

# Sentry Select Primary Metals Corp.

Management Report of Fund Performance for the period/year ended December 31, 2023

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1-800-792-9355, by writing to us at CI Investments Inc., 15 York Street, Second Floor, Toronto, ON, M5J 0A3 or by visiting our website at [www.ci.com](http://www.ci.com) or SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

## INVESTMENT OBJECTIVE AND STRATEGIES

The Sentry Select Primary Metals Corp.'s (the Fund) investment objective is to provide shareholders with long-term capital appreciation. The Fund is invested in an actively managed portfolio consisting primarily of securities of mining and exploration issuers, with a current focus on gold issuers.

The Manager will actively manage the Fund's investments that will include a rotation of weightings within the different metal sectors. The Manager uses a combination of a top-down and value driven, bottom-up analysis to identify issuers for the portfolio.

For a complete discussion of the Fund's investment objective and strategies, please refer to the Fund's most recently filed simplified prospectus.

## RISK

No changes affecting the overall level of risk associated with investing in the Fund were made during the period/year. The risks of the Fund remain as discussed in the Fund's most recently filed simplified prospectus or its amendments. The Manager reviews the risk rating for the Fund on an annual basis, at a minimum, based on the methodology mandated by the Canadian Securities Administrators to determine the risk level of the Fund. Any change to the risk rating made during the period/year was as a result of such review and was not a result of any change to the investment objective, strategies or management of the Fund.

## RESULTS OF OPERATIONS

The Fund's net assets decreased by \$2.3 million to \$18.6 million from December 31, 2022 to December 31, 2023. The Fund had net redemptions of \$0.8 million for the year. The portfolio's performance decreased assets by \$0.1 million. The Fund paid distributions totalling \$1.4 million. The Fund returned -0.7% after fees and expenses for the one-year period ended December 31, 2023. Over the same time period, the Fund's benchmarks returned 11.8%. The benchmark is the S&P/TSX Composite Total Return Index (the Benchmark or the Index).

During the year, most commodity prices were impacted by slower-than-expected economic growth in China following its reopening from COVID-19 pandemic lockdowns. However, demand for steel and steel-making commodities, including iron ore and coking coal, was strong. Lithium prices declined amid concerns around the global growth rate for electric vehicles. The market moved into an oversupply situation with the introduction of new supply growth and industry destocking.

Gold prices strengthened, driven by investor expectations that interest rates had peaked. Expectations for potential 2024 interest rate cuts also rose as the global economy slowed. Furthermore, strong central bank buying of gold and rising geopolitical tensions in the Middle East also helped to boost gold prices during the year.

The Fund underperformed its benchmark for the year. Security selection detracted from the Fund's performance. The largest individual detractors from the Fund's performance were holdings in Adventus Mining Corp., Sayona Mining Ltd. and K92 Mining Inc. Adventus Mining Corp. is advancing the El Domo-Curipamba project in Ecuador. The company's shares underperformed as the company waited for permitting and pursued financing with the merger with Luminex Resources Corp. Sayona Mining Ltd., which owns and operates the North American lithium mine in Quebec, saw its share price underperform because of weak lithium pricing and unexpected changes in management. K92 Mining Inc. owns and operates the Kainantu mine in Papua New Guinea. The company's share price declined after the company reduced its production forecast.

Security selection contributed to the Fund's performance. The top individual contributors to the Fund's performance included holdings in Latin Resources Ltd., G Mining Ventures Corp. and Champion Iron Ltd. Latin Resources Ltd.'s discovery of lithium at the Salinas project in Brazil saw its shares outperform. G Mining Ventures Corp. is developing the Tocantinzinho gold mine in Brazil for production commencing in 2026. The company's share price appreciated because the company was able to keep the development on time and budget. Champion Iron Ltd. operates the Bloom Lake iron ore mine in Newfoundland. The company's shares performed well amid strengthening iron ore prices.

We added a new position in Metals Acquisition Ltd. to the Fund and increased an existing holding in Champion Iron Ltd. A holding in Arena Minerals Inc. was eliminated, while a position in K92 Mining Inc. was trimmed.

## RECENT DEVELOPMENTS

We expect cost inflation to persist in the mining sector given the rising cost of labour. Thus, the Fund continues to hold royalty and streaming companies, which have low fixed costs and generate strong free cash flow.

We are optimistic about the outlook for gold and precious metals given the expectation of interest rates having peaked and the potential for interest rate cuts in 2024. The Fund continues to hold an allocation to precious metals royalty, streaming and large-capitalization producers that have strong balance sheets.

We continue to be long-term believers in the electrification theme, and we are more positive on copper, given recent supply disruption announcements. However, for lithium, we are more cautious in the short term, and therefore, have reduced the Fund's lithium exposure.

