

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*



**Simplified Prospectus dated December 16, 2020**

CI Emerging Markets Bond Fund (Series I units)

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## Introduction

In this document, “*we*”, “*CI*” and “*Manager*” refer to CI Investments Inc., the manager of the fund. A “*fund*” is the mutual fund described in this simplified prospectus. A “*representative*” is an individual working as a broker, financial planner or other person who is qualified to sell units of the fund described in this document. A “*dealer*” is the firm with which a representative works.

This simplified prospectus contains selected important information to help you make an informed investment decision about the fund and to help you understand your rights as an investor.

This simplified prospectus contains information about the fund and the risks of investing in mutual funds generally.

Additional information about the fund is available in the following documents:

- the annual information form;
- the most recently-filed fund facts;
- the most recently-filed annual financial statements;
- any interim financial statements filed after those annual financial statements;
- the most recently-filed annual management report of fund performance; and
- any interim report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this simplified prospectus, which means they legally form part of this simplified prospectus just as if they were printed as a part of this document. You can get a copy of these documents, at your request, and at no cost, by calling 1-800-792-9355, by e-mailing [service@ci.com](mailto:service@ci.com), or by asking your representative. You will also find these documents on our website at [www.ci.com](http://www.ci.com).

These documents and other information about the fund are also available at [www.sedar.com](http://www.sedar.com).

## What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?

Building an investment portfolio is one of the most important financial decisions you can make. Choosing the right investments can help you achieve your financial goals, such as preparing for retirement or saving for a child's education.

However, investing successfully can be difficult to do on your own. You need accurate and timely information along with the right experience to build and maintain a portfolio of individual investments.

Mutual funds can make it easier.

A mutual fund brings together many different investors with similar goals. Each investor puts money into the mutual fund. A professional portfolio adviser uses that cash to buy a variety of investments for the mutual fund, depending on the mutual fund's objectives.

When the investments make money, everyone who invests in the mutual fund benefits. If the value of the investments falls, everyone shares in the loss. The size of your share depends on how much you invested. The more you put in, the more securities of the mutual fund you own and the greater your portion of the gains or losses. Mutual fund investors also share the fund's expenses.

Most mutual funds invest in securities like stocks, bonds and money market instruments. The mutual fund may also invest in other mutual funds called "*underlying funds*", which may be managed by the Manager.

### Advantages of mutual funds

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Investing in a mutual fund has several advantages over investing in individual stocks, bonds and money market instruments on your own:

- **Professional money management.** Professional portfolio advisers have the skills and the time to do research and make decisions about which investments to buy, hold or sell.
- **Diversification.** Investment values are always changing. Owning several investments can improve long-term results because the ones that increase in value can compensate for those that do not. Mutual funds typically hold 30 or more different investments.
- **Accessibility.** You can sell your investment back to the mutual fund at any time. This is called a "*redemption*", and in some cases may result in a redemption fee or a short-term trading fee. With many other investments, your money is locked in or you have to find a specific buyer before you can sell.
- **Record keeping and reporting.** Mutual fund companies use sophisticated record keeping systems and send you regular financial statements, tax slips and reports.

### Mutual funds are not guaranteed

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While mutual funds have many advantages, it is important to remember that an investment in a mutual fund is not guaranteed. Unlike bank accounts or guaranteed investment certificates, mutual fund investments are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Under exceptional circumstances, the fund may suspend your right to sell your investment. See "*Purchases, Switches and Redemptions – Suspending your right to sell units*" for details.

### Risk and potential return

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As with most other investments, mutual funds come with a certain amount of risk. Mutual funds own different types of investments, depending on their investment objectives. The value of the investments in a mutual fund changes from day to day because of changes in interest rates, economic conditions and market or company news. As a result,

the value of mutual fund securities will vary. When you sell your units of the fund, you could get less money than you put in.

The amount of risk depends on the kind of fund you buy. Money market funds generally have low risk. They hold relatively safe short-term investments such as government treasury bills and other high quality money market instruments. Income funds, which typically invest in bonds, have a higher amount of risk because their prices can change when interest rates change. Equity funds generally have the highest risk because they invest mostly in stocks whose prices can rise and fall daily.

Before you invest in a mutual fund, you need to decide what level of risk you are comfortable with. The answer depends in part on the kind of returns you expect. Generally, higher risk investments have a higher potential for gains and losses, while lower risk investments have a lower potential for gains and losses.

Another important factor is time. Think about how soon you will need the money. If you are saving to buy a house in the near future, you will probably want a lower risk investment to reduce the chance of the fund value dropping just when you need the cash. If you are investing for retirement in 20 years, your investment horizon is much longer. You may be able to afford to put more emphasis on equity funds because there is more time for equity funds to recover if prices should fall.

But potential return and your time horizon are not the only yardsticks for successful investing. Your choice of mutual fund also depends on how you feel about risk. An investor who checks fund prices every week and worries when investments temporarily lose value has low risk tolerance. If that describes you, you might be more comfortable with money market funds, bond funds, balanced funds and perhaps very conservative equity funds. An investor who is willing to take on more risk might prefer a higher proportion of equity funds or more aggressive mutual funds that specialize in one industry or country.

## Purchases, Switches and Redemptions

You can buy the fund or transfer from the fund to another mutual fund managed by the Manager. “*Transferring*”, which involves moving money from one investment to another, is also known as “*switching*”.

You can sell your fund investment either through your representative or by contacting the Manager directly. Selling your investment is also known as “*redeeming*”.

### Net asset value or NAV per unit

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The “*net asset value*” or “*NAV*” per unit is the price used for all purchases, switches or redemptions of units. The price at which units are issued or redeemed is based on the next NAV per unit determined after receipt of the purchase, switch or redemption order.

All transactions are based on the series’ NAV per unit of the fund. The Manager calculates NAV of the fund and each of its series at 4:00 p.m. (Eastern time) (“*Valuation Time*”) on each “*Valuation Day*” which is any day that the Manager is open for a full day of business.

### How the Manager calculates NAV per unit

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The NAV per unit is determined in Canadian dollars for the fund.

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

When you place your order through a representative, the representative sends it to us. If we receive your properly completed order before 4:00 p.m. Eastern time on a Valuation Day, we will process it using that day’s NAV. If we receive your order after that time, we will use the NAV on the next valuation day. The Valuation Day used to process your order is called the “*trade date*”.

### About the units

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The fund offers Series I units. Series I units are available only to institutional clients and investors who have been approved by us and have entered into a Series I Account Agreement with us. The criteria for approval may include the size of the investment, the expected level of account activity and the investor’s total investment with us. The minimum initial investment for Series I units is determined when the investor enters into a Series I Account Agreement with us. No management fees are charged to the fund with respect to Series I units; each investor negotiates a separate management fee which is payable directly to us. Each investor also pays his/her representative’s firm an investment advisory fee, which the investor negotiates with his/her representative (acting on behalf of the representative’s firm).

### How to buy the fund

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You can invest in the fund by completing a purchase application, which you can get from your representative.

The minimum initial investment for Series I units is determined by us when you enter into a Series I Account Agreement with us.

These amounts are determined from time to time by us, in our sole discretion. They may also be waived by us and are subject to change without prior notice.

Your representative’s firm or we will send you a confirmation once we have processed your order. If you buy through the pre-authorized chequing plan described in the section entitled “*Option Services – Pre-authorized chequing plan*”, we will send you a confirmation for the first transaction and all other transactions will be reported on your regular account statements. A confirmation shows details of your transaction, including the name of the fund, the number and series of units you bought, the purchase price and the trade date. We do not issue certificates of ownership for the fund.

We may reject your purchase order within one business day of receiving it. If rejected, any monies sent with your order will be returned immediately to your representative's firm, without interest, once the payment clears. If we accept your order but do not receive payment within two business days, we will redeem your units on the next business day. If the proceeds are greater than the payment you owe, the difference will belong to the fund. If the proceeds are less than the payment you owe, your representative's firm will be required to pay the difference and is entitled to collect this amount and any associated expenses from you.

