



PRECIOUS METALS AND MINING TRUST
2020 ANNUAL INFORMATION FORM

March 31, 2021

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PRECIOUS METALS AND MINING TRUST

Note that certain terms used in this Annual Information Form are defined in the Glossary found at the end of this Annual Information Form.

1. SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION

This Annual Information Form may contain forward-looking information relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent CI Investments Inc.'s ("CI" or the "Trustee" or the "Manager") beliefs regarding future events. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. By its nature, forward-looking information requires CI to make assumptions which include, among other things, that (i) Precious Metals and Mining Trust (the "Trust") will have sufficient capital under management to effect its investment strategies, (ii) the investment strategies will produce the results intended by CI, and (iii) the markets will react and perform in a manner consistent with the investment strategies. Forward-looking information is subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking information will not prove to be accurate. CI cautions readers of this Annual Information Form not to place undue reliance on CI's forward-looking information as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking information.

Actual results may differ materially from management's expectations as projected in such forward-looking information for a variety of reasons, including but not limited to market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Trust may invest and the risks detailed from time to time in the Trust's prospectus. CI cautions that the foregoing list of factors is not exhaustive and that when relying on forward-looking information to make decisions with respect to investing in the Trust, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking information. Due to the potential impact of these factors, CI does not undertake, and specifically disclaims, any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable law.

2. NAME, FORMATION AND HISTORY OF THE TRUST

The Trust is an investment trust established under the laws of Ontario pursuant to a declaration of trust dated May 29, 2006, amended and restated on September 3, 2007, January 1, 2009, March 11, 2009 with effect as of January 1, 2009, and rectified with effect from May 29, 2006 by an order granted by the Ontario Superior Court of Justice, Commercial List, dated May 16, 2013, and further amended and restated on May 17, 2013 and October 24, 2014, and amended on August 24, 2015 (the "Declaration of Trust"). Prior to January 1, 2009, the manager and trustee of the Trust was Sentry Investments Corp. ("SIC") (formerly, Sentry Select Capital Corp. ("SSCC")). From January 1, 2009 to May 31, 2018, Sentry Investments Inc., ("Sentry") was the trustee and

manager of the Trust. Pursuant to articles of amalgamation dated June 1, 2018, Sentry amalgamated with its affiliates, CI and SIC, and continued as CI Investments Inc. (the “Amalgamation”). Pursuant to the Amalgamation, CI became the Manager of the Trust. The custodian of the Trust’s assets is RBC Investor Services Trust (the “Custodian”). The Trust’s head office is 2 Queen Street East, Twentieth Floor, Toronto, Ontario, M5C 3G7. The fiscal year end of the Trust is December 31.

The Trust completed its initial public offering on June 20, 2006 with the placement of 9,500,000 units (individually, a “Unit”) for gross proceeds of \$95,000,000, an additional 285,000 Units were issued pursuant to the exercise of an over-allotment option on July 11, 2006 for total gross proceeds of \$2,850,000 (the initial public offering and the over-allotment option, collectively, the “Offering”).

On April 30, 2007, the Declaration of Trust was amended and restated to establish an Independent Review Committee for the Trust (“IRC”) and appoint its first members in accordance with National Instrument 81-107 - *Independent Review Committee for Investment Funds* (“NI 81-107”).

On July 17, 2007, the Declaration of Trust was amended in order to clarify disclosure in respect of the Annual Redemption.

On October 22, 2007, Sentry announced that the Trust intended to purchase up to 973,661 Units for cancellation by way of a normal course issuer bid through the facilities of the TSX. The 973,661 Units represented approximately 10% of the public float of the Trust. The purchases commenced on October 24, 2007 and terminated on October 23, 2008.

On February 19, 2008, the Trust filed a final prospectus in connection with an offering (the “Rights Offering”) of transferrable rights (“Rights”) to its Unitholders to subscribe for additional Units. Each Unitholder of record on February 28, 2008 received one Right for each Unit held. Two Rights entitled the holder to purchase one additional Unit at a price of \$10.28 per additional Unit until 4:00 p.m. Toronto time on March 24, 2008 (the “Basic Subscription Privilege”). Holders of Rights who fully exercised their Rights under the Basic Subscription Privilege were entitled to subscribe *pro rata* for additional Units, if available, that were not subscribed for initially. The Rights Offering closed on March 28, 2008, issuing 2,065,398 additional Units and raising aggregate gross proceeds of \$21,232,291.

On March 11, 2009, with effect as of January 1, 2009, the Declaration of Trust was further amended and restated to reflect the change in the manager and trustee of the Trust from SSCC to Sentry.

On March 15, 2010, the Trust filed a final prospectus in connection with an offering (the “Warrant Offering”) of transferable warrants (“Warrants”) to its Unitholders to subscribe for additional Units. Each Unitholder of record on March 30, 2010 received one Warrant for each Unit held. One Warrant entitled the holder to purchase one additional Unit at a price of \$7.42 beginning on March 31, 2010 until 4:00 p.m. (Toronto time) on July 23, 2010. Holders of Warrants who fully exercised their Warrants were also entitled to subscribe *pro rata* for additional Units, if available, that were not subscribed for initially. The Warrant Offering closed on July 27, 2010, issuing the maximum 9,717,733 additional Units, for gross proceeds of \$72,105,579.

On December 2, 2010, the Trust completed a treasury offering of Units pursuant to a short form prospectus with the issuance of 7,095,553 Units for gross proceeds of \$75,000,000, and an additional 1,064,333 Units pursuant to the exercise of an over-allotment option on December 17, 2010 for gross proceeds of \$11,250,000.

On March 14, 2013, Sentry announced that the indicative monthly distribution amount for the Trust would be changed from \$0.10 per Unit to \$0.07 per Unit until further notice, effective on the next monthly distribution date of April 15, 2013, to Unitholders of record on March 28, 2013.

On June 27, 2013, Sentry announced a further change to the Trust's indicative monthly distribution amount from \$0.07 per Unit to \$0.035 per Unit until further notice, effective on the next monthly distribution date of August 15, 2013, to Unitholders of record on July 31, 2013. Sentry, however, provided that if the make-up of the Portfolio changed, or if the Portfolio holdings made distributions other than in accordance with their indicated guidance, distributions might differ.

On October 24, 2014, the Declaration of Trust was amended and restated to incorporate amendments to NI 81-102.

On November 13, 2014, Sentry announced a further change to the Trust's indicative monthly distribution amount from \$0.035 per Unit to \$0.01 per Unit until further notice, effective on the next monthly distribution date of December 15, 2014, to Unitholders of record on November 28, 2014.

On August 24, 2015, the Declaration of Trust was amended to delete Section 5.3, "Redemption Price and Payment", and references to "Redeeming Percentage", which were no longer applicable.

On June 22, 2016, Sentry announced a further change to the Trust's indicative monthly distribution amount from \$0.01 per Unit to \$0.02 per Unit until further notice, effective on the next monthly distribution date of July 15, 2016, to Unitholders of record on June 30, 2016.

On August 10, 2017, Sentry announced that CI Financial Corp. had agreed to acquire all of the outstanding shares of SIC and all of the outstanding shares of Sentry not owned by SIC (the "Acquisition"). On August 18, 2017, Sentry announced that as the completion of the Acquisition would result in a change of control of Sentry, Sentry had mailed a notice in respect of the transaction to Unitholders, in accordance with applicable Canadian securities laws. The Acquisition closed on October 2, 2017.

On June 1, 2018, as a result of the Amalgamation, Sentry continued as CI.

On January 15, 2019, the Manager announced a change in the monthly distribution rate for Units of the Trust from \$0.02 per Unit to \$0.01 per Unit. The change in the distribution amount was effective on February 15, 2019 to Unitholders of record on January 31, 2019.

Effective December 31, 2019, Ernst & Young LLP replaced Deloitte LLP as the auditor to the Trust.

3. INVESTMENT OBJECTIVES, STRATEGIES AND RESTRICTIONS

Investment Objectives

The Trust's investment objectives are to provide Unitholders with:

- (i) long-term capital appreciation; and
- (ii) monthly cash distributions.

Investment Methodology and Strategy

The Trust invests in a Portfolio consisting primarily of equity securities of Mining Issuers that are listed on a North American stock exchange. The Manager actively manages the Trust's investments which includes a rotation of weightings within the metals and minerals sectors.

The Manager uses a combination of a top-down and value-driven, bottom-up analysis to identify Mining Issuers for the Portfolio. This approach involves the use of research incorporating and rating a number of factors including profitability, liquidity, operating and administrative costs, cash flow and management. The Manager's research process also includes the performance of specific resource property analysis. The Manager draws from expertise in the metals and minerals mining industry available to it to assist in the evaluation of the underlying properties held by Mining Issuers. The Manager focuses on equities:

- with high cash flow and free cash flow yields on invested capital;
- with low multiples to net asset value based on below market metal price assumptions;
- that have undervalued, in-development metal and mineral deposits that are expected to grow in value as they advance to production;
- with advanced exploration deposits that the Manager considers to have a high probability of commercial viability and substantial potential for expansion prior to commencement of feasibility studies and production financing;
- that represent trading opportunities driven by financing needs and liquidity events related to capital structure; and
- that represent discounted financing opportunities, particularly those with additional leverage from warrants.

Investment Restrictions

The Trust is subject to, and managed in accordance with, the investment restrictions and practices set out in NI 81-102 that are applicable to non-redeemable investment funds.

Inter-fund Trading

The Trust has received permission from the Canadian securities regulators to permit the Trust to engage in inter fund-trading. The relief permits the Trust to purchase securities (including debt securities) from or sell securities (including debt securities) to another existing or future investment fund managed by CI or its affiliates and to which NI 81-102 does not apply, subject to certain conditions, including the approval of the IRC.

IRC Approved Transactions

The Trust has received permission from its IRC to (and may from time to time):

- invest in securities (“related party investments”) of CI Financial Corp. (“related party”), including unlisted debt securities, and
- trade in portfolio securities with other mutual funds managed by CI or any of its affiliates (“interfund transfers”).

Related party investments must comply with the rules relating thereto contained in *National Instrument 81-107 Independent Review Committee for Investment Funds* (“NI 81-107”). Additionally, among other matters, CI or the Trust’s portfolio sub-adviser(s) must certify that the related party investment (i) represented the business judgment of CI or the portfolio sub-adviser uninfluenced by considerations other than the best interests of the Trust and was, in fact, in the best interests of the Trust, (ii) was made free from any influence by the related party or any affiliate or associate thereof (other than CI) and without taking into account any consideration relevant to the related party or any associate or affiliate thereof, and (iii) was not part of a series of transactions aiming to support or otherwise influence the price of the securities of the related party or related to another form of misconduct.

