

# Select Staging Fund

## Management Report of Fund Performance for the year ended March 31, 2019

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 1-800-563-5181, by writing to us at CI Investments Inc., 2 Queen Street East, Twentieth Floor, Toronto, ON, M5C 3G7 or by visiting our website at [www.ci.com](http://www.ci.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

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 objective of the Select Staging Fund (the Fund) is to preserve capital and maintain liquidity while earning a nominal amount of income.

This Fund is intended to provide investors with an efficient entry into the Portfolio Select Series to purchase shares in accordance with their allocation among mutual funds indicated in the Portfolio Select Series documentation. Each investment in this Fund is temporary and will be switched.

The Fund invests primarily in cash, cash equivalents, and money market instruments that mature in less than 365 days. Investments may include:

- Cash on deposit with Canadian financial institutions
- Short-term debt obligations issued or guaranteed by the governments of Canada, any province or any agency of these governments
- Commercial paper and other high-quality short-term debt obligations of Canadian corporations and Canadian chartered banks.

### RISK

No changes affecting the overall level of risk associated with investing in the Fund were made during the 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 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 net asset value of the Fund decreased by \$0.18 million to \$0.02 million from March 31, 2018 to March 31, 2019. The Fund had net redemption of \$0.18 million during the year. The Fund is intended to be a temporary place to invest while waiting to invest in other Select Funds.

### RECENT DEVELOPMENTS

#### ***New Accounting Standard – IFRS 9***

Effective April 1, 2018, the Fund retrospectively without restatement adopted IFRS 9, *Financial Instruments* (IFRS 9). The new standard requires financial assets to be either carried at amortized cost or at fair value with changes in fair value recognized in profit and loss (FVTPL) or in other comprehensive income (FVOCI) based on the Fund's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Upon transition to IFRS 9, the Fund's financial assets and financial liabilities previously designated as FVTPL or classified as held for trading under IAS 39, *Financial Instruments: Recognition and Measurement* (IAS 39) continue to be classified as FVTPL under IFRS 9. There were no changes in the measurement attributes for any of the Fund's financial assets and financial liabilities upon transition to IFRS 9.

Effective September 20, 2018, Tom Eisenhauer became a member of the Independent Review Committee (IRC) and effective October 15, 2018, Mary Robertson resigned as a member of the IRC.

### RELATED PARTY TRANSACTIONS

#### ***Manager, Portfolio Advisor, Trustee and Registrar***

CI Investments Inc. is the Manager, Portfolio Advisor, Trustee and Registrar of the Fund. CI Investments Inc. is a subsidiary of CI Financial Corp. The Manager, in consideration for management fees, provides management services required in the day-to-day operations of the Fund. The Manager bears all of the operating expenses of the Fund (other than taxes, borrowing costs and new governmental fees) in return for a fixed administration fee.

Management fee and fixed administration fee rates as at March 31, 2019, for each of the classes are shown below:

	Annual management fee rate (%)	Annual fixed administration fee rate (%)
<b>Class A</b>	1.000	Nil
<b>Class F</b>	0.750	Nil
<b>Class I</b>	Paid directly by investor	Nil
<b>Class W</b>	0.750	Nil

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

The Fund received standing instructions from the Fund's Independent Review Committee with respect to the following related party transactions:

- a) trades in securities of CI Financial Corp.; and
- b) purchases or sales of securities of an issuer from or to another investment fund managed by the Manager.

The applicable standing instructions require that related party transactions be conducted in accordance with the Manager's policies and procedures and that the Manager advise the IRC of any material breach of a condition of the standing instructions. The standing instructions require, among other things, 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) are made in compliance with the Manager's policies and procedures; and (d) achieve a fair and reasonable result for the Fund. Transactions made by the Manager under the standing instructions are subsequently reviewed by the IRC on a quarterly basis to monitor compliance.

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The Fund relied on the IRC's standing instructions regarding related party transactions during this reporting year.

Except as otherwise noted above, the Fund was not a party to any related party transactions during the year ended March 31, 2019.

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## FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years, as applicable.