You and your representative are responsible for ensuring that your purchase order is accurate and that we receive all necessary documents and/or instructions. If we receive a payment or a purchase order that is otherwise valid but fails to specify a mutual fund, or if any other documentation in respect of your purchase order is incomplete, we may invest your money in Series A units of CI Money Market Fund under the initial sales charge option at 0% sales charge. An investment in CI Money Market Fund will earn you daily interest until we receive complete instructions regarding the mutual fund you have selected and all documentation in respect of your purchase is received in good order. Your total investment, including interest, will then be switched into the mutual fund you have chosen under the series and purchase option you have selected, without additional charge, at the unit price of the fund on the applicable switch date. For more information regarding CI Money Market Fund, please see its simplified prospectus or fund facts which can be found on our website at [www.ci.com](http://www.ci.com) or at [www.sedar.com](http://www.sedar.com).

From time to time, we may close the fund to new purchasers. Where the fund is closed to new purchasers, we may still permit new investors who purchase through a discretionary account and whose representative has signed an acknowledgement of portfolio management registration with us to purchase units of the fund.

### **Purchase options**

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Series I units can be purchased only through the no load option. Accordingly, you do not need to pay a sales commission to your representative's firm when you buy units of the fund or a redemption fee when you sell units of the fund.

### **Investment advisory fee option**

For Series I units, you negotiate an investment advisory fee with your representative (acting on behalf of the representative's firm). Unless otherwise agreed, we collect the investment advisory fee on behalf of your representative's firm, by redeeming (without charges) a sufficient number of Series I units of the fund from your account. The investment advisory fee is charged on a monthly or quarterly basis for Series I units.

For Series I units, the negotiated investment advisory fee must not exceed 1.25% annually of the net asset value of Series I units of the fund in your account.

The negotiated investment advisory fee rate is as set out in an agreement between you and your representative's firm. The investment advisory fee is payable by you to your representative's firm. It is the responsibility of your representative to disclose such fee to you before you invest. Note that an investment advisory fee of 0% will be applied by us if we do not receive an investment advisory fee agreement from your representative.

Note that such investment advisory fees are subject to applicable provincial and federal taxes and are in addition to any other fees that are separately negotiated with and directly payable to us. For further details, see "*Fees and Expenses*".

### **How to sell your units**

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To sell your units, send your signed instructions in writing to your representative or to us. Once we receive your order, you cannot cancel it. We will send you a confirmation once we have processed your order. We will send your payment within two business days of receiving your properly completed order. You will receive payment in the currency in which you bought the fund.

Your signature on your instructions must be guaranteed by a bank, trust company, or representative's firm if the sale proceeds are:

- more than \$25,000, or
- paid to someone other than the registered owner.

If the registered owner of the units is a corporation, partnership, agent, fiduciary or surviving joint owner, we may require additional information. If you are unsure whether you need to provide a signature guarantee or additional information, check with your representative or us.

### **Minimum balance**

If the value of your units in the fund is less than \$500, we may sell your units and send you the proceeds. We will give your representative 30 days' notice first.

We will give you and/or your representative 30 days' notice that such redemption or switch will take place. If you wish to avoid a redemption or a switch, you can make an additional investment to bring your account up to the required minimum balance. We will not redeem or switch your units if your account falls below the required minimum balance as a result of market movement rather than your redemption of units.

The minimum balance amounts described above are determined from time to time by us in our sole discretion. They may also be waived by us and are subject to change without notice. The current minimum balance amount may be obtained on our website at [www.ci.com](http://www.ci.com).

### **Suspending your right to sell units**

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Securities regulations allow us to temporarily suspend your right to sell your fund units and postpone payment of your sale proceeds:

- during any period when normal trading is suspended on any exchange on which securities or derivatives that make up more than 50% of the fund's value or its underlying market exposure are traded, provided those securities or derivatives are not traded on any other exchange that is a reasonable alternative for the fund,
- during any period when the right to redeem units is suspended for any underlying fund in which the fund invests all of its assets directly and/or through derivatives, or
- with the approval of securities regulators.

We will not accept orders to buy fund units during any period when we have suspended investors' rights to sell units of the fund.

### **How to transfer your units**

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#### **Transferring to another mutual fund managed by CI**

You can transfer from the fund to another mutual fund managed by CI by contacting your representative. To effect a transfer, give your representative the name of the fund and the series of units you hold, the dollar amount or number of units you want to transfer and the name of the other mutual fund managed by CI and the series to which you are transferring. You can only transfer your units into a different series of a different mutual fund managed by CI if you are eligible to buy such units. Such transfer is processed as a redemption of units of the fund followed by a purchase of securities of the new fund.

You can transfer between the fund and other mutual funds managed by CI if the redemption and purchase transactions are processed in the same currency.

The transfer of units from the fund to another mutual fund managed by CI will constitute a disposition of such units for purposes of the *Income Tax Act* (Canada) (the "*Income Tax Act*"). As a result, a taxable unitholder will generally realize a capital gain or capital loss on such units upon a transfer. The capital gain or loss for tax purposes in respect of the units will generally be the difference between the unit price of such units at that time (less any fees) and the adjusted cost base of those units. For more information, see "*Canadian Federal Income Tax Considerations for Investors*".

You may have to pay your representative's firm a transfer fee based on the value of the units you are transferring. However, the transfer fee is negotiable. If you have held the units for 30 days or less, you may also have to pay a short-term trading fee. The short-term trading fee does not apply to money market funds. Transfer fees and short-term trading fees do not apply to transfers that are part of systematic transactions, including transactions that are part of the automatic rebalancing service. See "*Fees and Expenses*" for details about these fees.

A transfer between the fund and another mutual fund managed by the Manager is a disposition for tax purposes which may result in you realizing a taxable capital gain. For more information, see “*Canadian Federal Income Tax Considerations for Investors*”.

### **Short-term trading**

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Redeeming or switching units of the fund within 30 days after they were purchased, which is referred to as short-term trading, may have an adverse effect on other investors in the fund because it can increase trading costs to the fund to the extent the fund purchases and sells portfolio securities in response to each redemption or switch request. An investor who engages in short-term trading also may participate in any appreciation in the net asset value of the fund during the short period that the investor was invested in the fund, which reduces the amount of the appreciation that is experienced by other, longer term investors in the fund.

We have in place procedures to detect, identify and deter inappropriate short-term trading and may amend them from time to time, without notice. We will take such action as we consider appropriate to deter inappropriate short-term trading activities. Such action may, in our sole discretion, include the issuance of a warning letter, the charging of a short-term trading fee on behalf of the fund of up to 2% of the net asset value of the units you redeem or switch and/or the rejection of future purchase or switch orders where multiple or frequent short-term trading activity is detected in an account or group of accounts, as appropriate.

Any short-term trading fee is in addition to any other fees you would otherwise be subject to under this simplified prospectus. Please see “*Fees and Expenses – Fees and expenses payable directly by you – Short-term trading fee*” for more details.

The short-term trading fee will generally not apply in connection with redemptions or switches initiated by us and redemption or switches initiated by investors in special circumstances, as determined by us in our sole discretion, including but not limited to the following:

- redemptions or switches from money market funds;
- transactions relating to optional systematic plans such as the automatic rebalancing service and systematic redemption plans;
- trades initiated by us (including as part of a fund termination, a fund reorganization or merger);
- redemptions or switches of units purchased by reinvesting distributions; or
- transactions by investment vehicles that are used as a conduit for investors to get exposure to the investments of the fund or other mutual funds managed by CI, including mutual funds (e.g. funds of funds), asset allocation services, discretionary managed accounts and insurance products (e.g. segregated funds). Such investment vehicles may purchase and redeem units of the fund on a short-term basis, but as they are typically acting on behalf of numerous investors, the investment vehicle itself is not generally considered to be engaged in harmful short-term trading.

While we actively take steps to monitor, detect, and deter short-term or excessive trading, we cannot ensure that all such trading activity is completely eliminated.

## Optional Services

You can take advantage of the following plans and services when you invest in the fund.

### Registered plans

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Units of the fund are not currently qualified investments for registered plans, as the fund is neither a “*registered investment*” nor a “*mutual fund trust*” within the meaning of such terms in the Income Tax Act.

### Automatic rebalancing service

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We offer an automatic portfolio rebalancing service to all investors in the fund. This service can be applied to any account and monitors when the value of your investments within the fund deviates from your target allocations. There is no fee for this service.

In order to utilize the automatic rebalancing service, you and your representative must define the following rebalancing criteria:

- *Frequency date:* You must decide if you want your account rebalanced on a monthly, quarterly, semi-annual or annual basis. Your account will be reviewed and, if necessary, rebalanced on the first Friday in the calendar period of the frequency you selected. For accounts which are rebalanced annually, the review and, if necessary, rebalancing will occur instead on the first Friday in December.
- *Variance percentage:* You must determine by what percentage you will allow the actual values of your investments in the fund to differ from your target allocations before triggering a rebalancing.
- *Rebalancing allocation:* You must determine if this service should be applied to include all mutual funds managed by CI within your account (identified as “*Account Level*”) or only to specific mutual funds managed by CI within your account (“*Fund Level*”).

