2004, the *Trust Beneficiaries' Liability Act, 2004* (Ontario) came into force. This statute provides that holders of units of a trust are not, as beneficiaries, liable for any default, obligation or liability of the trust if, when the default occurs or the liability arises: (i) the trust is a reporting issuer under the *Securities Act* (Ontario); and (ii) the trust is governed by the laws of Ontario. The CI ETF is a reporting issuer under the *Securities Act* (Ontario) and is governed by the laws of Ontario by virtue of the provisions of the Declaration of Trust.

Each Unit of a series of the CI ETF entitles the owner to one vote at meetings of Unitholders of the CI ETF. Each Unit of a series of the CI ETF is entitled to participate equally with all other Units of the same series of the CI ETF with respect to all payments made to Unitholders of that series, other than Management Fee Distributions, including dividends and distributions (including distributions of net income and net realized capital gains in the case of the CI ETF) and, on liquidation, to participate equally in the net assets of that series of the CI ETF remaining after satisfaction of any outstanding liabilities that are attributable to that series of Units of the CI ETF.

Notwithstanding the foregoing, pursuant to the Declaration of Trust, the CI ETF may allocate and designate as payable any capital gains realized by the CI ETF as a result of any disposition of property of the CI ETF undertaken to permit or facilitate the redemption or exchange of Units of the CI ETF to a Unitholder whose Units of the CI ETF are being redeemed or exchanged. All Units of the CI ETF will be fully paid, with no

liability for future assessments, when issued and will not be transferable except by operation of law. Unitholders of the CI ETF are entitled to require the CI ETF to redeem their Units as outlined under the heading "*Exchange and Redemption of Units*".

### ***Exchange of Units for Baskets of Securities***

Unitholders of the CI ETF may exchange the applicable PNU (or an integral multiple thereof) of the CI ETF on any Trading Day for Baskets of Securities and/or cash, subject to the requirement that a minimum PNU be exchanged. See "*Exchange and Redemption of Units*".

### ***Redemptions of Units for Cash***

On any Trading Day, Unitholders of the CI ETF may redeem Units of the CI ETF for cash at a redemption price per Unit equal to 95% of the closing price for the Units on the TSX on the effective day of the redemption, subject to a maximum redemption price per Unit equal to the NAV per Unit on the effective date of the redemption. See "*Exchange and Redemption of Units*".

### ***Modification of Terms***

Any amendment to the Declaration of Trust that creates a new series of Units of the CI ETF will not require notice to existing Unitholders of the CI ETF unless such amendment in some way affects the rights of existing holders of Units or the value of their investment.

All other rights attached to the Units of the CI ETF may only be modified, amended or varied in accordance with the terms of the Declaration of Trust. See "*Unitholder Matters — Amendments to the Declaration of Trust*".

### ***Voting Rights in the Portfolio securities***

Holders of Units of the CI ETF will not have any voting rights in respect of the securities in the CI ETF's portfolio.

## **UNITHOLDER MATTERS**

### ***Meetings of Unitholders***

Meetings of Unitholders of the CI ETF will be held if called by the Manager as desirable or as otherwise required by securities legislation.

### ***Matters Requiring Unitholder Approval***

NI 81-102 requires a meeting of Unitholders of the CI ETF to be called to approve certain changes described in NI 81-102. In the absence of an exemption, the Manager will seek Unitholder approval for any such change.

The Manager will also seek Unitholder approval of any matter which is required by the constitutive documents of the CI ETF, by the laws applicable to the CI ETF or by any agreement to be submitted to a vote of the Unitholders.

In addition, the auditors of the CI ETF may not be changed unless:

- (a) the IRC of the CI ETF has approved the change; and
- (b) Unitholders have received at least 60 days' notice before the effective date of the change.

Approval of Unitholders of the CI ETF will be deemed to have been given if expressed by resolution passed at a meeting of Unitholders, duly called on at least 21-days' notice and held for the purpose of considering the same, by at least a majority of the votes cast.

***Amendments to the Declaration of Trust***

If a Unitholder meeting is required to amend a provision of the Declaration of Trust, no change proposed at a meeting of Unitholders of the CI ETF shall take effect until the Manager has obtained the prior approval of not less than a majority, or such greater or lesser percentage as may be required or permitted by securities legislation, of the votes cast at such meeting of Unitholders of the CI ETF or, if separate series meetings are required, at meetings of each series of Unitholders of the CI ETF.

Subject to any requirements of securities legislation, the Trustee in its discretion may amend the Declaration of Trust after providing prior notice to the Unitholders of the CI ETF.

All Unitholders of ETF shall be bound by an amendment affecting the CI ETF from the effective date of the amendment.

