

2001 Annual Report



CI Pacific Fund

2001 Annual Report



A MESSAGE FROM THE PRESIDENT

The year 2001 was one of the most challenging for investors in recent memory. A prolonged economic downturn and the tragic events of September 11 affected financial markets around the world.

Despite this difficult environment, we had a number of successes, including the outstanding results posted by the Harbour and Signature Fund groups. This excellence was recognized at the Canadian Mutual Fund Awards, where Gerald Coleman, lead portfolio manager of the Harbour Funds, was named Fund Manager of the Year. Mr. Coleman's CI Harbour Segregated Fund was also selected Best Segregated Canadian Equity Fund.

As well, Signature Select Canadian Fund was named Best Canadian Equity Fund and Signature Dividend Fund was named Best Dividend Fund. Both are managed by Eric Bushell of our Signature Group and, not surprisingly, he was also a finalist for Fund Manager of the Year.

While these honours are very gratifying, we also recognize that some of our largest and most popular funds struggled in 2001 as their growth-oriented management styles fell out of favour. However, we built our portfolio management teams from the best fund managers available based on their long-term records, their consistent investment discipline, and their strategic focus, and we remain confident in their ability to produce outstanding long-term performance.

Successful investors have a long-term view and so do successful fund companies. With this in mind, we moved forward in 2001 with initiatives to continue to provide you with the best fund management and fund services for the future. Foremost is our commitment to open communication and providing you with comprehensive information.

As part of this commitment, we have improved our website at www.cifunds.com with a more focused homepage and easier navigation. Up-to-date product information is now easier to find, as are fund manager's comments and investor resources such as Investment Basics and our Tax Centre.

Also, you can now register to receive e-mail notification of your trade confirmations, annual statements, and much more through our CI e-Service Centre. As well, My Account online account access has been expanded and now gives you instant access to your current account status, including daily balances and transaction history. These services join our CI Teleservice that provides automated account information by telephone at 1-800-275-3672 to give you industry-leading access to CI. Please feel free to contact our Client Services Team at 1-800-563-5181 if you have any questions about your account.

As we start a new year, our promise to you has not changed. We pledge to provide innovating thinking, a broad selection of investments, and outstanding service. Thank you very much for investing with us and we will continue to do our best to help you reach your long-term financial goals.



Peter W. Anderson
President
CI Mutual Funds Inc.
pwa@cifunds.com

February 1, 2002

A MESSAGE FROM TRIDENT INVESTMENT MANAGEMENT, LLC

For the second year in a row, the world's developed equity markets failed to gain new ground, leaving investors confused about how to position their portfolios for near-term safety and future growth. Stocks were held back by the first synchronized global recession in decades, as well as by heightened volatility.

The decline in global equity markets notwithstanding, we believe that many stocks – particularly U.S. stocks – are still overvalued relative to economic and financial realities. The sentiment-driven advances in the fourth quarter of 2001 in technology and other cyclical sectors – those sectors that are most closely correlated to the economic cycle – shouldn't be allowed to mask the dislocations within the global economy. In fact, we believe that last year's equity market performance would have been even worse if it were not for the numerous interest rate cuts by the U.S. Federal Reserve.

In the year ahead, the central questions for global equity investors remain: When will growth resume and where will it start?

We are not convinced that the U.S. is close to a strong recovery. A large consumer and business debt burden made worse by a deepening recession has hobbled the economy. Additionally, unemployment is climbing, making the hoped-for tonic of increased consumer spending less likely.

Japan also struggles, but deflation is its primary obstacle to growth. It has made important macroeconomic strides in the past year, with one example being the

election of pro-reform politicians, but it is premature to expect that Japan could be an engine of global growth. Europe, then, is in the best position to ignite growth and stir equity markets. Europe could benefit from its citizens' ability to spend and invest, its relatively strong economic condition compared to the U.S. or Japan, and from the European Central Bank's ability to lower interest rates.

The emerging markets have been victims of the lethargic economies of the developed countries, which consume the natural resources and manufactured goods of emerging nations. South Africa, which had been one of our favourite emerging markets earlier in 2001, has become less attractive due to declines in global commodity prices and depreciation in the rand.

While Russia, Mexico and China posted exceptional gains in 2001, their advances were largely related to unsustainable factors. The Russian and Mexican markets responded to short-term oil-exporting opportunities at a time when supplies from the Middle East looked less reliable, and China's market soared when its government relaxed restrictions on domestic and foreign stock ownership. Argentina, on the other hand, has seen its ongoing economic problems develop into a crisis marked by social unrest. We have not been invested in that country for some time but remained concerned about the potential effects on other emerging markets.