When the current value of your investment in any mutual fund managed by CI varies on the frequency date by more than the percentage variance you have selected, we will automatically switch your investments to return to your target mutual fund allocations for all mutual funds within your account. If 100% of a mutual fund within your account is redeemed or switched, your Fund Level allocations will be updated and proportionately allocated to the remaining active mutual funds in your target allocations. In the case of Account Level target allocations, the target allocations will remain unchanged and we will await your further written instructions.

The following example shows how the automatic rebalancing service works:

<b>Frequency Date: Quarterly Variance Percentage: 2.5%</b>	<b>Target Allocation</b>	<b>Current Value</b>	<b>Difference</b>
Fund A	25.0%	28.1%	+3.1%
Fund B	25.0%	26.3%	+1.3%
Fund C	25.0%	21.7%	-3.3%
Fund D	25.0%	23.9%	-1.1%

At the end of the calendar quarter, we would review your account and automatically:

- Switch units out of Fund A equal to 3.1% of your portfolio into units of Fund C
- Switch units out of Fund B equal to 1.1% of your portfolio into Fund D and 0.2% of your portfolio into Fund C

As described under “*Transferring to another mutual fund managed by CI*”, a switch between the fund and other mutual funds managed by CI outside of registered plans made by the automatic rebalancing service may cause you to realize a taxable capital gain.

### **Pre-authorized chequing plan**

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Our pre-authorized chequing plan allows you to make regular investments in the fund in the amounts you choose. You can start the plan by completing an application, which is available from your representative. Here are the plan highlights:

- the initial investment and each subsequent investment must be at least \$25 for each series of the fund;
- we automatically transfer the money from your bank account to the fund;
- you can choose any day of the month to invest weekly, bi-weekly, monthly, bi-monthly, quarterly, semi-annually or annually;
- if the date you choose falls on a day that is not a business day, your units will be bought the next business day;
- you can change or cancel the plan at any time by providing us 48 hours’ notice;
- we will confirm your first automatic purchase and all other transactions will be reported on your semi-annual and annual statements if your investments are made no less frequently than monthly, otherwise we will confirm each subsequent purchase; and
- to increase your regular investments under the plan, please contact your representative or us.

When you initially enroll in our pre-authorized chequing plan, you will receive a copy of the fund’s most recently-filed fund facts. An updated fund facts document will not be sent to you with respect to purchases under our pre-authorized chequing plan unless you request it. The most recently-filed fund facts document may be found at [www.sedar.com](http://www.sedar.com) or [www.ci.com](http://www.ci.com). You will not have a withdrawal right for purchases under the pre-authorized chequing plan, other than the initial purchase or sale, but you will have the rights described under “*What Are Your Legal Rights?*” for any misrepresentation about the fund contained in this simplified prospectus, annual information form, fund facts or financial statements.

### **Systematic redemption plan**

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Our systematic redemption plan allows you to receive regular cash payments from the fund. You can start the plan by completing an application, which is available from your representative. Here are the plan highlights:

- the minimum amount you can sell is \$25 for each series of the fund;
- we automatically sell the necessary number of units to make payments to your bank account or a cheque is mailed to you;
- if the date you choose is not a business day, your units will be sold the previous business day;
- you can change or cancel the plan at any time by providing us 48 hours’ notice; and
- we will confirm your first automatic redemption and all other automatic redemptions will be reported on your semi-annual and annual statements if your investments are made no less frequently than monthly, otherwise we will confirm each subsequent purchase.

If you withdraw more money than your units are earning, you will eventually use up your investment.

### **Systematic transfer plan**

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Our systematic transfer plan allows you to make regular transfers from the fund to another fund managed by CI. You can start the plan by completing an application, which is available from your representative. Here are the plan highlights:

- the minimum transfer amount is \$25;
- we automatically sell units you hold in the fund, series and sales charge option you specify and transfer your investment to another fund of your choice in the same series and sales charge option;

- you can only transfer between the fund and other mutual funds managed by CI and series priced in the same currency;
- you can choose any day of the month to make transfers weekly, bi-weekly, monthly, bi-monthly, quarterly, semi-annually or annually;
- if the date you choose is not a business day, your transfer will be processed the previous business day;
- you can change or cancel the plan at any time by providing us 48 hours' notice; and
- we will confirm your first automatic transfer and all other automatic transfers will be reported on your semi-annual and annual statements if your investments are made no less frequently than monthly, otherwise we will confirm each subsequent purchase.

You may have to pay your representative's firm a transfer fee based on the value of the units you are transferring. The short-term trading fee does not apply to money market funds. See "*Fees and Expenses*" for details about these fees.

A transfer between the fund and other mutual funds managed by CI is a disposition for tax purposes. If you hold your units outside a registered plan, you may realize a taxable capital gain. For more information see "*Canadian Federal Income Tax Considerations for Investors*".

## Fees and Expenses

The table below shows the fees and expenses you may have to pay if you invest in the fund. You may have to pay some of these fees and expenses directly. The fund may have to pay some of these fees and expenses, which will reduce the value of your investment.

Fees and expenses payable by the fund	Description
Management fees	<p>No management fees are charged to the fund for Series I units.</p> <p>Investors of Series I units pay management fees directly to us, as set out in the section below entitled “<i>Fees and expenses payable directly by you – Series I Account Agreement Fees</i>”.</p> <p>Management fees are paid in consideration of providing, or arranging for the provision of, management, distribution, portfolio management services and oversight of any portfolio sub-advisory services provided in relation to the fund as well as any marketing and promotion of the fund.</p>
Administration fees and operating expenses	<p>No separate administration fee applies in respect of Series I units because separate fee and expense arrangements are established in each Series I Account Agreement.</p> <p>We bear all of the operating expenses of the fund other than Certain Fund Costs (as defined below) (the “<i>Variable Operating Expenses</i>”) in return for the Series I Account Agreement Fees as described in the section below headed “<i>Fees and expenses payable directly by you – Series I Account Agreement Fees</i>”. These Variable Operating Expenses include, but are not limited to, transfer agency, pricing and accounting fees, which include processing purchases and sales of fund securities and calculating fund security prices; legal, audit and custodial fees; administrative costs and trustee services relating to registered tax plans; filing fees; the costs of preparing and distributing fund financial reports, simplified prospectuses, fund facts and other investor communications.</p> <p>“<i>Certain Fund Costs</i>”, which are payable by the fund, are (a) borrowing costs incurred by the fund from time to time, (b) the fees, costs and expenses associated with compliance with any new governmental and regulatory requirements imposed after the establishment of the fund; and (c) taxes of any kind charged directly to the fund (principally income tax and G.S.T., H.S.T. and any applicable provincial sales taxes on its management and administration fees, if applicable). For greater certainty, we will bear all taxes (such as G.S.T., H.S.T. and any applicable provincial sales taxes) charged to us for providing the goods, services and facilities included in the Variable Operating Expenses. However, fees charged directly to investors are not included in the Variable Operating Expenses.</p> <p>The fund is responsible for the payment of its transaction costs, which include brokerage fees, spread, brokerage commissions and all other transaction fees, including the costs of derivatives and foreign exchange, as applicable (“<i>Transaction Costs</i>”). Transaction costs are not considered to be operating expenses and are not part of the management expense ratio of a series of the fund.</p>
Independent Review Committee Fees	<p>Each IRC member (other than the Chair) is paid, as compensation for his or her services, \$72,000 per annum plus \$1,500 for each meeting after the sixth meeting attended. The Chair is paid \$88,000 per annum plus \$1,500 for each meeting after the sixth meeting attended. Each year the IRC determines and discloses its compensation in its annual report to unitholders of the fund. We reimburse the fund for the fees and expenses of the IRC.</p>

Underlying fund fees and expenses Where the fund (a “*top fund*”) invests directly or indirectly in underlying funds, the fees and expenses payable in connection with the management of the underlying funds are in addition to those payable by the top fund. However, no management fees or incentive fees are payable by a top fund that, to a reasonable investor, would duplicate a fee payable by an underlying fund for the same service. Except in the case of an Underlying ETF (as defined below) managed by us or our affiliate, there will neither be sales nor redemption fees payable by a top fund with respect to its purchase or redemption of securities of an underlying fund managed by us or our affiliate. In addition, a top fund will not pay sales or redemption fees with respect to its purchase or redemption of securities of an underlying fund that, to a reasonable person, would duplicate a fee payable by you in the top fund.

