

ANNUAL FINANCIAL STATEMENTS 2020

CI GOLD BULLION FUND

DECEMBER 31, 2020

INDEPENDENT AUDITOR'S REPORT

To the Unitholder, Trustee and Manager of CI Gold Bullion Fund (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statement of financial position as at December 31, 2020, and the statement of comprehensive income, statement of changes in net assets attributable to holders of redeemable units and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2020, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Toronto, Canada
March 24, 2021

The logo for Ernst & Young LLP, featuring the company name in a stylized, handwritten-style script.

Chartered Professional Accountants
Licensed Public Accountants

CI Gold Bullion Fund

Statement of Financial Position

As at December 31, 2020

(in U.S. dollars, unless otherwise noted)

(in \$ except for per unit amounts and units outstanding)

	2020
Assets	
Current Assets	
Investments	-
Cash	38
Dividends receivable	-
Interest receivable	-
Receivable for investments sold	-
Receivable for unit subscriptions	-
Total assets	38
Liabilities	
Current liabilities	
Management fees payable	-
Administration fees payable	-
Total liabilities	-
Net assets attributable to holders of redeemable units	38
Net assets attributable to holders of redeemable units per Series:	
ETF US\$ Series	19
ETF C\$ Hedged Series	19
Net assets attributable to holders of redeemable units per unit:	
ETF US\$ Series	19.00
ETF C\$ Hedged Series	24.19CAD
Number of redeemable units outstanding:	
ETF US\$ Series	1
ETF C\$ Hedged Series	1

The accompanying notes are an integral part of the financial statement.

CI Gold Bullion Fund

Statement of Comprehensive Income

for the period from December 18, 2020 to December 31, 2020

(in U.S. dollars, unless otherwise noted)

(in \$ except for per unit amounts and number of units)

	2020
Income	
Net gain (loss) on investments	
Dividends	-
Interest for distribution purposes	-
Net realized gain (loss) on sale of investments	-
Change in unrealized appreciation (depreciation) in value of investments	-
Total income	-
Expenses	
Management fees (Note 3)	-
Administration fees (Note 3)	-
Commissions and other portfolio transaction costs	-
Total expenses	-
Increase (decrease) in net assets attributable to holders of redeemable units	-
Increase (decrease) in net assets attributable to holders of redeemable units per Series:	
ETF US\$ Series	-
ETF C\$ Hedged Series	-
Increase (decrease) in net assets attributable to holders of redeemable units per unit:	
ETF US\$ Series	-
ETF C\$ Hedged Series	-
Weighted average number of units:	
ETF US\$ Series	1
ETF C\$ Hedged Series	1

The accompanying notes are an integral part of the financial statement.

CI Gold Bullion Fund

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

for the period from December 18, 2020 to December 31, 2020

(in U.S. dollars, unless otherwise noted)

(in \$)

	2020 ETF US\$ Series	2020 ETF C\$ Hedged Series	2020 Fund
Net assets attributable to holders of redeemable units at the beginning of period	-	-	-
Increase (decrease) in net assets attributable to holders of redeemable units	-	-	-
Distributions to holders of redeemable units			
From net investment income	-	-	-
From net realized gains	-	-	-
Return of capital	-	-	-
Total distributions to holders of redeemable units	-	-	-
Redeemable unit transactions			
Proceeds from redeemable units issued	19	19	38
Reinvestment of distributions to holders of redeemable units	-	-	-
Redemption of redeemable units	-	-	-
Net increase (decrease) from redeemable unit transactions	19	19	38
Net increase (decrease) in net assets attributable to holders of redeemable units	19	19	38
Net assets attributable to holders of redeemable units at the end of period	19	19	38

The accompanying notes are an integral part of the financial statement.

CI Gold Bullion Fund

Statement of Cash Flows

for the period from December 18, 2020 to December 31, 2020

(in U.S. dollars, unless otherwise noted)

(in \$)

	2020
Cash flows from (used in) operating activities	
Increase (decrease) in net assets attributable to holders of redeemable units	-
Adjustments for:	
Net realized (gain) loss on sale of investments and derivatives	-
Change in unrealized (appreciation) depreciation in value of investments and derivatives	-
Commissions and other portfolio transaction costs	-
Proceeds from sale and maturity of investments and derivatives	-
Purchase of investments and derivatives	-
(Increase) decrease in dividends receivable	-
(Increase) decrease in interest receivable	-
Increase (decrease) in management fees payable	-
Increase (decrease) in administration fees payable	-
Net cash from (used in) operating activities	-
Cash flows from (used in) financing activities	
Proceeds from issuance of redeemable units	38
Amounts paid on redemption of redeemable units	-
Net cash from (used in) financing activities	38
Net increase (decrease) in cash	38
Cash (bank overdraft), beginning of period	-
Cash (bank overdraft), end of period	38

The accompanying notes are an integral part of the financial statement.