Inter-fund transfers are subject to the rules relating thereto contained in NI 81-107. Additionally, among other matters, an inter-fund transfer cannot be intended to (i) smooth out or influence performance results, (ii) realize capital gains or losses, (iii) avoid taxable or distributable income or dividends, or (iv) artificially maintain or otherwise manipulate market prices of the portfolio security.

Primary Offering Securities

The Trust has received permission from the Canadian securities authorities to deviate from the requirements of Canadian securities legislation to purchase and hold non-exchange traded debt securities of a related party issued pursuant to a primary distribution or treasury offering (“Primary Offering”) provided that (i) the purchase or holding is consistent with, or is necessary to meet, the investment objective of the Trust; (ii) at the time of the purchase the IRC of the Trust has approved the transaction in accordance with NI 81-107; (iii) CI and the IRC comply with certain requirements of NI 81-107 in connection with the transactions; (iv) the size of the Primary Offering is at least \$100 million; (v) at least 2 purchasers who are independent, arm’s length purchasers, collectively purchase at least 20% of the Primary Offering; (vi) the Trust shall not participate in the Primary Offering if following its purchase the Trust together with related funds will hold more than 20% of the securities issued in the Primary Offering; (vii) the Trust shall not participate in the Primary Offering if following its purchase the trust would have more than 5% of its net assets invested in nonexchange traded debt securities of a related party; (viii) the price paid for the

security by the Trust in the Primary Offering shall be no higher than the lowest price paid by any of the arm's length purchasers who participate in the Primary Offering; and (ix) no later than the time the Trust files its annual financial statements, the Trust files with the securities regulatory authorities or regulator the particulars of any such investments.

Aside from the above exemptions from NI 81-102, the Declaration of Trust contains investment restrictions to the effect that the Trust may not:

- (a) purchase any security issued by any issuer (other than short-term debt securities issued or guaranteed by the Government of Canada or any Canadian province or municipality) if as a result more than 10% of the Trust's total assets would consist of securities issued by such issuer;
- (b) borrow money in excess of 15% of the Trust's total assets after giving effect to the borrowing;
- (c) purchase or sell commodities or commodity contracts except as permitted by NI 81-102;
- (d) make loans or guarantee obligations, except that the Trust may purchase and hold debt obligations (including bonds, debentures or other obligations and certificates of deposit, bankers' acceptances and fixed time deposits) in accordance with its investment objectives;
- (e) purchase securities on margin or sell securities short;
- (f) invest for the purpose of exercising control over management of any issuer;
- (g) purchase or sell derivatives;
- (h) invest more than 10% of its total assets in securities of Private Issuers;
- (i) invest in mutual funds (within the meaning of NI 81-102);
- (j) make any investment or conduct any activity that would result in the Trust failing to qualify as a "unit trust" and a "mutual fund trust" within the meaning of the Tax Act under the then current definition of "unit trust" or "mutual fund trust";
- (k) invest in any securities of an entity that would be a controlled foreign affiliate of the Trust for purposes of the Tax Act;
- (l) invest in any security that is a tax shelter investment within the meaning of the Tax Act;
- (m) hold securities of any non-resident corporation or trust or other entity if the Trust would be required to mark its investment in such securities to market in accordance with section 94.2 of the Tax Act or to include any significant amounts in income pursuant to section 94.1 or 94.3 of the Tax Act, or invest in any interest in a non-resident trust other than an "exempt trust" as defined in section 94 of the Tax Act;

- (n) lend Portfolio assets except as permitted by NI 81-102;
- (o) purchase real estate or real estate mortgage loans (other than securities issued by issuers that invest in real estate); or
- (p) act as an underwriter except to the extent that the Trust may be deemed to be an underwriter in connection with the sale of securities in its Portfolio.

If a percentage restriction on investment or use of assets set forth above is adhered to at the time of the transaction, later changes to the market value of the investment or the total assets of the Trust will not be considered a violation of the restriction (except for the restrictions in paragraph (j) which must be complied with at all times and which may necessitate the selling of securities from time to time). If the Trust receives subscription rights from an issuer to purchase securities of that issuer, and if the Trust exercises such subscription rights at a time when the Trust's Portfolio holdings of securities of that issuer would otherwise exceed the limits set forth above, it will not constitute a violation if, prior to receipt of securities upon exercise of such rights, the Trust has sold at least as many securities of the same class and value as would result in the restriction being complied with.

The foregoing investment restrictions may not be changed without the approval of the Unitholders, by a resolution passed by two-thirds of the votes cast at a meeting of Unitholders called for such purpose, unless such changes are necessary to ensure compliance with all applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time.

Borrowing

The Declaration of Trust authorizes the Trust to borrow from an arm's length financial institution an amount not exceeding 15% of the value of the total assets of the Trust for the purpose of making investments in accordance with its investment objectives and restrictions, for working capital purposes, and to pledge its assets to secure the borrowings. The Trust currently has no debt obligations.

4. DESCRIPTION OF THE UNITS

The Trust is authorized to issue an unlimited number of transferable, redeemable trust units of one class, each of which represents an equal, undivided interest in the net assets of the Trust.

All Units have equal rights and privileges. Each whole Unit is entitled to one vote at all meetings of Unitholders and is entitled to participate equally with respect to any and all distributions made by the Trust, including distributions of net income and net realized capital gains, and distributions upon the termination of the Trust. Units are issued only as fully paid and are non-assessable.

Redemption Privileges

Units may be surrendered during the Annual Notice Period for redemption by the registered Unitholder to the Registrar and Transfer Agent subject to the Trust's right to suspend redemptions (described below). Units surrendered for redemption by a Unitholder during the Annual Notice Period will be redeemed on the Annual Redemption Date and the Unitholder will receive payment

on the Annual Redemption Payment Date. Units may also be surrendered for redemption by a Unitholder at any other time and will be redeemed on the next Monthly Redemption Date (defined below).

Payments on Termination

Immediately prior to the termination of the Trust, the Trust will, to the extent possible, convert the assets of the Trust to cash and will pay or make adequate provision for all of the Trust's liabilities. The Trust will, to the extent possible, after receipt of the net cash proceeds of the liquidation of its assets, distribute as soon as possible the remaining Trust property among Unitholders on a *pro rata* basis against surrender of certificates representing the Units.

Acts Requiring Unitholder Approval

The Trust is required to obtain Unitholder approval for certain matters as set out in Part 5 of NI 81-102 that are applicable to non-redeemable investment funds. In addition, pursuant to the Declaration of Trust, the following matters require the approval of two-thirds of the votes cast by Unitholders voting thereon (other than items (e), (h) and (j) which require approval by a simple majority vote) at a meeting called and held for such purpose:

- (a) a change in the fundamental investment objectives of the Trust as described under "Investment Objectives, Strategies and Restrictions — Investment Objectives";
- (b) a change in the investment restrictions of the Trust as described under "Investment Objectives, Strategies and Restrictions — Investment Restrictions";
- (c) any change in the basis of calculating fees or other expenses that are charged to the Trust which could result in an increase in charges to the Trust other than a fee or expense charged by a person or company that is at arm's length to the Trust and for which Unitholders are sent a written notice of such change at least 60 days before the effective date of such change;
- (d) a change of the manager of the Trust, other than a change resulting in an affiliate of such person assuming such position or, except as described herein, a change in the trustee of the Trust, other than a change resulting in an affiliate of such person assuming such position;
- (e) a change of the auditors of the Trust;
- (f) a reorganization (other than a Permitted Merger) with, or transfer of assets to, a mutual fund trust, if
 - (i) the Trust ceases to continue after the reorganization or transfer of assets; and
 - (ii) the transaction results in Unitholders becoming securityholders in the mutual fund trust;

- (g) a reorganization (other than a Permitted Merger) with, or acquisition of assets of, a mutual fund trust, if
 - (i) the Trust continues after the reorganization or acquisition of assets;
 - (ii) the transaction results in the securityholders of the mutual fund trust becoming Unitholders of the Trust; and
 - (iii) the transaction would be a material change to the Trust;
- (h) to terminate the Trust, except in certain circumstances as described under “Other Material Information – Termination of the Trust”;
- (i) an amendment, modification or variation in the provisions or rights attaching to the Units; and
- (j) a reduction in the frequency of calculating the NAV per Unit.

Distributions

The Trust shall, consistent with its investment objectives set forth above, endeavour to make monthly cash distributions to be paid on, or before, the 15th day following month end. The Trust will annually determine and announce each July an indicative distribution amount for the following 12 months based upon prevailing market conditions and the Manager’s estimate of distributable cash flow for the year. Each monthly cash distribution shall be in such amount as the Manager determines and shall be payable on the last Business Day of each month, unless a Unitholder has through his, her or its CDS Participant requested to participate in the DRIP, to Unitholders of record at 5:00 p.m. (Toronto time) on that day (but before giving effect to redemptions and issuances to be implemented as of such day). Such monthly distributions shall be paid out of income and net realized capital gains of the Trust for the relevant Taxation Year and, if necessary, out of the capital of the Trust. As at December 31, 2015, the monthly distributions were not paid out of income nor net realized capital gains of the Trust but were paid out of the capital of the Trust which reduced the NAV per Unit. As the Trust does not invest in income-producing securities, the Trust endeavours to pay the distribution out of harvested capital gains.

On March 14, 2013, the Manager announced that the indicative monthly distribution amount for the Trust would be changed from \$0.10 per Unit to \$0.07 per Unit until further notice, effective on the next monthly distribution date of April 15, 2013, to Unitholders of record on March 28, 2013.

On June 27, 2013, the Manager announced a further change to the Trust’s indicative monthly distribution amount from \$0.07 per Unit to \$0.035 per Unit until further notice, effective on the next monthly distribution date of August 15, 2013, to Unitholders of record on July 31, 2013. The Manager, however, provided that if the make-up of the Portfolio changed, or if the Portfolio holdings made distributions other than in accordance with their indicated guidance, distributions might differ.

On November 13, 2014, the Manager announced a further change to the Trust’s indicative monthly distribution amount from \$0.035 per Unit to \$0.01 per Unit until further notice, effective on the

next monthly distribution date of December 15, 2014, to Unitholders of record on November 28, 2014.

On June 22, 2016, the Manager announced a further change to the Trust's indicative monthly distribution amount from \$0.01 per Unit to \$0.02 per Unit until further notice, effective on the next monthly distribution date of July 15, 2016, to Unitholders of record on June 30, 2016.

On January 15, 2019, the Manager announced a change in the monthly distribution rate for Units of the Trust from \$0.02 per Unit to \$0.01 per Unit. The change in the distribution amount was effective on February 15, 2019 to Unitholders of record on January 31, 2019.