Net Assets per Unit (\$) <sup>(1)(2)(4)</sup>	Increase (decrease) from operations:					Distributions:					Net assets at the end of the year shown <sup>(3)</sup>	
	Net assets at the beginning of year <sup>(2)</sup>	Total revenue	Total expenses (excluding distributions)	Realized gains (losses) for the year	Unrealized gains (losses) for the year	Total increase (decrease) from operations <sup>(2)</sup>	From net investment income (excluding dividends)	From dividends	From capital gains	Return of capital		Total distributions <sup>(2)(3)</sup>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Class A</b>												
Commencement of operations November 7, 2005												
Mar. 31, 2019	10.07	0.16	-	-	-	0.16	(0.13)	-	-	-	(0.13)	10.07
Mar. 31, 2018	10.02	0.08	-	0.01	-	0.09	(0.03)	-	-	-	(0.03)	10.07
Mar. 31, 2017	10.00	0.04	-	-	-	0.04	(0.03)	-	-	-	(0.03)	10.02
Mar. 31, 2016	10.00	-	-	-	-	-	-	-	-	-	-	10.00
Mar. 31, 2015	10.00	-	-	-	-	-	-	-	-	-	-	10.00
<b>Class F</b>												
Commencement of operations June 13, 2012												
Mar. 31, 2019	10.06	0.16	-	-	-	0.16	(0.13)	-	-	-	(0.13)	10.06
Mar. 31, 2018	10.01	0.09	-	0.01	-	0.10	(0.03)	-	-	-	(0.03)	10.06
Mar. 31, 2017	10.00	0.04	-	-	-	0.04	(0.03)	-	-	-	(0.03)	10.01
Mar. 31, 2016	10.00	-	-	-	-	-	-	-	-	-	-	10.00
Mar. 31, 2015	10.00	-	-	-	-	-	-	-	-	-	-	10.00
<b>Class I</b>												
Commencement of operations June 13, 2012												
Mar. 31, 2019	10.06	0.16	-	-	-	0.16	(0.13)	-	-	-	(0.13)	10.06
Mar. 31, 2018	10.01	0.07	-	0.01	-	0.08	(0.03)	-	-	-	(0.03)	10.06
Mar. 31, 2017	10.00	0.04	-	-	-	0.04	(0.03)	-	-	-	(0.03)	10.01
Mar. 31, 2016	10.00	-	-	-	-	-	-	-	-	-	-	10.00
Mar. 31, 2015	10.00	-	-	-	-	-	-	-	-	-	-	10.00
<b>Class W</b>												
Commencement of operations June 13, 2012												
Mar. 31, 2019	10.06	0.11	-	-	-	0.11	(0.13)	-	-	-	(0.13)	10.06
Mar. 31, 2018	10.01	0.04	-	-	-	0.04	(0.03)	-	-	-	(0.03)	10.06
Mar. 31, 2017	10.00	0.03	-	-	0.01	0.04	(0.03)	-	-	-	(0.03)	10.01
Mar. 31, 2016	10.00	-	-	-	-	-	-	-	-	-	-	10.00
Mar. 31, 2015	10.00	-	-	-	-	-	-	-	-	-	-	10.00

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

(2) Net assets per unit and distributions per unit are based on the actual number of units outstanding for the relevant class at the relevant time. The increase (decrease) in net assets from operations per unit is based on the weighted average number of units outstanding for the relevant class over the fiscal year.

(3) Distributions are automatically reinvested in additional units of the Fund.

(4) This information is provided for the years ended March 31.

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## FINANCIAL HIGHLIGHTS (cont'd)