The Trustee may amend the Declaration of Trust with respect to the CI ETF without the approval of or prior notice to any Unitholders, including for the following purposes, provided that the Trustee is of the reasonable opinion that the amendment will not be prejudicial to Unitholders and is necessary or desirable:

- (a) ensure compliance with applicable laws, regulations or policies of any governmental authority having jurisdiction over the CI ETF or the distribution of its Units;
- (b) remove any conflicts or other inconsistencies which may exist between any terms of the Declaration of Trust and any provisions of any applicable laws, regulations or policies affecting the CI ETF, the Trustee or its agents;
- (c) make any change or correction in the Declaration of Trust which is a typographical correction or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission or error contained therein;
- (d) facilitate the administration of the CI ETF as a mutual fund trust or make amendments or adjustments in response to any existing or proposed amendments to the Tax Act or its administration which might otherwise adversely affect the tax status of the CI ETF or its Unitholders;
- (e) protect the Unitholders of the CI ETF; or
- (f) make any change or correction which is necessary or desirable for the purpose of bringing the Declaration of Trust into conformity with current market practice within the securities or investment fund industries or curing or correcting any administrative difficulty.

### ***Permitted Mergers***

The CI ETF may, without Unitholders' approval, enter into a merger or other similar transaction which has the effect of combining the funds or their assets (a "**Permitted Merger**") with any other investment fund or funds that have investment objectives that are similar to the CI ETF's portfolio, subject to:

- (a) approval of the merger by the CI ETF's IRC in accordance with NI 81-107;
- (b) the CI ETF being reorganized with, or its assets being transferred to, another mutual fund to which NI 81-102 and NI 81-107 apply, and that is managed by the Manager, or an affiliate of the Manager;
- (c) compliance with certain other requirements of applicable securities legislation; and
- (d) Unitholders have received at least 60 days' notice which notice may be by way of press release, before the effective date of the Permitted Merger.

In connection with a Permitted Merger, the merging funds will be valued at their respective NAVs for the purpose of such transaction.

### ***Reporting to Unitholders***

The Manager, on behalf of the CI ETF, will in accordance with applicable laws furnish to each Unitholder unaudited semi-annual financial statements and an interim management report of fund performance for the CI ETF within 60 days of the end of each semi-annual period and audited annual financial statements and an annual management report of fund performance for the CI ETF within 90 days of the end of each financial year. Both the semi-annual and the annual financial statements of the CI ETF will contain a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cashflows and a statement of investment portfolio.

Any tax information necessary for Unitholders to prepare their annual federal income tax returns will also be distributed to them within 90 days after the end of each taxation year of the CI ETF. Neither the Manager nor the Registrar and Transfer Agent are responsible for tracking the adjusted cost base of a Unitholder's Units. Unitholders should consult with their tax or investment adviser in respect of how to compute the adjusted cost base of their Units and in particular how designations made by the CI ETF to a Unitholder affect the Unitholder's tax position.

The NAV per Unit of the CI ETF will be determined by the Manager on each Valuation Day and will usually be published daily in the financial press.

## **TERMINATION OF THE CI ETF**

Subject to complying with applicable securities law, the Manager may terminate the CI ETF at its discretion, on at least 60 days' advance written notice to Unitholder of the CI ETF.

If the CI ETF is terminated, the Trustee is empowered to take all steps necessary to effect the termination of the CI ETF. Prior to terminating the CI ETF, the Trustee may discharge all of the liabilities of the CI ETF and distribute the net assets of the CI ETF to the Unitholders of the CI ETF.

Upon termination of the CI ETF, each Unitholder of the CI ETF shall be entitled to receive at the Valuation Time on the termination date out of the assets of the CI ETF: (i) payment for that Unitholder's Units at the NAV per Unit for that series of Units of the CI ETF determined at the Valuation Time on the termination date; plus (ii) where applicable, any net income and net realized capital gains that are owing to or otherwise attributable to such Unitholder's Units that have not otherwise been paid to such Unitholder; less (iii) any

applicable redemption charges and any taxes that are required to be deducted. Payment shall be made by cheque or other means of payment payable to such Unitholder and drawn on the CI ETF's bankers and may be mailed by ordinary post to such Unitholder's last address appearing in the registers of Unitholders of the CI ETF or may be delivered by such other means of delivery acceptable to both the Manager and such Unitholder.

The rights of Unitholders to exchange, redeem and convert Units of the CI ETF described under "*Exchange and Redemption of Units*" will cease as and from the date of termination of the CI ETF.

### ***Procedure on Termination***

The Trustee shall be entitled to retain out of any assets of the CI ETF, at the date of termination of the CI ETF, full provision for all costs, charges, expenses, claims and demands incurred or believed by the Trustee or the Manager, as applicable, to be due or to become due in connection with or arising out of the termination of the CI ETF and the distribution of its assets to the Unitholders of the CI ETF. Out of the moneys so retained, the Trustee or the Manager, as applicable are entitled to be indemnified and saved harmless against all costs, charges, expenses, claims and demands.