5. CALCULATION OF NET ASSET VALUE

The NAV on a particular date will be equal to the aggregate value of the assets of the Trust less the aggregate value of the liabilities of the Trust, including any income, net realized capital gains or other amounts payable to Unitholders on or before such date, expressed in Canadian dollars at the applicable exchange rate on such date. The NAV per Unit on any day will be obtained by dividing the NAV on such day by the number of Units then outstanding prior to any redemptions effected on that date.

The NAV per Unit will be calculated as of each Valuation Time. If the Trust elects to have a December 15 year end for tax purposes as permitted by the Tax Act, the NAV per Unit will also be calculated on December 15. Such information will be provided by CI to Unitholders on request by calling toll-free 1-800-563-5181 (advisors) or 1-800-792-9355 (investors) or to the public at no cost through its website at www.ci.com.

Unless otherwise required by law, in determining the NAV, the Trustee will take the following into account:

- (a) the value of any cash on hand or on deposit, prepaid expenses, cash distributions declared and interest accrued and not yet received shall be deemed to be the face amount thereof, unless the Trustee determines that any such asset is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as the Trustee determines to be the fair value thereof;
- (b) bonds, debentures, notes, money market instruments and other debt securities shall be valued by taking the bid price at the Valuation Time;
- (c) any security that is listed or dealt in on a stock exchange shall be valued at the sale price applicable to a board lot last reported at the Valuation Time on the principal stock exchange on which such security is traded, or if no sale price is available at that time, the last closing price quoted for the security, but if bid and ask quotes are available, at the average of the latest bid and ask price rather than the last quoted closing price;
- (d) the value of any security of Private Issuers, will be determined by the Manager in accordance with the following:

- (i) such securities or other assets will normally be carried at cost unless:
 - (a) there is an arm's length transaction which in the Manager's reasonable opinion establishes a different value, or
 - (b) a material change in the value of an issuer occurs, including as a result of a write-down of its assets on its audited balance sheet or the preparation of a valuation of the issuer or of a substantial portion of its assets by a qualified independent person, in which event the value will be increased or decreased, as appropriate, to the resulting fair value; and
- (ii) if there is an arm's length *bona fide* enforceable offer to purchase all or a substantial portion of an issuer's outstanding securities or its assets, the Trust's Portfolio Securities will be valued based upon the proposed transaction price;
- (e) any security purchased, the purchase price of which has not been paid, shall be included for valuation purposes as a security held, and the purchase price, including brokers' commissions and other expenses, shall be treated as a liability of the Trust;
- (f) any security sold but not delivered, pending receipt of the proceeds, shall be valued at the net sale price;
- (g) Restricted Securities (as that term is defined in NI 81-102) shall be valued at the lesser of:
 - (i) the value thereof based on reported quotations of such Restricted Securities in common use; and
 - (ii) that percentage of the market value of securities of the class or series of a class of which the Restricted Securities form part that are not Restricted Securities equal to the percentage that the Trust's acquisition cost was of the market value of such securities at the time of acquisition, but taking into account, if appropriate, the amount of time remaining until the Restricted Securities will cease to be Restricted Securities;
- (h) if any date on which NAV is determined is not a Business Day, then the Portfolio Securities and other property of the Trust will be valued as if such date were the preceding Business Day;
- (i) if any investment cannot be valued under the foregoing rules or if the foregoing rules are at any time considered by the Trustee to be inappropriate under the circumstances, then notwithstanding the foregoing rules, the Trustee shall make such valuation as it considers fair and reasonable;
- (j) the value of all assets of the Trust quoted or valued in terms of foreign currency, the value of all funds on deposit and contractual obligations payable to the Trust in

foreign currency and the value of all liabilities and contractual obligations payable by the Trust in foreign currency shall be determined using the applicable rate of exchange current at, or as nearly as practicable to, the applicable date on which NAV is determined; and

- (k) estimated operating expenses of the Trust shall be accrued to the date as of which NAV is being determined.

6. PURCHASES AND TRANSFERS OF UNITS

The Units of the Trust are listed on the TSX and trade under the symbol “MMP.UN”. Registration of interests in and transfers of the Units are made only through the book-entry only system of CDS. Units must be purchased, transferred and surrendered for retraction or 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 purchase of any Units, the owner will receive only the customary confirmation.

A dealer may seek reimbursement from an investor for any of its losses caused by the investor in connection with a failed settlement of a purchase of Units, where such dealer has the contractual right to do so.

Neither the Trust, the Custodian nor the Manager will have any liability for (i) records maintained by CDS relating to the beneficial interests in the 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 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.

7. MARKET PURCHASES AND REDEMPTIONS

Market Purchases

During any twelve month period, the Trust has the right (but not the obligation), exercisable in its sole discretion, to purchase in the market for cancellation up to 10% of the Units outstanding at the beginning of such period at prices not exceeding the NAV per Unit.

If Units are offered on the TSX at prices that are less than 95% of the latest determined NAV per Unit the Manager will offer to purchase such Units if it determines that such purchases are in the best interest of Unitholders, subject to a maximum amount in any three month period of 1.25% of the number of Units outstanding at the beginning of such period.

Purchases of Units by the Trust will be subject to compliance with any applicable regulatory requirements and limitations.

Exercise of Annual Redemption Right

Units may be surrendered during the Annual Notice Period for redemption by the registered Unitholder to the Registrar and Transfer Agent subject to the Trust's right to suspend redemptions (described below). Units surrendered for redemption by a Unitholder during the Annual Notice Period will be redeemed on the Annual Redemption Date and the Unitholder will receive payment on the Annual Redemption Payment Date.

Redeeming Unitholders will be entitled to receive a redemption price per Unit equal to the Net Asset Value per Unit on such Annual Redemption Date, less any brokerage fees and commissions (if applicable) associated with the redemption.

The redemption right must be exercised by causing written notice to be given within the Annual Notice Period and in the manner described below. Such surrender will be irrevocable upon the delivery of notice to CDS through a CDS Participant, except with respect to those Units which are not paid for by the Trust on the relevant Annual Redemption Payment Date.

An owner of Units who desires to exercise redemption privileges must do so by causing a CDS Participant to deliver to CDS (at its office in the City of Toronto), on behalf of the owner, a written notice of the owner's intention to redeem Units. An owner who desires to redeem Units should ensure that the CDS Participant is provided with notice (the "Annual Redemption Notice") of his, her or its intention to exercise his, her or its redemption privilege sufficiently in advance of the relevant notice date so as to permit the CDS Participant to deliver notice to CDS and so as to permit CDS to deliver notice to the Registrar and Transfer Agent, in advance of the required time. Any expense associated with the preparation and delivery of Annual Redemption Notices will be for the account of the owner exercising the redemption privilege.

Except as provided under "Suspension of Redemptions and Market Purchases" below, by causing a CDS Participant to deliver to CDS a notice of the owner's intention to redeem Units, an owner shall be deemed to have irrevocably surrendered his, her or its Units for redemption and appointed such CDS Participant to act as his, her or its exclusive settlement agent with respect to the exercise of the redemption privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise.

Any Annual Redemption Notice delivered by a CDS Participant regarding an owner's intent to redeem which CDS determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect and the redemption privilege to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a CDS Participant to exercise redemption privileges or to give effect to the settlement thereof in accordance with the owner's instructions will not give rise to any obligations or liability on the part of the Trust to the CDS Participant or to the owner.

A dealer may seek reimbursement from an investor for any of its losses caused by the failure of the investor to satisfy the redemption requirements of Units or securities legislation, where such dealer has the contractual right to do so.

Monthly Redemption of Units

Except as provided under “Suspension of Redemptions and Market Purchases” below, Units may also be surrendered at any time other than during the Annual Notice Period to the Registrar and Transfer Agent through a CDS Participant for redemption (a “Monthly Redemption”). Such demand for a Monthly Redemption shall be exercised by causing written notice (the “Monthly Redemption Notice”) to be given and the terms described under “Exercise of Redemption Right” above shall apply *mutatis mutandis*. If such demand for a Monthly Redemption is received before the 10th Business Day before the last Business Day of a month, the redemption will be implemented on the last Business Day of the month and if received after that date, the redemption will be implemented on the last Business Day of the following month (each a “Monthly Redemption Date”). The Unitholder shall be entitled to receive a price per Unit (the “Monthly Redemption Price”) equal to the lesser of:

- A. 90% of the market price of the Units on the principal market on which the Units are quoted for trading during the 20 trading day period ending immediately before the Monthly Redemption Date; and
- B. 100% of the closing market price on the principal market on which the Units are quoted for trading on the Monthly Redemption Date.

Notwithstanding the Monthly Redemption Price formula above, at no time will the Trust pay out redemption proceeds greater than the Net Asset Value per Unit as determined on the Monthly Redemption Date for each Unit being redeemed on such Monthly Redemption Date.

For the purposes of this calculation, “market price” will be an amount equal to the weighted average of the closing price of the Units for each of the trading days in the period on which there was a closing price; provided that if the applicable exchange or market does not provide a closing price, but only provides the highest and lowest prices of the Units traded on a particular day, the “market price” shall be an amount equal to the average of the highest and lowest prices for each of the trading days on which there was a trade; and provided further that if there was trading on the applicable exchange or market for fewer than 10 of the 20 trading days, the “market price” shall be the average of the following prices established for each of the 20 trading days: the average of the last bid and last asking prices of the Units for each day there was no trading; the closing price of the Units for each day that there was trading if the exchange or market provides a closing price; and the average of the highest and lowest prices of the Units for each day that there was trading if the market provides only the highest and lowest prices of Units traded on a particular day.

The “closing market price” shall be an amount equal to the closing price of the Units if there was a trade on the date and the exchange or market provides a closing price; an amount equal to the average of the highest and lowest prices of the Units if there was trading and the exchange or other market provides only the highest and lowest prices of Units traded on a particular day; or the average of the last bid and last asking prices of the Units if there was no trading on that date.

The aggregate Monthly Redemption Price payable by the Trust in respect of any Units surrendered for redemption during any calendar month shall be satisfied by way of cash payment no later than 15 Business Days following the Monthly Redemption Date.

Any Monthly Redemption Notice delivered by a CDS Participant regarding an owner's intent to redeem which CDS determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect and the redemption privilege to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a CDS Participant to exercise redemption privileges or to give effect to the settlement thereof in accordance with the owner's instructions will not give rise to any obligations or liability on the part of the Trust to the CDS Participant or to the owner.