The fund may invest in a one or more underlying exchange-traded funds (each an “*Underlying ETF*”). Where a top fund invests in an Underlying ETF managed by us or our affiliate, we have obtained exemptive relief to permit the top fund to pay normal brokerage and trading expenses in connection with its investment in the Underlying ETF.

Fees and expenses payable directly by you	Description
Transfer fee	You may have to pay your representative’s firm a transfer fee of up to 2% of the net asset value of the units of the fund you are transferring to a different mutual fund managed by CI. You can negotiate this fee with your representative (acting on behalf of the representative’s firm). We collect the transfer fee on behalf of your representative’s firm and pay it to your representative’s firm. This fee does not apply to transfers that are systematic transactions, including such transactions that are part of the automatic rebalancing service.
Short-term trading fee	We may charge you a short-term trading fee on behalf of the fund of up to 2% of the net asset value of the units you redeem or switch, if we determine that you have engaged in inappropriate short-term trading. The fee is collected by us by redeeming, without charges, a sufficient number of units from your account and is paid to the fund from which you redeemed or switched. Please see “ <i>Purchases, Switches and Redemptions – Short-term trading</i> ” for more details.  The short-term trading fee is in addition to any other fees you would otherwise be subject to under this simplified prospectus.
Registered plan fees	None
Other fees	
<i>Pre-authorized chequing plan</i>	None
<i>Systematic redemption plan</i>	None
<i>Systematic transfer plan</i>	None
<i>Automatic rebalancing service</i>	None

*Investment advisory fee*

For Series I units, you pay your representative's firm an investment advisory fee which is negotiated between you and your representative (acting on behalf of your representative's firm). Unless otherwise agreed, we collect the investment advisory fee on behalf of your representative's firm, by redeeming (without charges) a sufficient number of Series I units of the fund from your account. The investment advisory fee is charged on a monthly or quarterly basis for Series I units.

For Series I units, the negotiated investment advisory fee must not exceed 1.25% annually of the net asset value of Series I units of the fund in your account.

The negotiated investment advisory fee rate is as set out in an agreement between you and your representative's firm. It is the responsibility of your representative to disclose such fee to you before you invest. Note that an investment advisory fee of 0% will be applied by us if we do not receive an investment advisory fee agreement from your representative.

Note that such investment advisory fees are subject to applicable provincial and federal taxes and are in addition to any other fees that are separately negotiated with and directly payable to us. For further details, see "*Fees and Expenses*".

*Series I Account Agreement Fee*

For Series I units, you negotiate a fee with us, up to a maximum of 1.35% annually of the net asset value of Series I units of the fund in your account, depending on the asset class of the investments. This includes a management fee and an administration fee. Series I Account Agreement Fees are calculated and accumulated daily based on the net asset value of Series I units of the fund in your account on the preceding business day. The accumulated fees are collected by us monthly by the redemption (without charges) of a sufficient number of Series I units of the fund from your account.

*Administrative fees*

There is a \$25 charge for all cheques returned because of insufficient funds.

**Impact of sales charges**

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Series I units can be purchased only through the no load option. Accordingly, you do not need to pay a sales commission to your representative's firm when you buy units of a fund or a redemption fee when you sell units of the fund.

## Dealer Compensation

This section explains how we compensate your representative's firm when you invest in the fund.

### Transfer fees

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You may have to pay your representative's firm a fee of up to 2% of the value of the units you are transferring to a different mutual fund managed by CI, which is deducted from the amount you transfer. This fee does not apply to transfers that are part of systematic transactions, including such transactions that are part of the automatic rebalancing service.

### Investment advisory fees

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For Series I units, you pay your representative's firm an investment advisory fee which is negotiated between you and your representative (acting on behalf of your representative's firm). Unless otherwise agreed, we collect the investment advisory fee on behalf of your representative's firm, by redeeming (without charges) a sufficient number of Series I units of the fund from your account. The investment advisory fee is charged on a monthly or quarterly basis for Series I units. The negotiated investment advisory fee must not exceed 1.25% annually of the net asset value of Series I units of the fund in your account.

The negotiated investment advisory fee rate is as set out in an agreement between you and your representative's firm. It is the responsibility of your representative to disclose such fee to you before you invest. Note that an investment advisory fee of 0% will be applied by us if we do not receive an investment advisory fee agreement from your representative.

Note that such investment advisory fees are subject to applicable provincial and federal taxes and are in addition to any other fees that are separately negotiated with and directly payable to us. For further details, see "*Fees and Expenses*".

### Co-operative marketing programs

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We may reimburse your representative's firm for expenses incurred in selling the fund, including:

- advertising and other marketing expenses,
- educational and sales seminars attended by representatives or their clients, and
- other marketing programs.

We can change or cancel co-operative marketing programs at any time.

### Disclosure of Equity Interests

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Each of CI Investments Inc., Assante Capital Management Ltd., Assante Financial Management Ltd. and BBS Securities Inc. is a 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.

### Dealer compensation from management fees

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We paid representatives' firms sales and service commissions equal to approximately 34.14% of the total management fees we received in respect of mutual funds managed by us during the financial year ended December 31, 2019.

## Canadian Federal Income Tax Considerations for Investors

This section is a summary of how Canadian federal income taxes can affect your investment in the fund. It assumes that you:

- are an individual, other than a trust,
- are a Canadian resident,
- deal with the fund at arm's length, and
- hold your units directly as capital property.

Everyone's tax situation is different. You should consult your tax advisor about your situation.

### The Fund

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In general, the fund pays no income tax as long as it distributes its net income and net capital gains to its unitholders. The fund generally intends to distribute enough of its net income and net realized capital gains each year, so it will not have to pay income tax.

### How Your Investment Can Generate Income

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Your investment in the fund can generate income for tax purposes in two ways:

- **Distributions.** When the fund earns net income from its investments or realizes a net capital gain by selling securities, it may pass these amounts on to you as a distribution.
- **Capital gains (or losses).** You will realize a capital gain (or loss) when you sell or switch your units of the fund for more (or less) than you paid for them. For more information see "*Calculating your capital gain or loss*".

### Units held in a Registered Plan

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Units of the fund are not currently, and are not expected to be, qualified investments under the Income Tax Act for registered plans as the fund is not, and is not expected to be, either "*registered investment*" or "*mutual fund trust*" within the meaning of such terms in the Income Tax Act.

### Units held in a non-registered account

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For units of the fund held in a non-registered account, you must include the following in computing your income each year:

- Any net income and the taxable portion of any net capital gains (computed in Canadian dollars) distributed to you by the fund, whether you receive the distributions in cash or they are reinvested in units of the fund.
- The taxable portion of any capital gains you realize from selling your units (including to pay fees described in this document) or transferring your units (other than a change between series of the fund) when the value of the units is greater than their adjusted cost base plus reasonable costs of disposition (including any redemption fees). If the value of units sold is less than their adjusted cost base plus reasonable costs of disposition (including any redemption fees), you will have a capital loss. Generally, you may use capital losses you realize to offset capital gains.

The Manager will issue a tax slip to you each year for the fund that shows you how much of each type of income the fund distributed to you and any return of capital. You can claim any tax credits that apply to that income. For example, if distributions by the fund include Canadian dividend income or foreign income, you will qualify for tax credits to the extent permitted by the Income Tax Act.

Dividends and capital gains distributed by the fund and capital gains realized on the disposition of units may give rise to alternative minimum tax.

The fees you pay for Series I units consist of investment advisory fees that you pay to your representative's firm and management fees that you pay to the Manager. To the extent that such fees are collected by the redemption of units, you will realize gains or losses in non-registered accounts. The deductibility of these fees, for income tax purposes, will depend on the exact nature of services provided to you and the type of investment held. Generally, fees paid by you to your representative's firm in respect of Series I units of the fund held in a non-registered account should be deductible for income tax purposes from income earned on the fund to the extent that the fees are reasonable and represent fees for advice to you regarding the purchase and sale of specific units (including units of the fund) by you directly. You should consult with your own tax advisers regarding the deductibility of management and investment advisory fees paid with respect to these series of units.