## **PLAN OF DISTRIBUTION**

Units of the CI ETF are being offered for sale on a continuous basis by this prospectus and there is no maximum number of Units of the CI ETF that may be issued. The Units of the CI ETF are offered for sale at a price equal to the NAV of such series of Units determined at the Valuation Time on the effective date of the subscription order.

The Units of the CI ETF have been conditionally approved for listing on the TSX. Subject to satisfying the TSX's original listing requirements, the Units of the CI ETF will be listed on the TSX and investors will be able to buy or sell such Units on the TSX through registered brokers and dealers in the province or territory where the investors reside. Investors may incur customary brokerage commissions in buying or selling Units. No fees are paid by investors to the Manager or the CI ETF in connection with buying or selling of Units on the TSX.

### ***Non-Resident Unitholders***

At no time may (i) non-residents of Canada, (ii) partnerships that are not Canadian partnerships or (iii) a combination of non-residents of Canada and such partnerships (all as defined in the Tax Act) be the beneficial owners of a majority of the Units of the CI ETF (on either a number of Units, or fair market value basis) and the Manager shall inform the Registrar and Transfer Agent of the CI ETF of this restriction. The Manager may require declarations as to the jurisdictions in which a beneficial owner of Units is resident and, if a partnership, its status as a Canadian partnership. If the Manager becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the Units of the CI ETF then outstanding (on either a number of Units, or fair market value basis) are, or may be, non-residents and/or partnerships that are not Canadian partnerships, or that such a situation is imminent, the Manager may make a public announcement thereof. If the Manager determines that more than 40% of the Units of the CI ETF (on either a number of Units, or fair market value basis) are beneficially held by non-residents and/or partnerships that are not Canadian partnerships, the Manager may send a notice to such non-residents and/or partnerships, chosen in inverse order to the order of acquisition or in such manner as the Manager may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 30 days. If the Unitholders receiving such notice have not sold the

specified number of Units, or provided the Manager with satisfactory evidence that they are not non-residents or partnerships other than Canadian partnerships within such period, the Manager may on behalf of such Unitholders sell such Units and, in the interim, shall suspend the voting and distribution rights attached to such Units. Upon such sale, the affected holders shall cease to be beneficial holders of the Units, and their rights shall be limited to receiving the net proceeds of sale of such Units.

Notwithstanding the foregoing, the Manager may determine not to take any of the actions described above if the Manager has been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of the CI ETF as a mutual fund trust, for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the CI ETF as a mutual fund trust, for purposes of the Tax Act.

### **RELATIONSHIP BETWEEN THE CI ETF AND THE DEALERS**

The Manager, on behalf of the CI ETF, may enter into various agreements (each, a "**Dealer Agreement**") with registered dealers (that may or may not be a Designated Broker) (each such registered dealer, a "**Dealer**") pursuant to which the Dealers may subscribe for Units of the CI ETF as described under "*Purchases of Units*". Such registered dealers may be related to the Manager. See "*Organization and Management Details of the CI ETF - Conflicts of Interest*".

A Dealer Agreement may be terminated by the registered dealer at any time by notice to the Manager, provided that, except in certain conditions, no such termination will be permitted after the registered dealer has subscribed for Units of the CI ETF and such subscription has been accepted by the Manager.

No Designated Broker or Dealer has been involved in the preparation of this prospectus, nor has it performed any review of the contents of this prospectus. The applicable Designated Broker and Dealers do not act as underwriters of the CI ETF in connection with the distribution of its Units under this prospectus. See "*Organization and Management Details of the CI ETF - Conflicts of Interest*".

### **PRINCIPAL HOLDERS OF UNITS**

The Manager currently holds one ETF C\$ Series Unit and one ETF US\$ Hedged Series Unit of the CI ETF, comprising all of the currently issued and outstanding Units of the CI ETF. From time to time, the CI ETF or another investment fund managed by the Manager or an affiliate thereof, may beneficially own, directly or indirectly, more than 10% of the outstanding Units of the CI ETF.

### **PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD**

The proxy voting record for the CI ETF for the annual period from July 1 to June 30 will be available at any time after August 31 following the end of that annual period, to any Unitholder on request, at no cost, and will also be available on the internet at [www.ci.com](http://www.ci.com). Information contained on the CI ETF's website is not part of this prospectus and is not incorporated herein by reference.

#### ***The Manager's Proxy Voting Policy***

The proxies associated with the portfolio securities held by the CI ETF will be voted by the Portfolio Manager in accordance with the Manager's proxy voting policy and guidelines, which has been designed to provide general guidance, in compliance with the applicable Canadian legislation, for the voting of proxies. The Manager is responsible for completing and executing all corporate actions including the voting of proxies

on behalf of the CI ETF. The Portfolio Manager will vote all proxies in the best interests of the Unitholders of the CI ETF, as determined solely by the Portfolio Manager and subject to its proxy voting policy and applicable Canadian legislation.