Suspension of Redemptions and Market Purchases

The Manager may, subject to applicable law, direct the Trustee to suspend the redemption of Units and market purchases of Units by the Trust or payment of redemption proceeds for any period not exceeding 30 days during which the Manager determines that conditions exist which render impractical the sale of assets of the Trust. The suspension may apply to all requests for 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 redemption will be effected at a price equal to the NAV per Unit on the first Business Day following the termination of the suspension, less any brokerage fees and commissions (if applicable) associated with the redemption. All such Unitholders shall have and shall be advised that they have the right to withdraw their requests for redemption, as applicable. 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 Trust, any declaration of suspension made by the Manager shall be conclusive.

8. RESPONSIBILITY FOR TRUST OPERATIONS

The Manager

Pursuant to the Declaration of Trust and to the Amalgamation, CI is the Manager of the Trust. Prior to June 1, 2018, Sentry was the manager of the Trust. On June 1, 2018, Sentry amalgamated with CI and continued as CI. Prior to January 1, 2009, SSCC was the manager of the Trust. SSCC was incorporated on March 20, 1986. Effective on March 31, 2015, SSCC changed its name to SIC. The Manager is presently engaged in the business of sponsoring and managing investment funds in Canada. The Manager is responsible for managing the Portfolio, including providing or arranging for the provision of investment analysis and making decisions relating to the investment of assets of the Trust.

The Manager's principal address is 2 Queen Street East, Twentieth Floor, Toronto, Ontario, M5C 3G7. The Manager's telephone number is 1-800-792-9355, its e-mail address is service@ci.com and its website is www.ci.com.

As manager of the Trust, the Manager is responsible for making all investment decisions of the Trust in accordance with the investment objectives, strategy and restrictions and for arranging for the execution of all Portfolio transactions. The Manager is also responsible for providing or arranging for required administrative services to the Trust including, without limitation: authorizing the payment of operating expenses incurred on behalf of the Trust; preparing financial

statements and financial and accounting information as required by the Trust; ensuring that Unitholders are provided with financial statements (including unaudited interim and audited annual financial statements) and other reports as are required by applicable law from time to time; ensuring that the Trust complies with regulatory requirements and applicable stock exchange listing requirements; preparing the Trust's reports to Unitholders and the Canadian securities regulatory authorities; determining the amount of distributions to be made by the Trust; and negotiating contractual agreements with third party providers of services, including registrars, transfer agents, auditors and printers.

The Manager is required to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of Unitholders, and in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent manager would exercise in similar circumstances.

The Manager may resign as manager of the Trust upon 60 days' notice to the Unitholders. If the Manager resigns it may appoint its successor but, unless its successor is an affiliate of CI, its successor must be approved by the Unitholders. If the Manager is in material default of its obligations under the Declaration of Trust and such default has not been cured within 30 days after notice of same has been given to the Manager, the Unitholders may remove the Manager and appoint a successor manager.

The Manager is entitled to fees for its services under the Declaration of Trust as described under "Fees and Expenses" and will be reimbursed for all reasonable costs and expenses incurred by CI on behalf of the Trust. In addition, CI and each of its directors, officers, employees and agents will be indemnified by the Trust for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced or other claim that is made against CI or any of its officers, directors, employees or agents in the exercise of its duties as manager, if they do not result from CI's wilful misconduct, bad faith, negligence or breach of its obligations under the Declaration of Trust and the Trust has reasonable grounds to believe that the action or inaction that gave rise to the claim was in the best interests of the Trust.

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

The name, municipality and province of residence of each of the directors and officers of the Manager and their principal occupations at, and within the five years preceding the date of this Annual Information Form, are as follows:

Name and municipality of residence	Office held with CI	Principal occupation in the last five years
Douglas J. Jamieson Toronto, Ontario	Director, President and Ultimate Designated Person	<p>President, Ultimate Designated Person and Director, CI, since March 2019</p> <p>Executive Vice-President (since June 2013) and Chief Financial Officer, CI Financial Corp. since May 2005. On November 13, 2020, Mr. Jamieson informed CI Financial Corp. of his intention to resign from his positions with CI Financial Corp. and its affiliates, including the Manager, to pursue other opportunities. Mr. Jamieson and CI Financial Corp. have agreed that he will remain in these positions until an orderly transition of his responsibilities is completed.</p>
David Poster Toronto, Ontario	Chief Financial Officer	Chief Financial Officer, CI, since March 2019
Darie Urbanky Toronto, Ontario	Director and Chief Operating Officer	<p>Director (since December 2019), Executive Vice-President and Chief Operating Officer, CI, since September 2018</p> <p>President and Chief Operating Officer, CI Financial Corp. since June 2019</p>
William Chinkiwsky Toronto, Ontario	Chief Compliance Officer	<p>Chief Compliance Officer, CI, since February 2021</p> <p>Head, Global Asset Management Compliance, Bank of Montreal, from October 2012 to February 2021</p>

Name and municipality of residence	Office held with CI	Principal occupation in the last five years
Edward Kelterborn Toronto, Ontario	Director, Senior Vice-President and General Counsel	Executive Vice-President since November 2020 and Chief Legal Officer, CI Financial Corp. since September 2018 Director, Senior Vice-President and General Counsel, CI, since February 2019

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

Certain individuals are charged with the responsibility of making investment decisions relating to the Portfolio. The name, municipality and province of residence, title and business experience, for the last five years, of the individuals responsible for the day-to-day management of a material portion of the Portfolio is as follows:

Name, municipality and province of residence	Position held with Manager	Principal occupation for the last five years	Length of time of service
Jon Case Toronto, Ontario	Portfolio Manager	Portfolio Manager, CI since June 2018. Portfolio Manager, Sentry from April 2012 to June 2018.	9 years

Trustee

CI acts as trustee of the Trust and is responsible for certain aspects of the day-to-day administration of the Trust as described in the Declaration of Trust, including calculating NAV, net income and net realized capital gains of the Trust, and executing instruments on behalf of the Trust.

The Trustee may resign upon 60 days' notice to Unitholders. The Trustee may be removed with the approval of a two-thirds majority vote cast at a meeting of Unitholders called for such purpose or by the Manager (if the Manager is then not the trustee) if the Trustee has committed certain events of bankruptcy or insolvency or is in material breach or default of its obligations under the Declaration of Trust which breach has not been cured within 30 days after notice thereof has been given to the Trustee. Any such resignation or removal shall become effective only upon the

acceptance of appointment by a successor. If the Trustee resigns, its successor may be appointed by the Manager. The successor must be approved by Unitholders if the Trustee is removed by Unitholders. If no successor has been appointed within 60 days, the Trustee or any Unitholder may apply to a court of competent jurisdiction for the appointment of a successor.

The Declaration of Trust provides that the Trustee shall not be liable in carrying out its duties under the Declaration of Trust except where it is in breach of its obligations under the Declaration of Trust or where the Trustee fails to act honestly and in good faith, and in the best interests of Unitholders to the extent required by laws applicable to corporate trustees, or to exercise the degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. In addition, the Declaration of Trust contains other customary provisions limiting the liability of the Trustee and indemnifying the Trustee, or any of its officers, directors, employees or agents, in respect of certain liabilities incurred by it in carrying out its duties.

The Trustee is entitled to receive fees from the Trust as described under “Fees and Expenses”. The Trustee is entitled to be reimbursed for all expenses and liabilities which are properly incurred by the Trustee in connection with the activities of the Trust.

Custodian

Effective as of July 24, 2018, RBC Investor Services Trust (“RBC Investor Services”), Toronto, Ontario, replaced State Street Trust Company Canada as custodian of the assets of the Trust pursuant to a fourth amended and restated custodian agreement (the “Custodian Agreement”) entered into with the Manager and others as of May 4, 2020, as amended. RBC Investor Services is independent of CI.

RBC Investor Services holds the assets of the Trust in safekeeping. The Custodian Agreement gives RBC Investor Services the right to appoint sub-custodians. RBC Investor Services is paid a fee for acting as custodian of the Trust. RBC Investor Services or the sub-custodians may use the facilities of any domestic or foreign depository or clearing agency authorized to operate a book-based system. The Manager may terminate the Custodian Agreement by giving RBC Investor Services ninety (90) days’ prior written notice, subject to certain conditions. Either party has the right to terminate the Custodian Agreement immediately if the other party commits certain acts or fails to perform its duties under the Custodian Agreement.

Brokerage Arrangements

CI may receive research and order execution goods and services in return for directing brokerage transactions for the Trust to registered dealers. When CI does so, CI ensures that the goods or services are used by the Trust to assist with investment or trading decisions, or with effecting securities transactions, on behalf of the Trust. CI conducts trade cost analysis by an independent third-party firm to ensure that the Trust receives a reasonable benefit considering the use of the research and order execution goods and services, as applicable, and the amount of the brokerage commission paid. CI also makes a good faith determination that the Trust receives reasonable benefit considering the use of the goods and services, the amount of brokerage commissions paid, the range of services and the quality of research received. CI uses the same criteria in selecting registered dealers, regardless of whether the dealer is an affiliate of CI. These arrangements are

always subject to best execution, which includes a number of considerations such as price, volume, speed and certainty of execution and total transaction costs.

Since March 30, 2020, dealers or third parties provided research and order execution goods and services that included advice, analyses and reports regarding various subject matters relating to investments (including portfolio strategy, economic analysis, and statistic data about capital markets and securities). These reports and advice were provided either directly or through publications or writings, including electronic publications, telephone contacts and personal meetings with security analysts, economists and corporate and industry spokespersons, and included analysis and reports concerning issuers, industries, securities, economic factors and trends, accounting and tax law interpretations and political developments. The research and order execution goods and services also included trading software, market data, and custody, clearing and settlement services that were directly related to executed orders, as well as databases and software that supported these goods and services. Dealers and third parties may provide the same or similar goods and services in the future. The users of these research and order execution goods and services are portfolio managers, analysts and traders.

The names of such dealers and third parties are available upon request by calling CI toll-free at 1-800-792-9355, by sending CI an email at service@ci.com or by writing to CI.

Auditor

The auditors of the Trust are Ernst & Young LLP, Toronto, Ontario.

Registrar and Transfer Agent

As registrar and transfer agent, Computershare Trust Company of Canada provides registrar and transfer agency services for the Units. The register of securities is kept in Toronto, Ontario.

Dealer Manager Disclosure

The Trust is considered a dealer managed mutual fund and follows the dealer manager provisions prescribed by NI 81-102. These provisions provide that the Trust is not permitted to make an investment in securities of an issuer during, or for 60 days after, the period in which the Manager (or an affiliate or associate of the Manager) acts as an underwriter in the distribution of such securities, except in certain circumstances permitted by securities legislation. In addition, the Trust is not permitted to make an investment in securities of an issuer of which a partner, director, officer or employee of the Manager (or its affiliates or associates) is a partner, director or officer, other than in circumstances permitted by securities legislation.