Notes to the Financial Statement

1. THE FUND

The CI Gold Bullion Fund (the “Fund”) is an exchange-traded mutual fund established under the laws of the Province of Ontario by an amended and restated declaration of trust dated December 18, 2020.

CI Investments Inc. is the manager and the trustee (the “Manager” and the “Trustee”) to the Fund. The Manager is a wholly-owned subsidiary of CI Financial Corp. (Toronto Stock Exchange (TSX): CIX). CIBC Mellon Trust Company is the custodian (the “Custodian”) of the Fund.

The principal office of the Manager and the Fund is at 2 Queen Street East, Twentieth Floor, Toronto, Ontario, M5C 3G7.

These financial statements were authorized for issue by the Manager on March 11, 2021. The Manager is a subsidiary of CI Financial Corp.

The Fund’s investment objective is to buy and hold substantially all of its assets in gold bullion. As such, its performance should reflect the performance of the price of gold, less the Fund’s expenses.

The Fund offers ETF US\$ Series units and ETF C\$ Hedged Series units.

The Statement of Financial Position are as at December 31, 2020. The Statement of Comprehensive Income, Changes in Net Assets Attributable to Holders of Redeemable Units and Cash Flows are for the period from inception to December 31, 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

a. Cash

Cash represents cash on deposit.

b. Fair value of financial instruments and investment transactions

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

c. Unit valuation

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

The NAV of each Series is computed by calculating the value of that Series’ proportionate share of the Fund’s assets less that Series’ proportionate share of the Fund’s common liabilities and less Series specific liabilities. Expenses directly attributable to a Series are charged to that Series. Other income and expenses, and gains and losses, are allocated to each Series proportionately based upon the relative total NAV of each Series.

d. Classification of units

The units of the Fund are classified as financial liabilities in accordance with IAS 32 – *Financial Instruments: Presentation* (IAS 32), as they do not meet the definition of puttable instruments to be classified as equity in accordance with IAS 32 for financial reporting purposes.

Notes to the Financial Statement (cont'd)

e. Functional and presentation currency

The functional and presentation currency of the Fund is U.S. dollar.

f. Income recognition

The interest for distribution purposes, disclosed in the Statement of Comprehensive Income, represents the interest received by the Fund and is accounted for on an accrual basis.

g. Foreign exchange

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

h. Commissions and other portfolio transaction costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities, are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

i. Increase (decrease) in net assets attributable to holders of redeemable units per unit

"Increase (decrease) in net assets attributable to holders of redeemable units per unit" in the Statements of Comprehensive Income is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units of each Series of a Fund by the weighted average number of units outstanding during the year of that Series.

j. Use of estimates

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

3. EXPENSES

Management fees

The Manager of the Fund, in consideration for management fees, provides management services required in the day-to-day operations of the Fund, including management of the investment portfolio of the Fund and provision of key management personnel.

The annual management fee rate for each Series of the Fund is 0.155%. The management fee is calculated based on a percentage of the NAV of each Series of the Fund at the end of each business day, plus applicable taxes, and is payable monthly.

Operating Expenses

The Manager bears all of the operating expenses of the Fund (other than taxes of any kind, borrowing costs and the fees, costs and expenses associated with compliance with any new governmental and regulatory requirements).

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 foreign exchange, as applicable.

Expenses of the Issue

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

Notes to the Financial Statement (cont'd)

4. CAPITAL MANAGEMENT AND RELATED PARTY TRANSACTIONS

Redeemable units issued and outstanding represent the capital of the Fund. The Fund is authorized to issue an unlimited number of redeemable, transferable units of each Series. The Fund has no restrictions or specific capital requirements, except for the minimum subscriptions' amounts. In accordance with the investment objectives outlined in Notes 1, the Fund endeavours to invest subscriptions received in appropriate investments while maintaining sufficient liquidity.

On any trading day, unitholders of the Fund may redeem (i) units of the Fund at a redemption price per unit equal to 95% of the closing price for the units on the Toronto Stock Exchange on the effective day of the redemption less any applicable redemption fee determined by the Manager, or (ii) a prescribed number of units ("PNU") or a multiple PNU of the Fund for cash equal to the net asset value of that number of units of the Fund less any applicable redemption fee determined by the Manager.

On December 18, 2020, the Manager made an initial investment of \$38 in the Fund.

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You can get additional copies of these Financial Statements at your request, and at no cost, by calling 1-800-563-5181, by emailing service@ci.com, or by asking your representative.

This document, and other information about the Fund, is available at www.ci.com or at www.sedar.com.