### Ratios and Supplemental Data <sup>(1)(5)</sup>

	Total net assets <sup>(1)</sup> \$000's	Number of units outstanding <sup>(1)</sup> 000's	Management expense ratio before taxes <sup>(2)</sup> %	Harmonized sales tax <sup>(2)</sup> %	Management expense ratio after taxes <sup>(2)</sup> %	Effective HST rate for the year <sup>(2)</sup> %	Trading expense ratio <sup>(3)</sup> %	Portfolio turnover rate <sup>(4)</sup> %
<b>Class A</b>								
Commencement of operations November 7, 2005								
Mar. 31, 2019	2	-	-	-	-	-	-	-
Mar. 31, 2018	181	18	-	-	-	-	-	-
Mar. 31, 2017	66	7	-	-	-	-	-	-
Mar. 31, 2016	136	14	-	-	-	-	-	-
Mar. 31, 2015	51	5	-	-	-	-	-	-
<b>Class F</b>								
Commencement of operations June 13, 2012								
Mar. 31, 2019	10	1	-	-	-	-	-	-
Mar. 31, 2018	10	1	-	-	-	-	-	-
Mar. 31, 2017	106	11	-	-	-	-	-	-
Mar. 31, 2016	22	2	-	-	-	-	-	-
Mar. 31, 2015	10	1	-	-	-	-	-	-
<b>Class I</b>								
Commencement of operations June 13, 2012								
Mar. 31, 2019	10	1	-	-	-	-	-	-
Mar. 31, 2018	10	1	-	-	-	-	-	-
Mar. 31, 2017	10	1	-	-	-	-	-	-
Mar. 31, 2016	10	1	-	-	-	-	-	-
Mar. 31, 2015	10	1	-	-	-	-	-	-
<b>Class W</b>								
Commencement of operations June 13, 2012								
Mar. 31, 2019	1	-	0.75	-	0.75	-	-	-
Mar. 31, 2018	1	-	-	-	-	-	-	-
Mar. 31, 2017	1	-	-	-	-	-	-	-
Mar. 31, 2016	1	-	-	-	-	-	-	-
Mar. 31, 2015	1	-	-	-	-	-	-	-

(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 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 unitholder 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 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 year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the 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 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 year.

(5) This information is provided for the years ended March 31.

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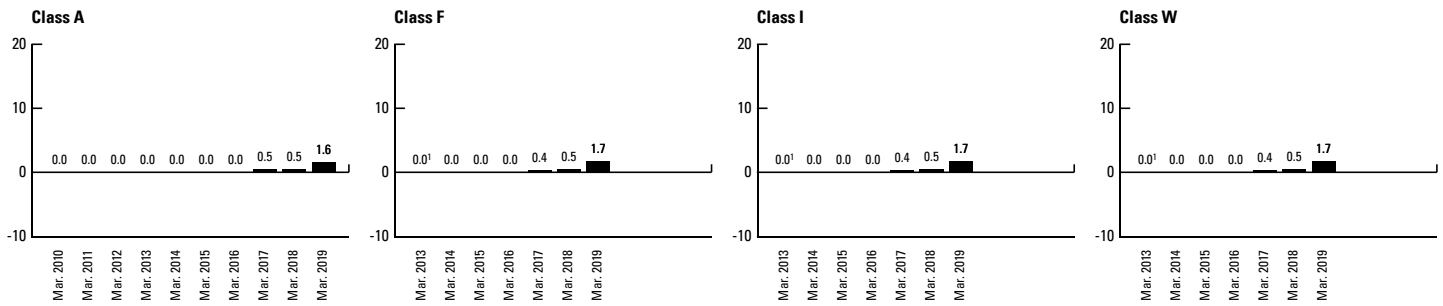
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## PAST PERFORMANCE

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 distributions made by the Fund in the years shown were reinvested in additional units of the relevant classes of the Fund. 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 charts show the Fund's annual performance for each of the years shown and illustrate how the Fund's performance has changed from year to year. In percentage terms, the charts show how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year, except where noted.



<sup>1</sup> 2013 return is for the period from June 13, 2012 to March 31, 2013.

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## SUMMARY OF INVESTMENT PORTFOLIO as at March 31, 2019

Category	% of Net Assets	Category	% of Net Assets	Top Holding	% of Net Assets
<b>Country allocation</b>		<b>Sector allocation</b>			
Cash & Equivalents .....	98.9	Cash & Equivalents .....	98.9	Cash & Equivalents .....	98.9
Other Net Assets (Liabilities) .....	1.1	Other Net Assets (Liabilities) .....	1.1		
				<b>Total Net Assets (in \$000's)</b>	<b>\$23</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.

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## 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.

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