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## RELATED PARTY TRANSACTIONS

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

CI Investments Inc. is the Manager, Portfolio Adviser and Trustee of the Fund. CI Investments Inc. is a subsidiary of CI Financial Corp. The Manager, in consideration of management fees, provided management services required in the day-to-day operations of the Fund.

Management fee rate/rates as at December 31, 2023, for Class or each of the Classes, as applicable, is/are shown below:

	Annual management fee rate (%):
Class A	1.100

The Manager received \$0.2 million in management fees for the year.

### **Management Fees**

100% of total management fees were used to pay for investment management and other general administration.

### **Inter Fund Trading**

Inter fund trading occurs when a Fund purchases or sells a security of any issuer from or to another Fund managed by the Manager. These transactions are executed through market intermediaries and under prevailing market terms and conditions. The Independent Review Committee (IRC) reviews such transactions during scheduled meetings. During the period/year ended December 31, 2023, the Fund executed inter fund trades.

### **Independent Review Committee**

The Manager, in respect of the Fund, received the following standing instructions from the IRC with respect to related party transactions:

The applicable standing instructions require, amongst others, that related party transactions be conducted in accordance with the Manager's policies and procedures and applicable law and that the Manager reports related party transactions periodically to the IRC and advise the IRC of any material breach of such policies. The Manager's policies and procedures require that investment decisions in respect of related party transactions (a) are free from any influence by an entity related to the Manager and without taking into account any consideration relevant to an entity related to the Manager; (b) represent the business judgment of the Manager, uninfluenced by considerations other than the best interests of the Fund; (c) do not exceed the limitations of the applicable legislation; and (d) achieve a fair and reasonable result for the Fund.

Except as otherwise noted above under Related Party Transactions section, the Fund was not a party to any related party transactions during the period/year ended December 31, 2023. If the Fund invested in related party transactions, it relied on the IRC's standing instructions regarding related party transactions during this reporting period/year.

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## FINANCIAL HIGHLIGHTS

The following table/tables shows/show selected key financial information about the Fund and is/are intended to help you understand the Fund's financial performance for the five period(s)/year(s), as applicable.

Net Assets per Share (\$)	Increase (decrease) from operations:						Dividends:				Net assets at the end of the period/year shown	
	Net assets at the beginning of period/year	Total revenue	Total expenses (excluding distributions)	Realized gains (losses) for the period/year	Unrealized gains (losses) for the period/year	Total increase (decrease) from operations	From net investment income (excluding dividends)	From dividends	From capital gains	Return of capital		Total dividends
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Class A</b> <sup>(1)(2)(3)(4)</sup>												
Commencement of operations June 13, 2007												
Listed TSX: PME												
Dec. 31, 2023	2.54	0.04	(0.07)	0.07	(0.04)	-	-	-	-	(0.18)	(0.18)	2.35
Dec. 31, 2022	3.08	0.03	(0.06)	0.08	(0.37)	(0.32)	-	-	-	(0.18)	(0.18)	2.54
Dec. 31, 2021	3.24	0.02	(0.06)	0.43	(0.43)	(0.04)	-	-	-	(0.18)	(0.18)	3.08
Dec. 31, 2020	2.18	0.01	(0.05)	0.43	0.80	1.19	-	-	-	(0.18)	(0.18)	3.24
Dec. 31, 2019	1.93	0.01	(0.04)	0.12	0.33	0.42	-	-	-	(0.18)	(0.18)	2.18

(1) This information is derived from the Fund's audited annual financial statements.

(2) Net assets per share and dividends per share are based on the actual number of shares outstanding for the relevant Series/Class at the relevant time. The increase (decrease) in net assets from operations per share is based on the weighted average number of shares outstanding for the relevant Series/Class over the fiscal period/year.

(3) Dividends are automatically reinvested in additional shares of the Fund.

(4) This information is provided for the period(s)/year(s) ended December 31.

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## FINANCIAL HIGHLIGHTS (cont'd)

### Ratios and Supplemental Data

	Total net assets \$000's	Number of shares outstanding 000's	Management expense ratio before taxes %	Harmonized sales tax %	Management expense ratio after taxes %	Effective HST rate for the period/ year %	Trading expense ratio %	Portfolio turnover rate %	Closing market price \$
<b>Class A</b> <small>(1)(2)(3)(4)(5)(6)</small>									
Commencement of operations June 13, 2007									
Listed TSX: PME									
Dec. 31, 2023	18,644	7,941	1.70	0.16	1.86	9.73	0.63	90.61	2.16
Dec. 31, 2022	20,887	8,238	1.72	0.17	1.89	9.84	0.42	60.73	2.54
Dec. 31, 2021	28,257	9,184	1.68	0.17	1.85	9.68	0.61	105.38	2.99
Dec. 31, 2020	36,755	11,338	1.63	0.16	1.79	9.73	0.68	162.57	2.99
Dec. 31, 2019	29,290	13,442	1.78	0.17	1.95	9.08	0.72	142.60	2.10

(1) This information is derived from the Fund's audited annual financial statements.