The Manager's proxy voting policy sets out the voting procedures to be followed in voting routine and non-routine matters, together with general guidelines suggesting a process to be followed in determining how and whether to vote proxies. Although the proxy voting policy allows for the creation of a standing policy for voting on certain routine matters, each routine and non-routine matter must be assessed on a case-by-case basis to determine whether the applicable standing policy or general proxy voting policy should be followed. The proxy voting policy also addresses situations in which the Portfolio Manager may not be able to vote, or where the costs of voting outweigh the benefits.

Situations may exist in which, in relation to proxy voting matters, the Portfolio Manager or the Manager may be aware of an actual, potential, or perceived conflict between its interest and the interests of Unitholders. Any conflicts of interests which may arise in connection with the voting of proxies must be reported immediately to the Manager's chief compliance officer. Where the Manager is aware of such a conflict, it must bring the matter to the attention of its independent review committee. The independent review committee will, prior to the vote deadline date, review any such matter, and will take the necessary steps to ensure that the proxy is voted in accordance with what the independent review committee believes to be the best interests of unitholders, and in a manner consistent with the proxy voting policy. Where it is deemed advisable to maintain impartiality, the Manager's independent review committee may choose to seek out and follow the voting recommendation of an independent proxy research and voting service.

The Manager's current proxy voting policy and procedures are available to Unitholders of the CI ETF on request, at no cost, by calling toll-free 1-800-792-9355 or by writing to CI at 15 York Street, Second Floor, Toronto, Ontario M5J 0A3.

## MATERIAL CONTRACTS

The only contracts material to the CI ETF, as applicable, are the:

- (a) **Declaration of Trust.** For additional disclosure related to the Declaration of Trust, see "*Organization and Management Details of the CI ETF – The Trustee*", "*Attributes of Units – Modification of Terms*", and "*Unitholder Matters – Amendments to the Declaration of Trust*"; and
- (b) **Custody Agreement.** For additional disclosure related to the Custody Agreement, see "*Organization and Management Details of the CI ETF – Custodian*".

Copies of these agreements may be examined at the head office of the Manager, which is located at 15 York Street, Second Floor, Toronto, Ontario M5J 0A3.

## LEGAL AND ADMINISTRATIVE PROCEEDINGS

The CI ETF is not involved in any legal proceedings, nor is the Manager aware of existing or pending legal or arbitration proceedings involving the CI ETF.

## EXPERTS

Ernst & Young LLP, the auditors of the CI ETF, have consented to the use of their report on the statement of financial position of the CI ETF dated September 16, 2022. Ernst & Young LLP has confirmed that they are independent with respect to the CI ETF within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

## EXEMPTIONS AND APPROVALS

The CI ETF has obtained exemptive relief from the Canadian securities regulatory authorities, subject to applicable conditions:

- (a) to permit a Unitholder to acquire more than 20% of the Units through purchases on the TSX, without regard to the takeover bid requirements of applicable Canadian securities legislation;
- (b) to relieve the CI ETF from the requirement that a prospectus contain a certificate of the underwriters;
- (c) to permit the CI ETF to invest up to 10% of its net asset value in securities of exchange-traded mutual funds that are not index participation units and are not reporting issuers in Canada, but whose securities are listed for trading on a stock exchange in the United States;
- (d) to permit the CI ETF to use references to Lipper Leader ratings and Lipper Awards in sales communications;
- (e) to permit the disclosure and marketing of annual FundGrade A+ Awards and monthly FundGrade Ratings;
- (f) to permit the CI ETF to deposit portfolio assets with a borrowing agent (that is not the CI ETF's custodian or sub-custodian) as security in connection with a short sale of securities, provided that the aggregate market value of the portfolio assets being deposited, excluding the aggregate market value of the proceeds from outstanding short sales of securities held by the borrowing agent, does not exceed 10% of the net asset value of the CI ETF at the time of deposit;
- (g) to permit the CI ETF to invest more than 10% of its net assets in debt obligations issued or guaranteed by either Fannie Mae or Freddie Mac, and such debt obligations, "**Fannie or Freddie Securities**") by purchasing securities of an issuer, entering into a specified derivative transaction or purchasing index participation units, provided that: (a) such investments are consistent with the CI ETF's investment objective; (b) the Fannie or Freddie Securities or the corporate debt of Fannie Mae or Freddie Mac ("**Fannie or Freddie Debt**"), as applicable, maintain a credit rating assigned by Standard & Poor's Rating Services (Canada) or an equivalent rating assigned by one or more other designated rating organizations to a Fannie or Freddie Security or Fannie or Freddie Debt, as applicable, that is not less than the credit rating when assigned by such designated rating organization to the debt of the United States government of approximately the same term as the remaining term to maturity of, and denominated in the same currency as, the Fannie or Freddie Security or the Fannie or Freddie Debt, as applicable; and (c) such rating is not less than a credit rating of BBB- assigned by Standard & Poor's Rating Services or an equivalent rating by one or more other designated rating organizations;