9. CONFLICTS OF INTEREST

Principal Holders of Securities

CI Investments Inc. is a wholly-owned subsidiary of CI Financial Corp. CI Financial Corp. is an independent, Canadian-owned wealth management firm, the common shares of which are traded on the Toronto Stock Exchange. CI Financial Corp. owns all of the shares of CI Investments Inc.

As at March 1, 2021, CDS was the holder of record of 100% of the outstanding Units.

To the knowledge of the Manager, as at March 1, 2021, no person beneficially owned, either directly or indirectly, or exercised control or direction over, more than 10% of the outstanding Units.

To the knowledge of the Manager, as at March 1, 2021, the directors and executive officers of the Manager did not beneficially own, directly or indirectly, in aggregate, any material amount of issued and outstanding Units of the Trust, (ii) any material amount 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 Trust or to the Manager.

To the knowledge of the Manager, as at March 15, 2021, the members of the Trust's IRC did not beneficially own, directly or indirectly, in aggregate, any material amount of issued and outstanding Units of the Trust, (ii) any material amount of 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 Trust or to the Manager.

Conflicts of Interest

The management services of CI under the Declaration of Trust are not exclusive and nothing in the Declaration of Trust prevents CI from providing similar management services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Trust) or from engaging in other activities. Investments in securities purchased by the Manager on behalf of the Trust and other investment funds or trusts managed by the Manager will be allocated to the Trust and such other investment funds or trusts on a *pro rata* basis according to the size of the order and the applicable investment restrictions and policies of the Trust and the other investment funds or trusts.

The Declaration of Trust acknowledges that the trustee and the manager may provide services to the Trust in other capacities, provided that the terms of any such arrangements are no less favourable to the Trust than those which would be obtained from parties which are at arm's length for comparable services. The Trustee may act as trustee of, and provide services to, issuers of securities, including issuers of securities in which the Trust has invested or may invest.

Independent Review Committee

The Trust's IRC, established pursuant to NI 81-107, has five members. The IRC reviews conflict of interest matters referred to it by the Manager, including any related policies and procedures, and provides recommendations or approvals, as applicable, to the Manager regarding whether the proposed action of the Manager in respect of a conflict of interest matter achieves a fair and reasonable result for the Trust. With respect to certain conflict of interest matters, the IRC may also issue standing instructions. The Manager is not required to refer a conflict of interest matter nor its proposed action to the IRC if the Manager complies with the terms of a standing instruction that is in effect.

Set out below is a list of the individuals who comprise the IRC for the Trust.

Name and municipality of residence	Principal occupation in the last 5 years
James M. Werry	Chair of the IRC

Toronto, Ontario	Corporate director
Tom Eisenhauer Toronto, Ontario	Chief Executive Officer of Bonnefield Financial Inc.
Karen Fisher Newcastle, Ontario	Corporate director
James McPhedran Toronto, Ontario	Corporate director Senior Advisor, McKinsey & Company, since 2018 Supervisory Board Director, Maduro & Curiel's Bank (Curacao), since 2018 Executive Vice-President, Canadian Banking, Scotiabank, from 2015 to 2018
Donna Toth Toronto, Ontario	Corporate director Managing Director, Global Equity Sales, Scotia Capital from 2009 to 2016

**Stuart P. Hensman resigned from the IRC effective April 3, 2020. Donna Toth was appointed to the IRC for the Trust effective April 3, 2020.*

Each member of the IRC is independent of the Manager, its affiliates and the Trust. The IRC provides independent oversight and impartial judgment on conflicts of interest involving the Trust. 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 Trust in those circumstances; and to review and advise on or consent to, if appropriate, any other matter required by applicable securities laws, regulations and rules. The IRC meets quarterly.

Among other matters, the IRC prepares, at least annually, a report of its activities for Unitholders of the Trust which will be available on the Internet at www.ci.com and upon request by any Unitholder, at no cost, by calling: 1-800-792-9355 or e-mailing to: 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. IRC members are paid a fixed annual fee for their services. The annual fees are determined by the IRC and are disclosed in its annual report to Unitholders of the Trust. Generally, 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. Annual fees are allocated across all investment funds managed by the Manager and the Manager's affiliates with the result that only a small portion of such fees are allocated to any single fund. Members of the IRC are also reimbursed for their expenses which are typically nominal and associated with travel and the administration of meetings.

The individuals who comprise the IRC also perform a function similar to an audit committee for the Trust.

10. GOVERNANCE OF THE TRUST

CI (as Trustee and the Manager of the Trust) has responsibility for the governance of the Trust. Specifically, in discharging its obligations in its capacity as Trustee and the Manager, respectively, CI is required to:

- (a) act honestly, in good faith and in the best interests of the Trust; and
- (b) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances.

NI 81-107 requires the Manager to have policies and procedures relating to conflicts of interest. CI has adopted the CI Financial Business Code of Ethics and 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 Trust’s unitholders and to ensure that at all times the interests of the Trust and its unitholders are placed above personal interests of employees, officers and directors of CI Investments Inc., 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.

Proxy Voting Policies and Guidelines

Policies and procedures

CI, as part of its general management of the Trust’s assets, acts as portfolio adviser to the Trust. As a result, CI oversees proxy voting for the Trust. CI must vote all proxies in the best interest of the unitholders of the Trust, as determined solely by CI and subject to CI’s Proxy Voting Policy and Guidelines and applicable legislation.

CI has established Proxy Voting Policy and Guidelines (the “Guidelines”) that have been designed to provide general guidance, in compliance with the applicable legislation, for the voting of proxies. The Guidelines set 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 Guidelines allow 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 Guidelines should be followed. The Guidelines also address situations in which CI may not be able to vote, or where the costs of voting outweigh the benefits. Where the Trust, managed by CI, is invested in an underlying fund that is also managed by CI or its affiliate, the proxy of the underlying fund will not be voted by CI. However, CI may arrange for you to vote your share of those securities. CI is required to keep adequate records of all matters voted or not voted. A copy of the Guidelines is available upon request, at no cost, by calling CI toll-free at 1-800-792-9355 or by writing to CI at 2 Queen Street East, Twentieth Floor, Toronto, Ontario M5C 3G7.

Conflicts of Interest

Situations may exist in which, in relation to proxy voting matters, CI may be aware of an actual, potential, or perceived conflict between the interests of CI and the interests of unitholders. Where CI is aware of such a conflict, CI must bring the matter to the attention of the IRC. The IRC 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 IRC believes to be the best interests of unitholders, and in a manner consistent with the Proxy Voting Policy and Guidelines. Where it is deemed advisable to maintain impartiality, the IRC may choose to seek out and follow the voting recommendation of an independent proxy research and voting service.

Disclosure of proxy voting record

After August 31 of each year, unitholders of the Trust may obtain upon request to CI, free of charge, the proxy voting records of the Trust for the year ended June 30 for that year. These documents also will be made available on CI's website, www.ci.com.

11. FEES AND EXPENSES

Pursuant to the terms of the Declaration of Trust, the Trust pays the Manager an annual management fee of 1.10% of NAV, plus an amount equal to the servicing fee payable to registered dealers of 0.40% of NAV plus applicable taxes. Fees payable to CI are calculated and payable monthly based on the average NAV calculated at each Valuation Time during that month. The Manager will pay to registered dealers the servicing fee (calculated and paid at the end of each calendar quarter) equal to 0.40% annually of the NAV per Unit for each Unit held by clients of the dealers.

The Trustee is entitled to be reimbursed for all expenses and liabilities which are properly incurred by the Trustee in connection with the activities of the Trust.

The Trust will pay for all expenses incurred in connection with the operation and administration of the Trust. All fees and expenses of the Trust will be paid in cash. It is expected that these expenses will include, without limitation: (a) mailing and printing expenses for periodic reports to Unitholders; (b) fees payable to the Trustee for acting as trustee (except when the Manager is the Trustee); (c) fees payable to the Registrar and Transfer Agent and DRIP agent; (d) fees payable to the Custodian for acting as custodian of the assets of the Trust; (e) banking fees and interest with respect to any borrowing; (f) fees payable to the auditors and legal advisors of the Trust; (g) regulatory filing, stock exchange and licensing fees; (h) IRC fees; and (i) expenditures incurred upon the termination of the Trust. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which CI, or the Trustee, is entitled to indemnity by the Trust. The Trust will also be responsible for all commissions and other costs of Portfolio transactions and any extraordinary expenses of the Trust which may be incurred from time to time.

12. INCOME TAX CONSIDERATIONS

Canadian Federal 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 a person who is an individual (other than a trust), and who, for the purposes of the Tax Act, and at all relevant times, is resident in Canada, deals at arm's length and is not affiliated with the Trust and holds their Units directly as capital property or in a Registered Plan. Generally, Units will be considered to be capital property to an investor provided that the investor does not hold the 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 investors who might not otherwise be considered to hold Units as capital property may, in certain circumstances, be entitled to have such Units treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary assumes that the Trust currently qualifies and will continue to qualify at all material times as a "mutual fund trust" as defined in the Tax Act.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder, all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals") and the current administrative policies and assessing practices of the CRA published in writing prior to the date hereof. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in the law or administrative practice, whether by way of legislative, governmental or judicial decision or action, nor does it take into account federal, provincial, territorial or foreign tax legislation or considerations. There is no assurance that the Tax Proposals will be enacted in the form proposed or at all.

This summary is also based on the assumption that the Trust will at no time be subject to the tax on distributions from a "SIFT trust" as defined in the Tax Act that applies to specified investment flow-through trusts ("SIFTs"). The SIFT rules under the Tax Act provide for a tax on certain income earned by a SIFT Trust. Provided that the Trust does not hold "non-portfolio property" as defined in the Tax Act, it will not be a SIFT Trust.

This summary is also based on the assumption that none of the issuers of the Portfolio Securities will be foreign affiliates of the Trust or of any Unitholder and that none of the Portfolio Securities will be: (i) a "tax shelter investment" within the meaning of section 143.2 of the Tax Act; (ii) an "offshore investment fund property" that would require the Trust to include significant amounts in its income in respect of such Portfolio Securities pursuant to section 94.1 of the Tax Act; or (iii) an interest in a trust which would require the Trust to report income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units of the Trust. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary according to the status of the investor, the province or territory in which the investor resides or carries on business and, generally, the investor's own particular circumstances. This summary is of a general

nature only and is not intended to constitute legal or tax advice to any particular investor. Investors should consult their own tax advisor for advice with respect to the income tax consequences of an investment in Units, based on their particular circumstances.