### **Non-Qualification as a Mutual Fund Trust**

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In any year throughout which the fund does not qualify as a "*mutual fund trust*" under the Income Tax Act, the fund (i) may become liable for alternative minimum tax under the Income Tax Act in such year, (ii) may be subject to a special tax under Part XII.2 of the Income Tax Act in such year and (iii) may be subject to rules applicable to financial institutions discussed below.

The fund may be subject to alternative minimum tax in any taxation year throughout which the fund did not qualify as a "*mutual fund trust*" under the Income Tax Act. This could occur, for example, in a year in which the fund does not qualify as a "*mutual fund trust*" and has losses on income account, as well as capital gains.

Part XII.2 of the Income Tax Act provides that certain trusts (excluding mutual fund trusts) that have an investor who is a "*designated beneficiary*" under the Income Tax Act at any time in the taxation year are subject to a special tax under Part XII.2 of the Income Tax Act on the trust's "*designated income*" under the Income Tax Act. "*Designated beneficiaries*" generally include non-resident persons, non-resident owned investment corporations, certain trusts, certain partnerships, and certain tax-exempt persons in certain circumstances where the tax-exempt person acquires units from another beneficiary. "*Designated income*" generally includes income from businesses carried on in Canada and taxable capital gains from dispositions of taxable Canadian property. Where the fund is subject to tax under Part XII.2, provisions in the Income Tax Act are intended to ensure that unitholders who are not designated beneficiaries receive an appropriate refundable tax credit.

As the fund is not, and is not expected to be a "*mutual fund trust*" within the meaning of such terms in the Income Tax Act, if more than 50% (calculated on a fair market value basis) of the units of the fund are held by one or more unitholders that are considered to be "*financial institutions*" for the purposes of certain special "*mark-to-market*" rules in the Income Tax Act, then the fund itself will be treated as a financial institution under those special rules. Under those rules, the fund will be required to recognize at least annually on income account any gains and losses accruing on certain types of debt obligations and equity securities that it holds and also will be subject to special rules with respect to income inclusion on these securities. Any income arising from such treatment will be included in amounts to be distributed to unitholders. If more than 50% of the units of the fund cease to be held by financial institutions, the taxation year of the fund will be deemed to end immediately before that time and any gains or losses on certain types of debt obligations and equity securities that it holds accrued before that time will be deemed to be realized by the fund at that time and will be distributed to unitholders. A new taxation year for the fund will then begin as described above.

As the fund is not, and is not expected to be a "*mutual fund trust*" within the meaning of such terms in the Income Tax Act, it is also not entitled to claim the capital gains refund that would otherwise be available to it if it were a "*mutual fund trust*" throughout the year. As a consequence, non-redeeming unitholders for a particular year will be allocated and subject to tax on the amount of net realized capital gains that would have otherwise been reduced or refunded as a capital gains refund in respect of redeeming units throughout the year.

In addition, as the fund is not, and is not expected to be a "*mutual fund trust*" within the meaning of such terms in the Income Tax Act, the fund may be required to reduce any loss realized on the disposition of shares of a corporation by the amount of dividends received thereon, including those that are distributed to unitholders.

### **Distributions**

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Distributions from the fund (whether in the form of cash or in the form of reinvested units) may include a return of capital. **When the fund earns less income for tax purposes than the amount distributed, the difference is a return of capital.** A return of capital is not taxable, but will reduce the adjusted cost base of your units. If the adjusted

cost base of your units becomes a negative amount at any time in a taxation year, you will be deemed to realize a capital gain equal to that amount and the adjusted cost base of your units will be reset to zero. The tax slip we will issue to you each year will show you how much capital was returned to you in respect of your units.

Distributions may result from foreign exchange gains because the fund is required to report income and net realized capital gains in Canadian dollars for tax purposes.

The NAV per unit of the fund will, in part, reflect any income and gains of the fund that have been earned or been realized, but have not been made payable at the time units were acquired. Accordingly, a unitholder who acquires units, including on a reinvestment of distributions, may become taxable on the unitholder's share of such income and gains of the fund. In particular, an investor who acquires units at any time in the year but prior to a distribution being paid or made payable will have to pay tax on the entire distribution (to the extent it is a taxable distribution) notwithstanding that such amounts may have been reflected in the price paid by the unitholder for the units. See "*Specific Information About the Fund*" for the distribution policy of the fund.

The higher the fund's portfolio turnover rate in a year, the greater the chance that you will receive a taxable distribution from the fund. There is no necessary relationship between the fund's turnover rate and its performance, however, the larger trading costs associated with a high portfolio turnover rate would reduce the fund's performance.

### **Calculating your capital gain or loss**

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Your capital gain or loss for tax purposes is the difference between the amount you receive as proceeds of redemption when you sell or transfer your units (after deducting any redemption fees or other charges) and the adjusted cost base of those units.

In general, the adjusted cost base of each of your units of a particular series of the fund at any time equals:

- your initial investment for all your units of that series of the fund (including any sales charges paid), **plus**
- your additional investments for all your units of that series of the fund (including any sales charges paid), **plus**
- reinvested distributions in additional units of that series of the fund, **minus**
- any return of capital distributions by the fund in respect of units of that series of the fund, **minus**
- the adjusted cost base of any units of that series of the fund previously redeemed,

**all divided by**

- the number of units of that series of the fund that you hold at that time.

When units are redeemed to pay management fees and/or investment advisory fees, such redemption is considered a disposition for tax purposes, and you may realize a taxable capital gain.

You should keep detailed records of the purchase cost of your investments and distributions you receive on those units, so you can calculate their adjusted cost base. Other factors may affect the calculation of the adjusted cost base and you may want to consult a tax advisor.

In certain situations where you dispose of units of the fund and would otherwise realize a capital loss, the loss will be denied. This may occur if you, your spouse or another person affiliated with you (including a corporation controlled by you) has acquired units of the fund (which are considered to be "*substituted property*") within 30 days before or after you dispose of your units. In these circumstances, your capital loss may be deemed to be a "*superficial loss*" and denied. The amount of the denied capital loss will be added to the adjusted cost base to the owner of the units which are substituted property.

### **Tax Information Reporting**

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The fund has due diligence and reporting obligations under the Foreign Account Tax Compliance Act (as implemented in Canada by the Canada-United States Enhanced Tax Information Exchange Agreement and Part XVIII of the Income Tax Act, collectively "*FATCA*") and the OECD's Common Reporting Standard (as implemented in Canada by Part XIX of the Income Tax Act, "*CRS*"). Generally, unitholders (or in the case of certain unitholders that are entities, the "controlling persons" thereof) will be required by law to provide their representative

or representative's firm with information related to their citizenship or tax residence and, if applicable, their foreign tax identification number. If a unitholder (or, if applicable, any of its controlling persons) (i) is identified as a U.S. Person (including a U.S. resident or a U.S. citizen), (ii) is identified as a tax resident of a country other than Canada or the U.S., or (iii) does not provide the required information and indicia of U.S. or non-Canadian status is present, information about the unitholders (or, if applicable, its controlling persons) and his, her or its investment in the fund will generally be reported to the CRA. The CRA will provide that information to, in the case of FATCA, the U.S. Internal Revenue Service and in the case of CRS, the relevant tax authority of any country that is a signatory of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information or that has otherwise agreed to a bilateral information exchange with Canada under CRS.

## **What are Your Legal Rights?**

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the simplified prospectus or fund facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund securities and get your money back, or to make a claim for damages, if the simplified prospectus, annual information form, fund facts or financial statements misrepresent any facts about the fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.