- (h) to permit the CI ETF, subject to certain conditions, to: (a) purchase and/or hold securities of TOPIX Exchange Traded Fund, NEXT FUNDS Nomura Shareholder Yield 70 ETF, iShares FTSE A50 China Index ETF and the ChinaAMC CSI 300 Index ETF (together, the "**Foreign Underlying ETFs**"); (b) purchase and/or hold securities of one or more ETFs which are, or will be, listed and traded on the London Stock Exchange and managed by BlackRock Asset Management Ireland Limited or its affiliate (each, a "**Dublin iShare ETF**"); and (c) purchase and/or hold a security of another investment fund managed by the Manager or its affiliate that holds more than 10% of its net asset value in securities of one or more Foreign Underlying ETFs or Dublin iShare ETFs;
- (i) to permit the CI ETF, subject to certain conditions, to invest a portion of its assets in CI Global Private Real Estate Fund and CI Adams Street Global Private Markets Fund and/or any other future collective investment fund that is or will be managed by the Manager and will have similar non-traditional investment strategies;
- (j) to permit the CI ETF (1) to purchase and hold non-exchange traded debt securities of a related party issuer in the primary or secondary market; and (2) to purchase securities from, or sell securities to, related investment funds or fully managed accounts managed or advised by the Manager or its affiliate, provided certain conditions are met;
- (k) to exclude purchases and holdings by the CI ETF of fixed income securities that qualify for, and may be traded pursuant to, the exemption from the registration requirements of the Securities Act of 1933 (U.S), for resale from consideration as an "*illiquid asset*" under NI 81-102, provided that certain conditions are met;
- (l) The CI ETF has received exemptive relief from the Canadian securities regulatory authorities to permit them to invest in certain ETFs which utilize leverage in an attempt to magnify returns by either a multiple or an inverse multiple of a specified widely quoted market index ("**Leveraged ETFs**"), and certain ETFs that seek to provide daily results that replicate the daily performance of gold or the value of a specified derivative, the underlying interest of which is gold on an unlevered basis, by a multiple of 200% ("**Leveraged Gold ETFs**"). Investments in the Leveraged ETFs and Leveraged Gold ETFs will be made only in accordance with the investment objective of the CI ETF, and in no case will the aggregate investment in such ETFs plus investments in ETFs that seek to replicate the performance of gold on an unlevered basis ("**Gold ETFs**") exceed 10% of the CI ETF's net assets at the time of purchase. The CI ETF will only invest in a Leveraged ETF that is rebalanced daily to ensure that its performance and exposure to its underlying index will not exceed +/- 200% of the corresponding daily performance of its underlying index. If the CI ETF invested in Leveraged Gold ETFs, the Leveraged Gold ETFs would be rebalanced daily to ensure that their performance and exposure to their underlying gold interest will not exceed +200% of the corresponding daily performance of its underlying gold interest. If the CI ETF engages in short selling, it will not short sell securities of the Leveraged ETFs or Leveraged Gold ETFs. In no case will the CI ETF enter into any transaction if, immediately after the transaction, more than 20% of the net assets of the CI ETF, taken at market value at the time of the transaction, would consist of, in aggregate, securities of the Leveraged ETFs, Gold ETFs, Leveraged Gold ETFs and all securities sold short by the CI ETF. The CI ETF may only invest in securities of Leveraged ETFs or Leveraged Gold ETFs that are traded on a stock exchange in Canada or the United States. The CI ETF will not invest in a Leveraged ETF with a benchmark index that is based on (i) a physical commodity, or (ii) a specified derivative (within the meaning of NI 81-102) of which the underlying interest is a physical commodity;

- (m) The CI ETF has obtained exemptive relief to permit it, subject to certain conditions, to appoint more than one custodian, including prime brokers, each of which is qualified to be a custodian under section 6.2 of NI 81-102, and each of which is subject to all of the other requirements in NI 81-102 Part 6 Custodianship of Portfolio Assets; and
- (n) The CI ETF has received permission from Canadian securities authorities to deviate from requirements of Canadian securities legislation, including subsection 2.2(1) and 4.1(2) of NI 81-102, to allow the CI ETF to invest in certain U.S. pass-through issuers ("**U.S. issuers**"), through a corporation incorporated and domiciled in the United States (a "**U.S. Blocker Corporation**"). Rather than holding securities of the U.S. issuers directly, the CI ETF may hold shares of the U.S. Blocker Corporation, which in-turn invests in the underlying U.S. issuer(s). This structure may result in the CI ETF, either individually or together with other funds, owning 100% of the voting securities of the U.S. Blocker Corporation. Each U.S. issuer is at arm's length from the funds and no U.S. pass-through issuer is an investment fund. The CI ETF's ultimate interest in the underlying U.S. issuer will otherwise comply with applicable securities law so that it will not, either individually or together with the other funds, will exercise control over the U.S. issuer or be a substantial security holder of the U.S. issuer.