Taxation of the Trust

The Trust is subject to tax under Part I of the Tax Act on the amount of its income for tax purposes for the year, including net taxable capital gains, less the portion thereof that it claims in respect of the amounts paid or payable to Unitholders in the year. Provided the net income and net realized capital gains of the Trust are paid or payable to the Unitholders in each year, and provided the Trust deducts in computing its income the full amount available for deduction in each year, the Trust will not generally be liable for income tax under Part I of the Tax Act.

The Trust is required to include in its income for each taxation year, all interest that accrues to it to the end of the year, or becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing its income for a preceding taxation year, together with any dividends received by it in such year.

In computing its income for tax purposes, the Trust may deduct reasonable administrative, interest and other expenses incurred to earn income.

Upon the actual or deemed disposition of a Portfolio Security held by the Trust as capital property, the Trust will realize a capital gain (or capital loss) to the extent that the proceeds of disposition exceed (or are exceeded by) the adjusted cost base of such asset and any reasonable costs of disposition.

The Portfolio may include securities that are not denominated in Canadian dollars. Proceeds of disposition of securities, distributions, interest and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars at the exchange rate prevailing at the time of the transaction. As a result, the Trust may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars.

The Trust 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 does not exceed 15% of such amount and has not been deducted in computing the Trust's income, the Trust may designate a portion of its foreign source income in respect of a Unitholder so that such income and a portion of the foreign tax paid by the Trust may be regarded as foreign source income of, and foreign tax paid by, the Unitholder for the purposes of the foreign tax credit provisions of the Tax Act. To the extent that such foreign tax paid by the Trust exceeds 15% of the amount included in the Trust's income from such investments, such excess may generally be deducted by the Trust in computing its income for the purposes of the Tax Act.

Taxation of Unitholders

A Unitholder is generally required to include in computing income for a particular taxation year of the Unitholder such portion of the net income, and the taxable portion of the net realized capital gains, of the Trust for a taxation year as is paid or becomes payable to the Unitholder in that particular taxation year whether in cash or in additional Units. Provided that appropriate

designations are made by the Trust, such portion of (a) the net realized taxable capital gains of the Trust, (b) the foreign source income of the Trust, and (c) the taxable dividends received by the Trust on shares of taxable Canadian corporations as is paid or becomes payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder. To the extent that the Trust so designates in accordance with the Tax Act, Unitholders will, for the purpose of computing their foreign tax credits, be entitled to treat their proportionate share of foreign taxes paid by the Trust as foreign taxes paid by the Unitholders. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the gross-up and dividend tax credit rules will apply. An enhanced dividend gross-up and tax credit is available for certain eligible dividends paid by corporations resident in Canada. Any loss of the Trust for the purpose of the Tax Act cannot be allocated to, and cannot be claimed as a loss by, a Unitholder.

The non-taxable portion of net realized capital gains of the Trust that are paid or become payable to a Unitholder in a year will not be included in computing the Unitholder's income for the year. Any amount in excess of a Unitholder's share of the net income and the net realized capital gains of the Trust for a taxation year that is paid or becomes payable to the Unitholder in such year will not generally be included in computing the Unitholder's income for the year. However, the payment by the Trust of such excess amount will reduce the adjusted cost base of Units to the Unitholder. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and the Unitholder's adjusted cost base will be increased by the amount of such deemed capital gain.

Upon the disposition or deemed disposition by a Unitholder of a Unit, whether on a sale, redemption, repurchase or otherwise, a capital gain (or capital loss) will be realized by the Unitholder to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Unit to the Unitholder immediately before the disposition. For the purposes of determining the adjusted cost base to a Unitholder of Units, when Units are acquired, the cost of the newly acquired Units will be averaged with the adjusted cost base of all Units owned by the Unitholder as capital property before that time. The cost of Units acquired as a distribution of income or capital gains or on a reinvestment of distributions from the Trust will be equal to the amount of the distribution, less any portion of the distribution made in cash under the DRIP in satisfaction of what would otherwise be fractional Units. A Unitholder participating in the DRIP who receives a Unit from the Trust for a price that is less than the fair market value of the Unit will be considered by the CRA as having to include the difference in the Unitholder's income and to add the difference to the cost of the Units. A consolidation of Units following a distribution paid in the form of additional Units will not be regarded as a disposition of Units and will not affect the aggregate adjusted cost base to a Unitholder of Units. See "Description of the Units".

Generally, one-half of any capital gain (a "taxable capital gain") realized by a Unitholder in a taxation year must be included in computing the income of the Unitholder for that year and one-half of any capital loss (an "allowable capital loss") realized by a Unitholder in a taxation year must be deducted from taxable capital gains realized by the Unitholder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally 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 taxable capital gains realized in those years,

including taxable capital gains realized on the disposition of Units or amounts designated by the Trust to a Unitholder as taxable capital gains.

Amounts designated as taxable dividends from taxable Canadian corporations and net realized capital gains paid or payable to a Unitholder by the Trust or realized on the disposition of Units may give rise to a liability for alternative minimum tax.

Eligibility for Investment

Provided that the Trust qualifies as a mutual fund trust within the meaning of the Tax Act or the Units are listed on the TSX (or other designated stock exchange), the Units will be qualified investments for a Registered Plan.

However, if the Units are a “prohibited investment” for the purpose of a Registered Plan, except for a deferred profit sharing plan, the holder, annuitant or subscriber of such Registered Plan will be subject to a penalty tax as set out in the Tax Act. Units will not be a “prohibited investment” provided that the holder, annuitant or subscriber, as the case may be: (i) deals at arm’s length with the Trust and (ii) does not have a “significant interest” in the Trust (within the meaning of the Tax Act). Generally, a holder, annuitant or subscriber, as the case may be, will not have a “significant interest” in the Trust unless the holder, annuitant or subscriber, as the case may be, owns directly or indirectly 10% or more of the issued Units of the Trust, either alone or together with persons and partnerships with whom the holder, annuitant or subscriber, as the case may be, does not deal at arm’s length. Units will also not be a prohibited investment for a particular Registered Plan if they are “excluded property” under the Tax Act for that Registered Plan. Unitholders are advised to consult their own tax advisors in this regard.

Tax Implications of the Trust’s Distribution Policy

The NAV per Unit will reflect any income and gains of the Trust that have accrued or have been realized but have not been made payable at the time Units are acquired. A Unitholder who acquires Units may become taxable on the Unitholder’s share of income and gains of the Trust that accrued before the Units were acquired notwithstanding that such amounts may have been reflected in the price paid by the Unitholder for the Units. In particular, this may be the case when Units are acquired late in the year, or on or before the date on which a distribution will be paid.

Tax Information Reporting

The Trust 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 Trust are and continue to be listed on the TSX, the Trust should not have any U.S. reportable accounts and, as a result, it should not be required to provide information to the CRA in respect of Unitholders. However, dealers through which Unitholders hold the Units 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 Trust, unless the

Units are held by a Registered Plan. 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 Trust to the Unitholder's dealer for the purpose of the information exchange, unless the Units are held by a Registered Plan.

13. MATERIAL CONTRACTS

The following material contracts have been entered into by the Trust:

- (a) Declaration of Trust; and
- (b) The fourth amended and restated Custodian Agreement dated as of May 4, 2020, as amended.

Copies of the foregoing documents may be inspected during business hours on any Business Day at the head office of the Trust upon reasonable prior notice and are available on SEDAR at www.sedar.com.

14. LEGAL AND ADMINISTRATIVE PROCEEDINGS

2017 Sentry Settlement relating to Sales Practices

On April 5, 2017, the Ontario Securities Commission (the "OSC") approved a settlement agreement dated March 31, 2017 between Staff of the OSC, Sentry (a predecessor of CI), amongst others, relating to (i) Sentry's non-compliance with National Instrument 81-105 – *Mutual Fund Sales Practices* ("NI 81-105"), in respect of a 2015 mutual fund sales conference hosted by Sentry, (ii) Sentry's non-compliance with NI 81-105 and with National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103"), in respect of Sentry's annual spending on advisors during the period of January 2011 to September 30, 2016 and (iii) Sentry's non-compliance with NI 81-105 and NI 31-103, in respect of the adequacy of Sentry's controls, supervision and books and records relating to sales practices during the period of January 2011 to September 30, 2016.

In accordance with the settlement agreement, Sentry paid to the OSC an administrative penalty of \$1,500,000 and \$150,000 in respect of the OSC's investigative costs. Further, Sentry provided an undertaking to the OSC to continue to submit to a review of its practices and procedures and

engaged an independent compliance consultant, PricewaterhouseCoopers LLP (the “Consultant”), to examine and recommend improvements to Sentry’s internal policies, practices and internal controls and to oversee their implementation. Without the approval of the Consultant that is reported to the OSC, Sentry was prohibited from hosting any further mutual fund sales conferences until the OSC was satisfied with the Consultant’s findings relating to Sentry’s implementation of the Consultant’s recommendations.

Sentry took numerous steps to improve its compliance function, particularly as it relates to sales practices and NI 81-105.

Sentry, and not the Trust, paid all monetary and non-monetary benefits at issue. The performance of the Trust was not affected by these matters and the management expense ratio of the Trust was not impacted. Sentry, and not the Trust, has paid all costs, fines and expenses relating to the resolution of this matter, including the above noted administrative penalty, investigative costs and fees relating to the Consultant.

Class Action

A motion to institute a class action proceeding against the Manager and other fund companies was filed in the Superior Court of the Province of Quebec on October 25, 2004, claiming a breach of fiduciary duty in respect of market timing practices. The claim, as amended, proposed a class of all Canadian residents who held securities in certain mutual funds managed by the Manager, which did not include the Trust (the “CI Funds”), between January 1, 2000 and December 31, 2003 (the “Quebec Class Action”). The Superior Court of Quebec authorized the Quebec Class Action on September 17, 2010. The class in the Quebec Class Action is limited to residents of Quebec.

A proposed class action proceeding against the Manager and other fund companies was filed in the Superior Court of the Province of Ontario in December 2005 claiming inappropriate “market timing transactions” in certain mutual funds (the “Ontario Class Action”). The proceeding proposed a class of all Canadian residents, except for Quebec residents, who held securities in certain CI Funds between August 2000 and June 2003. On December 12, 2013, the Ontario Class Action was finally certified to proceed as a class action.

The Manager intends to vigorously defend the Quebec Class Action and the Ontario Class Action.