(2) Management expense ratio is calculated based on expenses charged to the Fund (excluding commissions and other portfolio transaction costs) and is expressed as an annualized percentage of daily average net assets for the period/year, including the Fund's proportionate share of any underlying fund(s) expenses, if applicable. The Effective HST tax rate is calculated using the attribution percentage for each province based on shareholder residency and can be different from 13%.

(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period/year, including the Fund's proportionate share of such expenses of any underlying fund(s), if applicable.

(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the fiscal period/year. The higher a Fund's portfolio turnover rate in a period/year, the greater the trading costs payable by the Fund in the period/year, and the greater the chance of an investor receiving taxable capital gains in the period/year. There is not necessarily a relationship between a higher turnover rate and the performance of a Fund. Portfolio turnover rate is calculated by dividing the lesser of the cost of purchases and the proceeds of sales of portfolio securities for the period/year, and excluding cash and short-term investments maturing in less than one year, and before assets acquired from a merger, if applicable, by the average of the monthly fair value of investments during the period/year.

(5) This information is provided for the period(s)/year(s) ended December 31.

(6) Closing market price.

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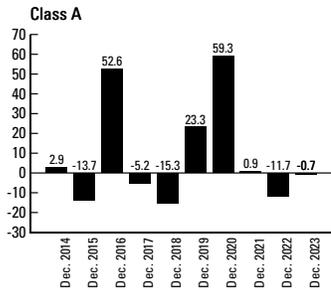
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## PAST PERFORMANCE

This section describes how the Fund has performed in the past. Remember, past returns do not indicate how the Fund will perform in the future. The information shown assumes that dividends made by the Fund in the period(s)/year(s) shown were reinvested in additional shares of the Fund or relevant Series/Classes of the Fund, as applicable. In addition, the information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance.

### Year-by-Year Returns

The following chart/charts shows/show the Fund's annual performance for each of the period(s)/year(s) shown and illustrates/illustrate how the Fund's performance has changed from period/year to period/year. In percentage terms, the chart/charts shows/show how much an investment made on the first day of each financial period/year would have grown or decreased by the last day of each financial period/year, except where noted.



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## Annual Compound Returns

The following table shows the Fund's annual compound returns for each year indicated, compared to the S&P/TSX Composite Total Return Index.

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

A discussion of the performance of the Fund as compared to the benchmark is found in the Results of Operations section of this report.

	One Year (%)	Three Years (%)	Five Years (%)	Ten Years (%)	Since Inception (%)
Class A	(0.7)	(4.0)	11.7	6.6	n/a
S&P/TSX Composite Total Return Index	11.8	10.2	10.1	7.6	n/a

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## SUMMARY OF INVESTMENT PORTFOLIO as at December 31, 2023

Category	% of Net Assets	Category	% of Net Assets	Top 25 Holdings	% of Net Assets
<b>Country allocation</b>		<b>Sector allocation</b>			
Canada .....	57.8	Materials .....	99.6	Artemis Gold Inc., Warrants, August 27, 2024 .....	9.4
Australia .....	23.6	Cash & Cash Equivalents .....	1.9	Lithium Americas (Argentina) Corp. ....	8.8
Jersey .....	7.4	Other Net Assets (Liabilities) .....	(1.5)	Sociedad Quimica y Minera de Chile SA, ADR .....	7.3
Chile .....	7.3			Sandstorm Gold Ltd. ....	6.3
Brazil .....	2.3			Sayona Mining Ltd. ....	5.6
Cash & Cash Equivalents .....	1.9			Latin Resources Ltd. ....	5.3
U.S.A. ....	1.2			Metals Acquisition Corp., Class A .....	4.9
Other Net Assets (Liabilities) .....	(1.5)			Skeena Resources Ltd. ....	4.9
				Champion Iron Ltd. ....	4.8
				Adventus Mining Corp. ....	3.7
				Magna Mining Inc. ....	3.4
				Leo Lithium Ltd. ....	3.3
				K92 Mining Inc. ....	2.9
				Victoria Gold Corp. ....	2.9
				Lithium Americas Corp. ....	2.6
				Arcadium Lithium PLC .....	2.4
				Wheaton Precious Metals Corp. ....	2.3
				Osisko Gold Royalties Ltd. ....	2.1
				Barrick Gold Corp. ....	2.0
				Centaurus Metals Ltd. ....	2.0
				Cash & Cash Equivalents .....	1.9
				Agnico Eagle Mines Ltd. ....	1.7
				Lithium Royalty Corp. ....	1.7
				Winsome Resources Ltd. ....	1.7
				Talon Metals Corp. ....	1.4
				<b>Total Net Assets (in \$000's)</b> .....	<b>\$18,644</b>

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund and updates will be available on a quarterly basis.

### A NOTE ON FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective," and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made by the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchanges rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.