The CI ETF has also received permission from its IRC to invest in securities of CI Financial Corp., including unlisted debt securities, and trade in portfolio securities with other mutual funds managed by the Manager or any of its affiliates, subject to complying with rules relating thereto contained in NI 81-107 and other conditions.

## **OTHER MATERIAL FACTS**

### ***International Information Reporting***

The CI ETF is required to comply with due diligence and reporting obligations in the Tax Act enacted to implement the Canada-United States Enhanced Tax Information Exchange Agreement. As long as Units of the CI ETF are and continue to be listed on the TSX, the CI ETF should not have any U.S. reportable accounts and, as a result, they should not be required to provide information to the CRA in respect of Unitholders. However, dealers through which Unitholders hold Units of the CI ETF are subject to due diligence and reporting obligations with respect to financial accounts that they maintain for their clients. Unitholders may be requested to provide information to their dealer in order to allow the dealer to identify U.S. persons holding Units. If a Unitholder is a U.S. person (including a U.S. citizen or green card holder who is resident in Canada) or if the Unitholder does not provide the requested information, the Unitholder's dealer will be required under Part XVIII of the Tax Act to report certain information to the CRA about such Unitholder's investment in the CI ETF, unless the Units are held by a Plan. The FHSA Amendments do not address whether FHSAs would be treated in the same way as Plans for these purposes. The CRA is expected to provide that information to the U.S. Internal Revenue Service.

In addition, reporting obligations in the Tax Act which came into force on July 1, 2017, have implemented the Organization for Economic Co-operation and Development's (the "**OECD**") Common Reporting Standard (the "**CRS Rules**"). Pursuant to the CRS Rules, in order to meet the objectives of the OECD'S Common Reporting Standard (the "**CRS**"), Canadian financial institutions are required to have procedures in place to identify accounts held by residents of foreign countries which have agreed to a bilateral information exchange with Canada under the CRS (the "**Participating Jurisdictions**"), or by certain entities any of whose "controlling persons" are resident in a Participating Jurisdiction, and to report the required information to the CRA. Such information will be exchanged on a reciprocal, bilateral basis with the

Participating Jurisdictions in which the Unitholders, or such controlling persons, are resident. Under the CRS Rules, Unitholders will be required to provide the required information regarding their investment in the CI ETF to the Unitholder's dealer for the purpose of the information exchange, unless the Units are held by a Plan. The FHSA Amendments do not address whether FHSAs would be treated in the same way as Plans for these purposes.

### **PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase ETF securities within 48 hours after the receipt of a confirmation of a purchase of such securities. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation, or for non-delivery of the ETF Facts, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory.

The purchaser should refer to the applicable provisions of the securities legislation of the province or territory for the particulars of these rights or should consult with a legal advisor.

### **DOCUMENTS INCORPORATED BY REFERENCE**

Additional information about the CI ETF is, or will be, available in the following documents:

- (a) the most recently filed comparative annual financial statements of the CI ETF, together with the accompanying reports of the auditor;
- (b) any interim financial statements of the CI ETF filed after those annual financial statements;
- (c) the most recently filed annual management reports of fund performance of the CI ETF;
- (d) any interim management reports of fund performance of the CI ETF filed after that most recently filed annual management reports of fund performance of the CI ETF; and
- (e) the most recently filed ETF Facts of the CI ETF.

These documents are or will be incorporated by reference into this prospectus, which means that they legally form part of this document just as if they were printed as part of this document. You can obtain a copy of these documents, at your request, and at no cost, by calling 1-800-792-9355 (toll free) or by contacting your dealer. These documents are available at no cost on the CI ETF's website at [www.ci.com](http://www.ci.com). These documents and other information about the CI ETF will also be available on the internet at [www.sedar.com](http://www.sedar.com).

In addition to the documents listed above, any documents of the type described above that are filed on behalf of the CI ETF after the date of this prospectus and before the termination of the distribution of the CI ETF is deemed to be incorporated by reference into this prospectus.

## INDEPENDENT AUDITOR'S REPORT

To the Unitholder and Trustee of

**CI Global Investment Grade ETF**  
(the "CI ETF")

**Opinion**

We have audited the financial statement of the CI ETF, which comprises the Statement of Financial Position as at September 16, 2022 and notes to the financial statement, including a summary of significant accounting policies.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of the CI ETF as at September 16, 2022 in accordance with those requirements of International Financial Reporting Standards ("IFRS") relevant to preparing such financial statement.

**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 Statement* section of our report. We are independent of the CI ETF in accordance with the ethical requirements that are relevant to our audit of the financial statement 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 Statement**

Management is responsible for the preparation and fair presentation of the financial statement in accordance with those requirements of IFRS relevant to preparing such financial statement, and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the CI ETF's 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 CI ETF or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the CI ETF's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statement**

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 this financial statement.