2016 OSC Settlement

In April 2015, the Manager discovered an administrative error affecting certain funds managed by the Manager. Approximately \$156.1 million of interest had not been properly recorded as an asset in the accounting records of certain funds managed by the Manager, on total assets of approximately \$9.8 billion as of May 29, 2015, with the result being that the NAVs of these funds, and any mutual funds that had invested in those funds, had been understated for several years. The interest at all times remained in bank accounts as an asset of these funds and was never comingled with the property of the Manager. Once the error was discovered, the Manager, with the assistance of an independent consulting firm, undertook a comprehensive investigation into how the error occurred and developed a plan to put affected investors into the economic position they would have been in if the interest had been recorded (the “Plan”). The Manager also enhanced its systems

and processes to help prevent similar errors from occurring in the future. The Manager self-reported the error to the OSC. On February 10, 2016, the Manager entered into a no-contest settlement agreement with the OSC in connection with the administrative error. As part of the no-contest settlement agreement, the Manager agreed to, among other things, implement the Plan and make a voluntary payment of \$8 million (and \$50,000 towards costs) to the OSC.

15. OTHER MATERIAL INFORMATION

Termination of the Trust

The Trust does not have a fixed termination date (“Termination Date”) but may be terminated at any time that is not earlier than 15 days and not later than 90 days following the issuance of a news release that discloses the termination, with the prior approval of Unitholders by a resolution passed by holders of more than 50% of the Units voting thereon at a meeting duly convened for the consideration of such termination, provided that Unitholders holding at least 10% of the Units outstanding on the record date for voting at such meeting vote in favour of such resolution. In addition, as set out below, the Manager may, in its discretion, terminate the Trust without the approval of Unitholders if, in its opinion, it is no longer economically practical to continue the Trust or the Manager determines that it would be in the best interest of Unitholders to terminate the Trust, or to terminate the Trust in connection with a Permitted Merger, provided that the termination occurs no earlier than 15 days and no later than 90 days following the issuance of a news release that discloses the termination. If the Trust is terminated, the Manager will, to the extent possible, convert the assets of the Trust to cash and the Trustee shall, after paying or making adequate provisions for all of the Trust’s liabilities, distribute the net assets of the Trust to Unitholders either as soon as practicable after the Termination Date or, should the termination occur in connection with a merger as contemplated in the preceding sentence, such unliquidated assets *in specie* rather than in cash, subject to compliance with any securities or other laws applicable to such distributions.

16. RISK FACTORS

Performance of Issuers

The NAV per Unit will vary according to the value of the Portfolio Securities in which the Trust invests, which will depend, in part, upon the performance of the issuers of such Portfolio Securities. The value of the Portfolio Securities acquired by the Trust will be affected by business factors and risks that are beyond the control of the Manager or the Trust.

In addition, the performance of certain of the Portfolio Securities may be affected by business factors and risks other than their exposure to metal and mineral prices, which may be more determinative of such Portfolio performance. Some of these factors and risks are: (i) some of the issuers in which the Trust invests may have limited operating histories; (ii) operational risks related to specific business activities of the respective issuers; (iii) quality of underlying assets; (iv) financial performance of the respective issuers and their competitors; (v) volatility in the price of metal and mineral prices; (vi) environmental risks; (vii) political risks; (viii) fluctuations in exchange rates; (ix) fluctuations in interest rates; and (x) government regulations, including regulations to prices, taxes, royalties, land tenure, land use, importing and exporting of materials

and environmental protection. The amount of distributions available for payment to Unitholders will depend in part on the amount of distributions paid by the issuers of the Portfolio Securities.

The Trust may make investments in securities that have low trading volumes. Accordingly, it may be difficult for the Trust to make trades in these securities without adversely affecting the price of such securities and consequently the NAV.

Financial Investor Demand and Exchange Traded Funds of Mining Issuers

Increased financial investor demand and exchange traded funds may inflate demand for Mining Issuers which may contribute to increased volatility and in certain circumstances may contribute to significant reductions in the value of Mining Issuers.

Trading Price of the Units Relative to Net Asset Value

The NAV per Unit, as calculated by the Manager, may not reflect the price for which the Units can actually be sold.

Units of certain closed-end trusts in Canada have traded at a discount from their net asset values. This risk associated with units of a closed-end trust is a risk separate and distinct from the risk that the Trust's NAV may decrease. The Trust cannot predict whether the Units will trade at a discount from, a premium to, or at NAV.

Market Disruptions

Natural disasters, pandemic outbreaks, war and occupation, terrorism and related geopolitical risks may in the future lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. Those events could also have an acute effect on individual issuers or related groups of issuers in the Portfolio, including as a result of a disruption to business operations due to quarantined employees, customers and suppliers in affected areas and due to closures of offices, manufacturing facilities, warehouses and logistics supply chains. Such events could also cause disruptions to business operations resulting from travel restrictions and reduced consumer spending. These risks could also adversely affect securities markets, inflation and other factors relating to the securities that may be held from time to time by the Trust. Such events could, directly or indirectly, have a material effect on the prospects of the Trust, the value of the securities in the Portfolio and the productivity of the Manager's or its suppliers' workforce.

Loss of Investment

An investment in the Trust is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment and who can withstand the effect of no distribution being paid in any period.

No Guaranteed Return

There is no guarantee that an investment in the Trust will earn any positive return in the short term or long term. The distributions, if any, may significantly vary from year to year. The Manager, on behalf of the Trust, may at any time re-evaluate the amount of the distribution.

No Assurances on Achieving Objectives

There is no assurance that the Trust will be able to achieve its investment objectives or that the Portfolio will earn any return. There is no assurance that the Trust will be able to pay monthly distributions. The funds available for distribution to Unitholders will vary according to, among other things, the levels of distributions and interest paid on the Portfolio Securities and their value.

High Turnover

The Portfolio may have a high turnover rate. This can increase trading costs, which lower the Trust's return. It also increases the possibility that a Unitholder will receive taxable capital gains.

Sector Risks

Pursuant to its investment objective and strategies, the Trust is invested in an actively managed Portfolio of mining issuers, including a rotation of weightings within the metals and minerals sectors. If these sectors should lose value, the Trust, which is concentrated in these sectors, may lose more than an investment fund that holds securities across a more diversified group of sectors. The Trust must continue to follow its investment objective and strategies by investing in these sectors, even when the sectors are performing poorly.

Composition of Portfolio

The composition of the Portfolio taken as a whole may vary widely from time to time but will be concentrated by geography and may be concentrated by type of security, commodity or industry. Therefore, the Portfolio may be considered less diversified.

Concentration Risk

Diversification is a technique intended to reduce risk by investing in a number of different securities. The Trust cannot invest more than 10% of its net assets in the securities of an issuer at the time the purchase takes place. However, changes in the value of Portfolio Securities held by the Trust may cause an increase in the weighting of one or more Portfolio Securities to exceed the 10% threshold which will decrease the level of diversification within the Portfolio. Less diversification can also reduce the Portfolio's liquidity - meaning the ability to convert a security to cash quickly. Lower liquidity may make it more expensive for the Trust to satisfy redemption requests by causing the Trust to sell Portfolio Securities at times and at prices that it would not otherwise choose which selling may in turn influence the prices of such Portfolio Securities.

Commodity Price and Currency Fluctuations

The operations and financial condition of the majority of issuers in which the Trust will invest and, accordingly, the amount of distributions paid on, and the value of, such Portfolio Securities, will

be dependent significantly on commodity prices applicable to such issuers. Prices for commodities may vary and are determined by supply and demand factors including speculation, weather and general economic and political conditions. A decline in commodity prices could have an adverse effect on the operations and financial condition of the issuers of such Portfolio Securities and the amount of distributions paid on, and the value of, such Portfolio Securities. Such a decline may also adversely impact the dividends which may be paid on such Portfolio Securities.

In particular, the operational results and financial condition of issuers included in the Portfolio are especially sensitive to metal and mineral prices. Metal and mineral prices have fluctuated widely during recent years and are affected by supply and demand factors, political events, weather, speculation and general economic conditions, among other things. Investments in this sector are generally more volatile than the overall market.

As the Portfolio may include securities traded in U.S. dollars or other foreign currencies, the NAV of the Trust and distributable cash, when measured in Canadian dollars, will be affected by changes in the value of the U.S. dollar or other foreign currencies relative to the Canadian dollar.

As well, any decline in metal or mineral prices could have an adverse effect on the distributions received from the issuers included in the Portfolio and the value of such issuers' securities. In addition, metal and mineral prices are denominated generally in U.S. dollars. Accordingly, a decrease in the value of the U.S. dollar against the Canadian dollar could reduce the amount of distributions paid on such securities.

Cyber Security Risk

With the increased use of technologies such as the Internet to conduct business, the Manager and the Trust are susceptible to operational, information security, and related risks. 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 Trust, the Manager or the Trust's service providers (including, but not limited to, the Trust's Registrar and Transfer Agent, and Custodian) have the ability to cause disruptions and impact each of their respective business operations, potentially resulting in financial losses, interference with the Trust's ability to calculate its net asset value, impediments to trading, the inability of Unitholders to transact business with the Trust and the inability of the Trust to process transactions including redeeming 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 Trust invests and counterparties with which the Trust engages in transactions.

In addition, substantial costs may be incurred to prevent any cyber incidents in the future. Furthermore, the Manager and the Trust cannot control the cyber security plans and systems of the Trust's service providers, the issuers of securities in which the Trust invests or any other third

parties whose operations may affect the Trust or its Unitholders. As a result, the Trust and its Unitholders could be negatively affected.

Exploration and Mining Risks

The business of exploration for metals and minerals involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At the time of investment in a Mining Issuer by the Trust, it may not be known if such Mining Issuer's properties have a known body of ore of commercial grade.

Unusual or unexpected formations, formation pressures, fires, explosions, rock bursts, power outages, labour disruptions, flooding, cave-ins, landslides and the inability of the Mining Issuer to obtain suitable machinery, equipment or labour are all risks which may occur during exploration for and development of mineral deposits.

Substantial expenditures are required in order to establish reserves through drilling, to develop metallurgical processes to extract the metal from the ore, to develop the mining, production, gathering or processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineral deposit, no assurance can be given that minerals, as applicable, will be discovered in sufficient quantities by the Mining Issuers in which the Trust may invest to justify commercial operations or that such issuers will be able to obtain the funds required for development on a timely basis or at all. The economics of developing mining properties is affected by many factors, including the cost of operations, variations in the grade of ore mined, fluctuations in the prices of ore which can be obtained on the metal markets, and such other factors as land claims and government regulations, including regulations relating to royalties, allowable production, importing and exporting and environmental protection. There is no certainty that the expenditures to be made by the Mining Issuer in the exploration and development of the interests described herein will result in discoveries of commercial quantities of a resource.