## Specific Information About the Fund

### Organization and Management of the Fund

Name	Description
<b>Manager</b> CI Investments Inc. 2 Queen Street East, Twentieth Floor Toronto, Ontario M5C 3G7	As manager, we are responsible for the day-to-day operations of the fund and provide all general management and administrative services.
<b>Trustee</b> CI Investments Inc. Toronto, Ontario	The trustee of the fund controls and has authority over the fund's investments and cash on behalf of unitholders. As trustee, we may also appoint governors to the fund to oversee its operations.
<b>Custodian</b> RBC Investor Services Trust Toronto, Ontario	The custodian holds the fund's investments and cash on behalf of the fund. The custodian is independent of CI.
<b>Registrar</b> CI Investments Inc. Toronto, Ontario	As registrar, we keep a record of all unitholders of the fund, process orders and issue account statements and tax slips to unitholders.
<b>Auditor</b> Ernst & Young LLP Toronto, Ontario	The auditor of the fund prepares an independent auditor's report in respect of the financial statements of the fund. The auditor has advised us that it is independent with respect to the fund within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.
<b>Securities Lending Agent</b> RBC Investor Services Trust Toronto, Ontario	The securities lending agent acts on behalf of the fund in administering the securities lending transactions entered into by the fund. The securities lending agent is independent of CI.
<b>Portfolio Advisor</b> CI Investments Inc. Toronto, Ontario  <b>Portfolio Sub-Advisor</b>  CI Global Investments Inc. <i>Boston, Massachusetts and Oakland, California</i>	<p>As portfolio advisor, we are responsible for providing, or arranging to provide, investment advice to the fund. CI is the portfolio advisor for the fund, but hires a portfolio sub-advisor to provide investment analysis and recommendations for the fund.</p> <p>CI is an affiliate of CI Global Investments Inc.</p> <p>CI is responsible for the investment advice provided by the portfolio sub-advisor. It may be difficult to enforce any legal rights against CI Global Investments Inc., because it is resident outside of Canada and most or all of its assets are outside of Canada. CI is responsible for any loss that arises out of the failure of an international sub-advisor to meet standards prescribed by securities legislation.</p>
<b>Independent Review Committee</b>	The independent review committee (the "IRC") provides independent oversight and impartial judgment on conflicts of interest involving the fund. Among other matters, the IRC prepares, at least annually, a report of its activities for investors in the fund which is available on our website at <a href="http://www.ci.com">www.ci.com</a> or upon request by

	<p>any investor, at no cost, by calling: 1-800-792-9355 or e-mailing to: <a href="mailto:service@ci.com">service@ci.com</a>.</p> <p>The IRC currently is comprised of five members, each of whom is independent of CI, its affiliates and the fund. Additional information concerning the IRC, including the names of its members, and governance of the fund is available in the fund's annual information form.</p> <p>If approved by the IRC, the fund may change its auditor by sending you a written notice of any such change at least 60 days before it takes effect. Likewise, if approved by the IRC, we may merge the fund into another mutual fund provided the merger fulfills the requirements of the Canadian securities regulators relating to mutual fund mergers and we send you a written notice of the merger at least 60 days before it takes effect. In either case, no meeting of unitholders of the fund is required to be called to approve the change.</p>
<p><b>Investments in underlying mutual funds</b></p>	<p>If the fund invests in an underlying fund managed by us or any of our affiliates or associates, it will not vote any of the securities it holds in the underlying fund. However, we may arrange for you to vote your share of those securities.</p>

# CI Emerging Markets Bond Fund

## Fund details

<b>Fund type</b>	Emerging Markets Fixed Income
<b>Date started</b>	
Series I	December 30, 2020
<b>Type of securities</b>	Units of an investment trust
<b>Registered plan eligibility</b>	Not expected to be a qualified investment for Registered Plans
<b>Portfolio sub-advisor</b>	CI Global Investments Inc.

## What does the fund invest in?

### Investment objective

The fund's objective is to obtain long-term total returns through interest income and capital gains by primarily investing in debt securities issued by governments, quasi-sovereign entities and corporations in emerging market countries, or that provide exposure to emerging markets. The fund may also invest in government and corporate debt securities of developed countries.

Any change to the investment objective must be approved by a majority of votes cast at a meeting of unitholders held for that reason.

### Investment strategies

To achieve the fund's investment objective, the portfolio advisor will primarily invest in debt securities issued by governments, quasi-sovereign entities, and corporates in emerging market countries, or that provide exposure to emerging markets. The fund will primarily invest in securities denominated in hard currency, including but not limited to U.S. dollars or Euros, but may also invest in securities denominated in the local currency of emerging market countries. The fund may also invest in government and corporate debt securities of developed countries.

The portfolio advisor selects securities that it believes have fundamental value that is not reflected in their credit rating and yield and utilizes fundamental economic analysis of each country to assess, among other factors, growth potential, fiscal trajectory, balance of payments trends and overall policy framework, to determine:

- issuer's creditworthiness
- expected changes in interest rates
- yield of various terms to maturity

The portfolio advisor also conducts detailed company credit and industry analysis to identify investments offering attractive return opportunities while simultaneously minimizing default prospects. The portfolio advisor also considers the investment's assessed valuation relative to its current price in deciding whether to buy or sell an investment.

The fund may also choose to:

- use warrants and derivatives such as options, swaps, futures, forward contracts and swaps to:
  - hedge against losses from changes in interest rates, credit quality and the prices of the fund's investments and from exposure to foreign currencies; and/or
  - gain exposure to individual securities and markets instead of buying the securities directly; and/or
- enter into securities lending transactions, repurchase transactions and reverse repurchase transactions, to the extent permitted by the securities regulations, to earn additional income for the fund (see "*How the fund*

*engages in securities lending transactions” under the heading “Additional Information – Additional Information on the use of certain investment strategies”).*

The fund will only use derivatives as permitted by securities regulations (see “*How the fund uses derivatives*” under the heading “*Additional Information – Additional Information on the use of certain investment strategies*”).

The fund also may engage in short selling as permitted by securities regulations. In determining whether securities of a particular issuer should be sold short, the portfolio sub-advisor uses the same analysis that is described above for deciding whether to purchase the securities. The fund will engage in short selling as a complement to the fund’s current primary discipline of buying securities with the expectation that they will appreciate in market value. For a more detailed description of short selling and the limits within which the fund may engage in short selling, please refer to “*How the fund engages in short selling*” under the heading “*Additional Information – Additional Information on the use of certain investment strategies*”.

The fund may obtain exposure, on some or all of its assets, to securities of other mutual funds, including domestic and foreign ETFs and those managed by us (see “*Investing in underlying funds*” under the heading “*Additional Information – Additional Information on the use of certain investment strategies*” and “*Investment Restrictions and Practices*” in the annual information form of the fund).

In the event of adverse market, economic and/or political conditions or for strategic reasons, the portfolio advisor may invest this fund’s assets in cash and cash equivalent securities.

Pursuant to exemptive relief from the Canadian securities authorities, the fund may, subject to certain restrictions, purchase securities of ETFs that seek to:

- provide daily results that replicate the daily performance of a specified widely-quoted market index on a leveraged basis (a multiple of 200% or an inverse multiple of 100% or 200%);
- seek to replicate the performance of gold, or the value of a specified derivative the underlying interest of which is gold, on a leveraged (a multiple of 200%) basis.

For a more detailed description of the limits within which the fund may engage in such investments, please refer to “*Investments in leveraged exchange-traded funds*” in under the heading “*Investment Restrictions and Practices*” in the annual information form of the fund.

The fund may, from time to time, engage in trading which results in a portfolio turnover rate greater than 70%. The larger trading costs associated with a high portfolio turnover rate would reduce the fund’s performance. Moreover, the higher a fund’s portfolio turnover rate in a year, the greater the chance that you will receive a taxable distribution from the fund.

### **What are the risks of investing in the fund?**

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An investment in the fund may be subject to the following risks:

#### **Capital depletion risk**

The fund may make distributions comprised in whole or in part, of return of capital. A return of capital distribution is a return of a portion of an investor’s original investment and may, over time, result in the return of the entire amount of the original investment to the investor. This distribution should not be confused with yield or income generated by the fund. Return of capital distributions that are not reinvested will reduce the net asset value of the fund, which could reduce the fund’s ability to generate future income. You should not draw any conclusions about the fund’s investment performance from the amount of this distribution. For more information on the tax implications of return of capital distributions, please refer to the section entitled “*Canadian Federal Income Tax Considerations for Investors – Distributions*”.

### **Changes in legislation risk**

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

### **Credit risk**

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

### **Commodity risk**

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

### **Currency risk**

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

As a portion of the fund's portfolio may be invested in securities traded in currencies other than the base currency, the net asset value of the fund when measured in the fund's base currency, will, to the extent this has not been hedged against, be affected by changes in the value of the foreign currencies relative to the base currency.

### **Currency hedging risk**

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

### **Cyber security risk**

With the increased use of technologies, such as the internet, to conduct business, the fund is susceptible to operational, information security, and related risks through breaches in cyber security. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g. through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e. efforts to make network services unavailable to intended users). Cyber incidents affecting the fund, us in our capacity

as manager or the fund's service providers (including, but not limited to, the fund's custodian) have the ability to cause disruptions and impact each of their respective business operations, potentially resulting in financial losses, interference with the calculation of the net asset value of the fund or a series of the fund, impediments to trading the portfolio securities of the fund, the inability to process transactions in units of the fund, including purchases and redemptions of units of the fund, 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 fund invests and counterparties with which the fund engages in transactions.