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 statement, 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 ETF's 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 CI ETF's 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 statement 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 CI ETF to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents 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  
September 16, 2022

*"Ernst & Young LLP"*  
Chartered Professional Accountants  
Licensed Public Accountants

**CI Global Investment Grade ETF**  
Statement of Financial Position  
As at September 16, 2022  
(in Canadian dollars, unless otherwise noted)

|                     |             |
|---------------------|-------------|
| ASSETS              |             |
| Current Assets      |             |
| Cash                | \$46        |
| <b>TOTAL ASSETS</b> | <b>\$46</b> |

**Net Assets Attributable to Holders of Redeemable Units** **\$46**

|                                                               | Net Assets Attributable to<br>Holders of Redeemable<br>Units | Redeemable Units<br>Issued | Net Assets<br>Attributable to Holders<br>of<br>Redeemable Units |
|---------------------------------------------------------------|--------------------------------------------------------------|----------------------------|-----------------------------------------------------------------|
| Series                                                        | per Unit                                                     |                            |                                                                 |
| ETF C\$ Series Units                                          | 20.00 CAD                                                    | 1                          | \$20                                                            |
| ETF US\$ Hedged Series Units                                  | 20.00 USD                                                    | 1                          | \$26                                                            |
| <b>Net Assets Attributable to Holders of Redeemable Units</b> |                                                              |                            | <b>\$46</b>                                                     |

Approved by the Board of Directors of CI Global Asset Management

(Signed) *"Darie Urbanky"*  
Director

(Signed) *"Edward Kelterborn"*  
Director

(See accompanying notes to the statement of financial position)

**CI GLOBAL INVESTMENT GRADE ETF**

(the "CI ETF")

**NOTES TO STATEMENT OF FINANCIAL POSITION  
September 16, 2022****1. The CI ETF**

The CI ETF is an exchange traded mutual fund established under the laws of the Province of Ontario, pursuant to the terms of the Declaration of Trust. The CI ETF is a mutual fund under the securities legislation of the provinces and territories of Canada.

CI Global Asset Management is the manager and trustee (the "Manager" and the "Trustee") of the CI ETF. The Manager is a wholly-owned subsidiary of CI Financial Corp. (TSX: CIX; NYSE: CIXX). CIBC Mellon Trust Company is the custodian (the "Custodian") of the CI ETF.

The principal office of the CI ETF and CI Global Asset Management is located at 15 York Street, Second Floor, Toronto, Ontario M5J 0A3.

The CI ETF's objective is to generate income and the potential for long-term capital appreciation by investing primarily in a diversified portfolio of investment grade fixed-income securities issued by companies or governments of any size, located anywhere in the world.

The Statement of Financial Position as at September 16, 2022 was authorized for issue by the Manager on behalf of the CI ETF on September 16, 2022.

**2. Summary of Significant Accounting Policies**

The Statement of Financial Position has been prepared in accordance with International Financial Reporting Standards (IFRS) relevant to preparing such a financial statement.

The following is a summary of significant accounting policies used by the CI ETF:

**a. Cash**

Cash represents cash on deposit.

**b. Fair value of financial instruments and investment transactions**

With the exception of cash, the CI ETF measures its financial instruments at fair value through profit or loss. Investment transactions are recorded on their trade date.

**c. Unit valuation**

Net asset value ("NAV") per unit for each series of units of the CI ETF are calculated at the end of each day on which the Manager is open for a full day of business by dividing the net asset value of each series of units by the respective outstanding units of that series.

**d. Classification of units**

The units of the CI ETF 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.

**e. Functional and presentation currency**

The functional and presentation currency of the CI ETF is Canadian dollars.

**f. Foreign exchange**

Foreign currency amounts are translated into the functional currency as follows: fair value of investments, foreign currency forward contracts and other assets and liabilities at the closing rate of exchange on each business day; income and expenses, purchases and sales and settlements of investments at the rate of exchange prevailing on the respective dates of such transactions.

**g. Use of estimates**

The preparation of the financial statement in accordance with IFRS requires the Manager to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statement. These estimates are made based on information available as at the date of the financial statement. Actual results could materially differ from those estimates.

**3. Management fees and other expenses**

*Management fees*

The Manager of the CI ETF, in consideration for management fees, provides management services required in the day-to-day operations of the CI ETF, including, without limitation and as applicable, investment advisory and portfolio management services, implementation of the CI ETF' investment strategies, negotiating contracts with certain third-party service providers, including, but not limited to, investment managers, custodians, registrars, transfer agents, auditors and printers; authorizing the payment of operating expenses incurred on behalf of the CI ETF; maintaining certain accounting and financial records; calculating the amount and determining the frequency of distributions by the CI ETF; ensuring that unitholders are provided with financial statements and other reports as are required from time to time by applicable law; ensuring that the CI ETF comply with all other regulatory requirements including continuous disclosure obligations under applicable securities laws; administering purchases, redemptions and other transactions in units; and arranging for any payments required upon termination of the CI ETF. The portfolio manager of the CI ETF is remunerated by the Manager out of the management fee it receives in respect of the CI ETF.