Uninsurable Risks

Mining operations generally involve a high degree of risk. Hazards such as unusual or unexpected formations, rock bursts, cave-ins, fires, explosions, blow-outs, formations of abnormal pressure, flooding or other conditions may occur from time to time. A Mining Issuer may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material adverse effect on such Mining Issuer's financial position.

No Assurance of Title or Boundaries, or of Access

While a Mining Issuer may have registered its mining claims, as applicable, with the appropriate authorities and filed all pertinent information to industry standards, this cannot be construed as a guarantee of title. In addition, a Mining Issuer's properties may consist of recorded mineral claims or licences which have not been legally surveyed, and therefore, the precise boundaries and locations of such claims or leases may be in doubt and may be challenged. A Mining Issuer's properties may also be subject to prior unregistered agreements or transfers or land claims, and a Mining Issuer's title may be affected by these and other undetected defects.

Foreign Country Risk

A Mining Issuer's mining property interests may be located in foreign jurisdictions, and its exploration operations in such jurisdictions may be affected in varying degrees by the extent of political and economic stability, and by changes in regulations or shifts in political or economic conditions that are beyond the control of the Mining Issuer.

Government Regulation

A Mining Issuer's operations are subject to government legislation, policies and controls relating to prospecting, land use, trade, environmental protection, taxation, rate of exchange, return of capital and labour relations. Such factors may adversely affect the Mining Issuer's business and/or its mining property holdings.

Although a Mining Issuer's exploration activities may be carried out in accordance with all applicable rules and regulations at any point in time, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development of the Mining Issuer's operations. Amendments to current laws and regulations governing the operations of a Mining Issuer or more stringent enforcement of such laws and regulations could have a substantial adverse impact on the financial results of the Mining Issuer.

Environmental Regulation

A Mining Issuer's operations may be subject to environmental regulations enacted by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas which would result in environmental pollution. Legislation may also provide for restrictions and obligations regarding the reclamation of sites. A breach of such legislation may result in the imposition on the Mining Issuer of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which has led to stricter standards and enforcement and greater fines and penalties for non-compliance. The cost of compliance with government regulations may reduce the profitability of a Mining Issuer's operations.

Private Issuers

Investments in Private Issuers cannot be resold without a prospectus, an available exemption or an appropriate ruling under relevant securities legislation and there may not be any market for such securities. This may impair the Trust's ability to react quickly to market conditions or negotiate the most favourable terms for exiting such investments. Investments in Private Issuers may offer relatively high potential returns, but will also be subject to a relatively high degree of risk.

The value attributed to securities of Private Issuers for the purposes of the calculation of the NAV will be the cost thereof, subject to adjustment in limited circumstances, and therefore may not reflect the amount for which they can actually be sold. The process of valuing investments in

Private Issuers will inevitably be based on inherent uncertainties and the resulting values may differ from values that would have been used had a ready market existed for the investments.

The valuation process is subjective to a degree and, to the extent that these valuations are too high, Unitholders who elect to redeem their Units will obtain a benefit to the detriment of Unitholders who do not redeem their Units at the same time. Similarly, to the extent these valuations are too low, Unitholders that elect to redeem their Units at such time will receive a lesser amount than they would have received had the valuation been higher.

Illiquid Securities

If the Manager is unable or determines that it is inappropriate to dispose of some or all of the Portfolio Securities prior to the Termination Date, Unitholders may, subject to applicable laws, receive distributions of securities *in specie* upon the termination of the Trust, for which there may be an illiquid market or which may be subject to resale restrictions. In addition, if the Manager determines that it is appropriate to acquire certain securities for the Portfolio, the Manager may be unable to acquire such securities in quantities or at prices which are acceptable to the Manager, if the market for such securities is particularly illiquid.

Interest Rate Fluctuations

It is anticipated that the market price for the Units at any given time will be affected by the level of interest rates prevailing at such time. A rise in interest rates may have a negative effect on the market price of the Units.

Borrowing

The Trust may borrow to invest in securities. The risk to Unitholders may increase if securities purchased with borrowed funds decline in value. The use of leverage may result in capital losses or a decrease in distributions to Unitholders. If the value of the Portfolio decreases such that the amount borrowed exceeds 15% of the value of the assets within the Portfolio, the Trust may be required to sell investments in order to comply with the terms of such borrowing. Such sales may be required to be done at prices which may adversely affect the value of the Portfolio and the return to the Trust. The interest expense and banking fees incurred in respect of any borrowing may exceed the incremental capital gains/losses and income generated by the incremental investment of Portfolio Securities. In addition, the Trust may not be able to establish any borrowing facility on acceptable terms. There can be no assurance that the borrowing strategy employed by the Trust will enhance returns.

Liquidity of Units

Units may represent a less liquid investment than securities of issuers in which the Trust invests.

Annual Redemptions

If holders of a substantial number of Units exercise their Annual Redemption right, the number of Units outstanding and the Net Asset Value of the Trust could be significantly reduced with the

effect of decreasing the liquidity of the Units in the market and increasing the management expense ratio of the Trust.

Reliance on Management

Unitholders are dependent on the management of the Manager. Investors who are not willing to rely on the management of the Manager should not invest in the Units. There is no certainty that CI will not be terminated as manager prior to the termination of the Trust or that Jon Case will not leave the employ of CI.

Status of the Trust

As the Trust is not a mutual fund as defined under Canadian securities laws, the Trust is not subject to the Canadian policies and regulations that apply to open-end mutual funds.

The Trust is not a trust company and is not registered under legislation of any jurisdiction governing trust companies as it does not carry on, nor does it intend to carry on, the business of a trust company. The Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of the *Canada Deposit Insurance Corporation Act* (Canada) or any other legislation.

Nature of Units

The Units share certain attributes common to both equity securities and debt instruments. The Units are dissimilar to debt instruments in that there is no principal amount owing to Unitholders. The Units represent a fractional interest in the assets of the Trust. Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring “oppression” or “derivative” actions.

Conflict of Interest

The directors and officers of the Manager and its affiliates and associates may engage in the promotion, management or investment management of any other fund or trust which invests primarily in Mining Issuers.

Changes in Legislation

There can be no assurance that income tax laws and government incentive programs relating to the businesses of the issuers of securities under the Tax Act will not be changed in a manner which adversely affects the distributions received by the Trust and the Unitholders and/or the value of the Units or the securities in which the Trust invests.

Taxation of the Trust

If the Trust ceases to qualify as a mutual fund trust under the Tax Act, or if the Trust were considered to be a SIFT Trust within the meaning of the Tax Act, the income tax considerations described under the heading “Income Tax Considerations” would be materially and adversely different in certain respects.

A trust, such as the Trust, is subject to a “loss restriction event” for the purposes of the Tax Act each time a person or partnership becomes a “majority interest beneficiary” of the trust for the purposes of the Tax Act, which generally occurs when a beneficiary of the trust and its affiliates have beneficial interest in the trust of more than 50% of the fair market value of the trust. However, no person, partnership or affiliated group should become a “majority interest beneficiary” of the Trust if the Trust qualifies or is deemed to qualify as a mutual fund trust under the Tax Act and satisfies certain investment diversification restrictions. If the Trust experiences a “loss restriction event”, the taxation year of the Trust will be deemed to end. The Trust will realize its capital losses and may elect to realize its capital gains. Unused capital losses will expire and the ability of the Trust to carry forward non-capital losses will be restricted.

GLOSSARY

“Annual Notice Period” means the period from the first day of September until 5:00 p.m. (Toronto time) on the tenth Business Day before the last Business Day in September.

“Annual Redemption” means Units surrendered for redemption by a Unitholder during an Annual Notice Period in accordance with the relevant provisions of the Declaration of Trust.

“Annual Redemption Date” means the last Business Day in September.

“Annual Redemption Payment Date” means the date on or before the 15th Business Day following the applicable Annual Redemption Date.

“Business Day” means any day on which the TSX is open for business.

“CDS” means CDS Clearing and Depository Services Inc., or its nominee.

“CDS Participant” means a participant in the CDS book-entry only system.

“CRA” means the Canada Revenue Agency.

“DRIP” means the Trust’s distribution reinvestment plan.

“Mining Issuers” means metal and mineral mining and exploration issuers, including those that mine and/or explore for precious metals, base metals, precious minerals and base minerals.

“Net Asset Value” or **“NAV”** means the net asset value of the Trust, as determined by subtracting the aggregate amount of the liabilities of the Trust from the total assets and as more particularly set forth in the Declaration of Trust.

“NI 81-102” means National Instrument 81-102 - *Investment Funds* of the Canadian Securities Administrators (or any successor policy, rule or national instrument), as it may be amended from time to time.

“Permitted Merger” means a merger or other combination or consolidation of the Trust with any one or more other investment funds with similar investment objectives administered or managed by the Manager or an affiliate of the Manager or its successors provided that (i) the merger is done on a relative NAV per Unit basis and (ii) it is capable of being accomplished on a tax-deferred rollover basis for Unitholders of the Trust and (iii) Unitholders are permitted to redeem their Units at a redemption price equal to 100% of NAV, less any costs of funding such redemptions, prior to the effective date of the merger.

“Portfolio” means the portfolio of the Trust.

“Portfolio Securities” means the securities that are in the Portfolio.

“Private Issuer” means an issuer with securities for which a market quotation is not readily available, other than cash equivalents.

“Redeeming Percentage” with respect to an Annual Redemption means the percentage that the aggregate NAV of the Units that have been surrendered for such Annual Redemption is of the NAV of the Trust minus that portion of the NAV of the Trust attributed to securities of Private Issuers.

“Registered Plan” means trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts.

“Registrar and Transfer Agent” means Computershare Trust Company of Canada.

“Tax Act” means the *Income Tax Act* (Canada), as amended and the regulations thereunder, as the same may be amended from time to time.

“Taxation Year” means the taxation year of the trust as determined, from time to time, by the Manager subject to the provisions of the Tax Act.

“TSX” means the Toronto Stock Exchange.

“Unitholders” means holders of Units.

“Valuation Time” means 4:15 p.m. (Toronto time) on each Thursday during the year (or, if a Thursday is not a Business Day, the Business Day following such Thursday) and on the last Business Days of March, June, September and December.

PRECIOUS METALS AND MINING TRUST

Additional Information about the Trust is available in the Trust's management reports of fund performance and financial statements.

You can get a copy of these documents, including a statement of portfolio transactions, at no cost by calling 1-800-563-5181 (advisors) or 1-800-792-9355 (investors), or from your dealer or by e-mail at service@ci.com

These documents and other information about the Trust, such as material contracts, are also available on the Manager's website at www.ci.com or at www.sedar.com.

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