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

### **Derivatives risk**

The fund may use derivatives to protect against losses from changes in stock prices, exchange rates or market indices. This is called "*hedging*". The fund may also use derivatives to make indirect investments. For more information about how the fund uses derivatives, see "*What does the fund invest in?*" under "*Specific Information About the Fund*".

The use of derivatives comes with a number of risks:

- hedging with derivatives may not always work and it could restrict the fund's ability to increase in value;
- there is no guarantee that the fund will be able to obtain a derivative contract when it needs to, and this could prevent the fund from making a profit or limiting a loss;
- a securities exchange could impose limits on trading of derivatives, making it difficult to complete a contract;
- the other party in the derivative contract might not be able to honour the terms of the contract;
- the price of a derivative might not reflect the true value of the underlying security or index;
- the price of a derivative based on a stock index could be distorted if some or all of the stocks that make up the index temporarily stop trading;
- derivatives traded on foreign markets may be harder to close than those traded in North American markets;
- gains or losses from derivatives contracts may result in fluctuations in the fund's taxable income. As a result, the fund, if it uses derivatives in a given taxation year, may have larger or smaller distributions in that taxation year, an inability to make a regular distribution and/or distributions which include a return of capital;
- in some circumstances, investment dealers, futures brokers and counterparties may hold some or all of the fund's assets on deposit as collateral in a derivative contract. This increases risk because another party is responsible for the safekeeping of the fund's assets; and
- the Income Tax Act, or its interpretation, may change in respect of the tax treatment of derivatives.

### **Emerging market risk**

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

### **Exchange-traded (ETF) fund risk**

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

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

### **Foreign investment risk**

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

### **Global Financial Developments risk**

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

significantly diminished growth and some are experiencing or have experienced a recession. These market conditions and further volatility or illiquidity in capital markets may also adversely affect the prospects of the fund and the value of the fund's portfolio. A substantial drop in the markets in which the fund invests could be expected to have a negative effect on the fund.

### **High yield risk**

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

### **Interest rate risk**

Mutual funds that invest in fixed income securities such as bonds and money market instruments are sensitive to changes in interest rates. In general, when interest rates are rising, the value of these investments tends to fall. When rates are falling, fixed income securities tend to increase in value. Fixed income securities with longer terms to maturity are usually more sensitive to changes in interest rates.

### **Large redemption risk**

The fund may have particular investors who own a large proportion of the net asset value of the fund. For example, other institutions such as banks and insurance companies or other mutual fund companies may purchase units of the fund for their own mutual funds, segregated funds, structured notes or discretionary managed accounts. Retail investors may also own a significant amount of the fund.

Large redemptions may result in (a) large sales of portfolio securities, impacting market value; (b) increased transaction costs (e.g., commission); and/or (c) capital gains being realized, which may increase taxable distributions to investors. If this should occur, the returns of investors (including other funds) that invest in the fund may also be adversely affected.

### **Liquidity risk**

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

### **Market risk**

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

### **Operational risk**

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

## **Securities lending risk**

The fund may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions in order to earn additional income. There are risks associated with securities lending transactions, as well as repurchase and reverse repurchase transactions. Over time, the value of the securities loaned under a securities lending transaction or sold under a repurchase transaction might exceed the value of the cash or collateral held by the fund. If the third party defaults on its obligation to repay or resell the securities to the fund, the cash or collateral may be insufficient to enable the fund to purchase replacement securities and the fund may suffer a loss for the difference. Likewise, over time, the value of the securities purchased by the fund under a reverse repurchase transaction may decline below the amount of cash paid by the fund to the third party. If the third party defaults on its obligation to repurchase the securities from the fund, the fund may need to sell the securities for a lower price and suffer a loss for the difference. For more information about how the fund engages in these transactions, see “*Specific Information About the Fund—What does the fund invest in? – How the fund engages in securities lending transactions.*”

## **Short selling risk**

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

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

## **Tax risk**

There can be no assurance that tax laws applicable to the fund, including the treatment of certain gains and losses as capital gains and losses, will not be changed in a manner which could adversely affect the fund or the unitholders of the fund. Furthermore, there can be no assurance that CRA will agree with our characterization of the gains and losses of the fund as capital gains and losses or ordinary income and losses in specific circumstances. If any transactions of the fund are reported on capital account but are subsequently determined by CRA to be on income account, there may be an increase in the net income of the fund for tax purposes and in the taxable distributions made by the fund to unitholders, with the result that unitholders could be reassessed by CRA to increase their taxable income.

In respect of the fund, if it experiences a “*loss restriction event*”, the fund will: (i) be deemed to have a year-end for tax purposes (which would result in an allocation of the fund’s taxable income at such time to unitholders so that the fund is not liable for income tax on such amounts), and (ii) become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, the fund will be subject to a loss restriction event when a person becomes a “*majority-interest beneficiary*” of the fund, or a group of persons becomes a “*majority-interest group of beneficiaries*” of the fund, as those terms are defined in the affiliated persons rules contained in the Income Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of the

fund will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, respectively, in the fund. A person is generally deemed not to become a majority interest beneficiary, and a group of persons is generally deemed not to become a majority interest group of beneficiaries, of the fund, if the fund meets certain investment requirements and qualifies as an “*investment fund*” under the rules.

### **Underlying fund risk**

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

### **Withholding tax risk**

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

Canada has entered into tax treaties with certain foreign countries which may entitle the fund to a reduced rate of tax on such income. Some countries require the filing of a tax reclaim or other forms to receive the benefit of the reduced tax rate. Whether or when the fund will receive the tax reclaim is within the control of the particular foreign country. Information required on these forms may not be available (such as unitholder information); therefore, the fund may not receive the reduced treaty rates or potential reclaims. Certain countries have conflicting and changing instructions and restrictive timing requirements which may cause the fund not to receive the reduced treaty rates or potential reclaims. Certain countries may subject capital gains realized by the fund on sale or disposition of certain securities to taxation in that country. In some instances it may be more costly to pursue tax reclaims than the value of the benefits received by the fund. If the fund obtains a refund of foreign taxes, the net asset value of the fund will not be restated and the amount will remain in the fund to the benefit of the then-existing unitholders.

### **Risk classification methodology**

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We determine the risk level for the fund in accordance with a standardized risk classification methodology in NI 81-102 that is based on the mutual fund's historical volatility as measured by the 10-year standard deviation of the returns of the mutual fund. Standard deviation is a common statistic used to measure the volatility and risk of an investment. Mutual funds with higher standard deviations are generally classified as being more risky. Just as historical performance may not be indicative of future returns, the fund’s historical volatility may not be indicative of its future volatility. You should be aware that other types of risk, both measurable and non-measurable, also exist.

Where a fund has offered units to the public for less than 10 years, the standardized methodology requires that the standard deviation of a reference mutual fund or index that reasonably approximates or, for a newly established fund, is reasonably expected to approximate, the standard deviation of the fund be used to determine the risk rating of the fund. As the fund is new, the JPMorgan EMBI Global Diversified Index (USD) is used to determine the risk rating for the fund.

The JPMorgan EMBI Global Diversified Index (USD) (the “*Index*”) is a broad measure of the performance of U.S. dollar-denominated emerging-market debt in the Americas, Europe, Asia, the Middle East and Africa. The Index limits the weights of countries with larger amounts of debt by including only a specific portion of their debt outstanding.

The fund is assigned an investment risk rating in one of the following categories:

- **Low** – this level of risk is typically associated with investments in money market funds and Canadian fixed income funds;
- **Low to Medium** – this level of risk is typically associated with investments in balanced funds and global and/or corporate fixed income funds;
- **Medium** – this level of risk is typically associated with investments in equity portfolios that are diversified among a number of large-capitalization Canadian and/or international equity securities;
- **Medium to High** – this level of risk is typically associated with investments in equity funds that may concentrate their investments in specific regions or in specific sectors of the economy; and
- **High** – this level of risk is typically associated with investment in equity portfolios that may concentrate their investments in specific regions or in specific sectors of the economy where there is a substantial risk of loss (e.g., emerging markets, precious metals).