The management fee is calculated based on a percentage of the NAV of that series of the CI ETF at the end of each business day, plus applicable taxes, and is payable monthly. Please see "*Fees and Expenses*" section above for further details about management fees.

| <b>Name of CI ETF</b>          | <b>Series</b>                | <b>Ticker</b> | <b>Management Fee</b> |
|--------------------------------|------------------------------|---------------|-----------------------|
| CI Global Investment Grade ETF | ETF C\$ Series Units         | CGIN          | 0.50%                 |
|                                | ETF US\$ Hedged Series Units | CGIN.U        | 0.50%                 |

*Operating expenses*

In exchange for the administration fee, the Manager pays all operating expenses of the CI ETF (the "**Variable Operating Expenses**"), other than certain expenses described below as "**Certain ETF Costs**". The Variable Operating Expenses paid by the Manager of the CI ETF include, but are not limited to, audit fees; fees payable to third party service providers; trustee and custodial expenses; valuation, accounting and record keeping costs; legal expenses; prospectus preparation and filing expenses; costs associated with delivering documents to Unitholders; listing fees and expenses and other administrative expenses and costs incurred

in connection with continuous public filing requirements; costs and expenses of preparing financial and other reports; fees, costs and expenses associated with compliance with existing governmental and regulatory requirements (imposed after the time of the CI ETF's listing (the "**Effective Date**")); CDS fees; Unitholder reports and servicing costs; registrar and transfer agent fees; fees and expenses of the members of the IRC; expenses related to compliance with NI 81-107; and fees and expenses relating to the voting of proxies by a third party.

"**Certain ETF Costs**", which are payable by the CI ETF, are (a) borrowing and interest costs incurred by the CI ETF from time to time; (b) investor meeting costs (as permitted by Canadian securities regulations); (c) fees, costs and expenses associated with compliance with any changes to existing governmental and regulatory requirements or new requirements (imposed on or after the Effective Date); (d) any new types of costs, expenses or fees not incurred prior to the Effective Date, including those arising from new governmental or regulatory requirements relating to operating expenses, or related to those external services that were not commonly charged in the Canadian mutual fund industry as of the Effective Date; and (e) operating expenses considered outside of the normal course of business of the CI ETF (on or after the Effective Date). For greater certainty, the Manager will bear all taxes (such as G.S.T., H.S.T. and any applicable provincial sales taxes) charged to the Manager for providing the goods, services and facilities included in the Variable Operating Expenses. However, fees charged directly to investors are not included in the Variable Operating Expenses. The CI ETF is responsible for the payment of its transaction costs, which include brokerage fees, spread, brokerage commissions and all other transaction fees, including the costs of derivatives and foreign exchange, as applicable.

The administration fee is calculated based on a percentage of the NAV of that series of the CI ETF at the end of each business day, plus applicable taxes, and is payable monthly. Please see "*Fees and Expenses*" section above for further details about administration fees.

| <b>Name of CI ETF</b>          | <b>Series</b>                | <b>Ticker</b> | <b>Administration Fee</b> |
|--------------------------------|------------------------------|---------------|---------------------------|
| CI Global Investment Grade ETF | ETF C\$ Series Units         | CGIN          | 0.15%                     |
|                                | ETF US\$ Hedged Series Units | CGIN.U        | 0.15%                     |

#### **4. Capital Management and Related Party Transactions**

Redeemable units issued and outstanding represent the capital of the CI ETF. The CI ETF is authorized to issue an unlimited number of redeemable, transferable units of each series. The CI ETF has no restrictions or specific capital requirements, except for the minimum subscriptions' amounts. In accordance with the investment objective outlined in this document, the CI ETF endeavours to invest subscriptions received in appropriate investments while maintaining sufficient liquidity.

On September 16, 2022, the Manager made an initial investment of \$46 in the CI ETF.

**CERTIFICATE OF THE CI ETF, THE MANAGER AND PROMOTER**

Dated: September 16, 2022

This prospectus together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the Units offered by this prospectus as required by the securities legislation of all of the provinces and territories of Canada.

**CI GLOBAL ASSET MANAGEMENT,  
AS MANAGER, TRUSTEE AND PROMOTER OF THE CI ETF**

*"Darie Urbanky"*

Darie Urbanky

President, acting as Chief Executive Officer

CI Global Asset Management

*"Amit Muni"*

Amit Muni

Chief Financial Officer

CI Global Asset Management

**ON BEHALF OF THE BOARD OF DIRECTORS  
OF CI GLOBAL ASSET MANAGEMENT**

*"Edward Kelterborn"*

Edward Kelterborn

Director

*CI Global Asset Management is a registered business name of CI Investments Inc.*