There may be times when we believe the standardized methodology produces a result that does not reflect the fund’s risk based on other qualitative factors. As a result, we may place the fund in a higher risk rating category, as appropriate. We review the risk rating for the fund on an annual basis or if there has been a material change to the fund’s investment objectives or investment strategies.

The manner in which we identify risks is available on request, at no cost, by calling 1-800-792-9355 or by emailing [service@ci.com](mailto:service@ci.com).

### **Who should invest in this fund?**

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This fund may be suitable for you if:

- you are seeking to add emerging markets debt securities to diversify your fixed income holdings;
- you want to receive income and some capital growth;
- you are investing for the medium and/or long term; and
- you can tolerate low to medium risk.

### **Distribution policy**

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The fund expects to distribute any net income monthly and any capital gains each December.

Generally, distributions are automatically reinvested, without charges, in additional units of the fund unless you ask in writing to have them invested in another mutual fund managed by CI. You can ask to receive your distributions in cash for the fund if you hold it in non-registered accounts. Cash distributions are not subject to redemption fees. We may change the distribution policy at our discretion. For more information about distributions, see “*Canadian Federal Income Tax Considerations for Investors*”.

### **Fund expenses indirectly borne by investors**

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This section is intended to help you compare the cost of investing in the fund with the cost of investing in other mutual funds. While you do not pay these costs directly, they have the effect of reducing the fund’s returns. It assumes that the management expense ratio (“*MER*”) of the fund was the same throughout each period shown as it was during the last completed financial year and that you earned a total annual return of 5% over the indicated time period. Investors in certain series of units are charged fees directly by their representative’s firm or us that are not included in this section. Information on the fund’s expenses is not available, as the fund is new.

## Additional Information

### Some terms used in this simplified prospectus

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We have written this document in plain language, but this simplified prospectus includes financial terms that may be new to you. This section explains a number of these terms.

**Bonds** – fixed income securities issued by governments and corporations to finance their operations or pay for major projects. When you buy a bond you are in effect lending money to the issuer. In return you receive interest payments and the face amount of the bond on a future date called the maturity date.

**Commercial paper** – short-term fixed income securities that generally mature in less than one year. They are generally issued by banks, corporations and other borrowers and are usually not backed by any assets.

**Common share** – an equity security representing part ownership in a company. Common shares usually come with rights such as the right to vote at shareholder meetings.

**Convertible securities** – bonds, debentures or preferred shares that the owner may exchange for shares of the company.

**Debentures** – fixed income securities issued by a government or corporation usually backed only by the general credit of the issuer.

**Derivative** – an investment that derives its value from another investment, which is called the underlying investment. This could be a stock, bond, currency or market index. Derivatives usually take the form of a contract with another party to buy or sell an asset at a later time. Some examples of derivatives are options, futures and forward contracts.

**Exchange-traded funds** – exchange-traded funds are investment funds whose securities are listed for trading on an exchange.

**Equity securities** – securities representing part ownership of a company. A typical example is common shares.

**Equity-related securities** – securities that behave like equity securities. They include warrants and convertible securities.

**Fixed income securities** – securities that generate interest or dividend income, such as bonds, debentures, commercial paper, treasury bills and other money market instruments and preferred shares.

**Forward contract** – an agreement for the future delivery or sale of a foreign currency, commodity or other asset, with the price set at the time the agreement is made.

**Maturity** – the date on which a fixed income security repays the face amount of the investment. Also known as the date the security comes due.

**Money market instruments** – short-term fixed income securities that mature in less than a year. They include government treasury bills, commercial paper and bankers' acceptances.

**Options** – the right, but not the obligation, to buy or sell specific securities or properties at a specified price within a specified time.

**Preferred share** - a security that usually entitles the owner to a fixed dividend ahead of a company's common shares and to a maximum stated dollar value per share if the company is dissolved.

### Additional Information on the use of certain investment strategies

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#### Investing in underlying funds

The fund may invest in underlying funds, including exchange-traded funds. In selecting underlying funds, we assess a variety of criteria, including:

- management style

- investment performance and consistency
- risk tolerance levels
- caliber of reporting procedures
- quality of the manager and/or portfolio advisor.

We review and monitor the performance of the underlying funds in which we invest. The review process consists of an assessment of the underlying funds. Factors such as adherence to the stated investment mandate, returns, risk-adjusted return measures, assets, investment management process, style, consistency and continued portfolio fit may be considered. This process may result in suggested revisions to weightings of the underlying funds, the inclusion of new underlying funds or the removal of one or more underlying funds.

### **How the fund uses derivatives**

A derivative is an investment that derives its value from another investment called the underlying investment. This could be a stock, bond, currency or market index. Derivatives usually take the form of a contract with another party to buy or sell an asset at a later time. Some examples of derivatives are options, futures and forward contracts.

The fund may use derivatives as permitted by securities regulations. It may use them to:

- hedge its investments against losses from factors like currency fluctuations, stock market risks and interest rate changes
- invest indirectly in securities or financial markets, provided the investment is consistent with the fund's investment objective.

When the fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its position in the derivative, as required by securities regulations.

### **How the fund engages in securities lending transactions**

The fund may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions.

A *securities lending transaction* is where the fund lends portfolio securities that it owns to a third party borrower. The borrower promises to return to the fund at a later date an equal number of the same securities and to pay a fee to the fund for borrowing the securities. While the securities are borrowed, the borrower provides the fund with collateral consisting of a combination of cash and securities. In this way, the fund retains exposure to changes in the value of the borrowed securities while earning additional fees.

A *repurchase transaction* is where the fund sells portfolio securities that it owns to a third party for cash and simultaneously agrees to buy back the securities at a later date at a specified price using the cash received by the fund from the third party. While the fund retains its exposure to changes in the value of the portfolio securities, it also earns fees for participating in the repurchase transaction.

A *reverse repurchase transaction* is where the fund purchases certain types of debt securities from a third party and simultaneously agrees to sell the securities back to the third party at a later date at a specified price. The difference between the fund's purchase price for the debt instruments and the resale price provides the fund with additional income.

As indicated above, securities lending, repurchase and reverse repurchase transactions enable the fund to earn additional income and thereby enhance its performance.

The fund will not enter into a securities lending transaction or a repurchase transaction if, immediately thereafter, the aggregate market value of all securities loaned by the fund and not yet returned to it or sold by the fund in repurchase transactions and not yet repurchased would exceed 50% of the net asset value of the fund (exclusive of collateral held by the fund for securities lending transactions and cash held by the fund for repurchase transactions).

### **How the fund engages in short selling**

The fund may short sell as permitted by securities regulations. A short sale by the fund involves borrowing securities from a lender and selling those securities in the open market (or selling short the securities). At a later date, the same

number of securities are repurchased by that fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the fund pays compensation to the lender on the borrowed securities. If the value of the securities declines between the time that the fund borrows the securities and the time it repurchases and returns the securities to the lender, the fund will make a profit for the difference (less any compensation the fund is required to pay to the lender). Selling short provides the fund with more opportunities for profits when markets are generally volatile or declining.

The fund will engage in short selling only within certain controls and limitations. Securities will be sold short only for cash and the fund will receive the cash proceeds within normal trading settlement periods for the market in which the short sale is made. All short sales will be effected only through market facilities through which those securities normally are bought and sold. At the time securities of a particular issuer are sold short by the fund, the aggregate market value of all securities of that issuer sold short will not exceed 5% of the total assets of the fund and the aggregate market value of all securities sold short by the fund will not exceed 20% of its total assets. The fund may deposit assets with lenders in accordance with industry practice in relation to its obligations arising under short sale transactions. The fund also will hold cash cover in an amount, including the fund's assets deposited with lenders, that is at least 150% of the aggregate market value of all securities it sold short on a daily marked-to-market basis. No proceeds from short sales will be used by the fund to purchase long positions other than cash cover.

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You can find additional information about the fund in its annual information form, fund facts, management reports of fund performance and financial statements. These documents are incorporated by reference into this simplified prospectus. That means they legally form part of this document just as if they were printed in it.

You can get a copy of these documents at your request, and at no cost, by calling 1-800-792-9355, by e-mailing [service@ci.com](mailto:service@ci.com), or by asking your representative.

These documents and other information about the fund, such as information circulars and material contracts, are also available on our website at [www.ci.com](http://www.ci.com) or at [www.sedar.com](http://www.sedar.com).

To request an alternative format, please contact us through our website at [www.ci.com](http://www.ci.com), or by calling 1-800-792-9355.

## **CI EMERGING MARKETS BOND FUND**