This overall outlook drives our investment strategy for our mutual funds and

the Trident Global Opportunities Fund. We expect that 2002 will be a year in which speculative optimism yields to reality-based investing. Accordingly, we have low expectations for U.S. stocks in general, and believe that technology and other cyclical shares are the most vulnerable.

Additionally, the world's major stock markets should decouple from the U.S. market, allowing European and Japanese stocks to perform based on their relatively stronger fundamentals. Emerging markets, too, hold some potential in the year ahead, especially if economic growth resumes, but it has never been more critical to be selective based on social and political stability and market depth and breadth.

**TRIDENT INVESTMENT
MANAGEMENT, LLC**

Nandu Narayanan

February 1, 2002

CI Pacific Fund



Lead Manager: Nandu Narayanan

Adviser:
Trident Investment Management, LLC¹

Inception: October 1981

RSP/RIF Eligible: 30%
(also available as 100% RSP)

Distribution: Paid annually

Fund Code: CIG

	Front End	DSC
Class A	Cdn 651 US 544	Cdn 641 US 547
Class F	Cdn 127 US 527	–
Class I	Cdn 929	–

Management Expense Ratio: Class A 2.57%
Class F 1.50%
Class I N/A

Management Style: Top-down analysis of global macro-economic trends; bottom-up selection of companies with the greatest growth potential.

Fund Snapshot

Fund Assets: \$158.5 million

NAV per Unit:

Class A	Cdn \$10.78	US \$6.77
Class F	Cdn \$6.47	US \$4.06
Class I	Cdn \$10.00	N/A

Performance:

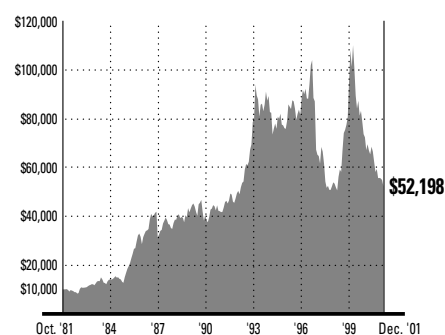
	Class A	Class F	Class I
1 year	-22.2%	-22.1%	N/A
3 year	-0.7%	N/A	N/A
5 year	-10.7%	N/A	N/A
10 year	+1.8%	N/A	N/A
Since Inception	+8.5%	-26.8%	N/A

Top 10 Equity Holdings:

Sony Corp.	3.3%
Singapore Technologies Engineering Ltd.	3.2%
Secom Co.	3.1%
Ranbaxy Laboratories	2.8%
NTT DoCoMo Inc.	2.4%
Pohang Iron & Steel Co. Ltd.	2.3%
BHP Billiton Ltd.	2.2%
Mahanagar Telephone Nigam Ltd.	2.0%
Moody's Corp.	2.0%
Yamato Transport Co. Ltd.	1.9%

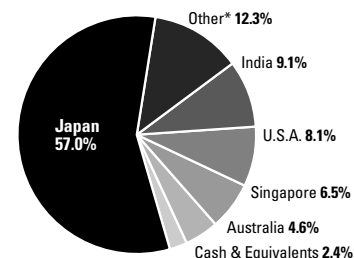
¹Trident Investment Management, LLC is a private management company and does not provide investment advice or services to the public. Nothing herein should be read to constitute an offer or solicitation by Trident or its principal to provide investment advisory services to any person or entity.

Current Value of \$10,000 Investment in Class A units



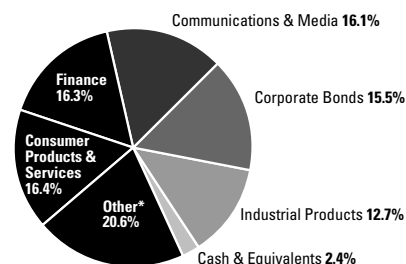
Market Exposure

Country Allocation



*South Korea 2.3%, Kyrgyzstan 2.1%, Republic of China 1.9%, Taiwan 1.3%, Bermuda 1.2%, Thailand 1.1%, New Zealand 1.1%, Hong Kong 0.7%, Luxembourg 0.6%

Sector Allocation



*Mines & Metals 4.8%, Oil & Gas 4.1%, Conglomerates 4.0%, Transportation 3.4%, Utilities 2.1%, Mutual Funds 1.5%, Real Estate & Construction 0.7%

CI Pacific Fund

Statements of Financial Highlights (for the years ended December 31)

	Class A					Class F		Class I
	2001 \$	2000 \$	1999 \$	1998 \$	1997 \$	2001 \$	2000 \$ (i)	2001 \$ (ii)
Net asset value per unit, beginning of year	13.86	22.32	11.02	13.36	18.96	8.31	10.00	10.00
Distribution per unit:								
From net income	—	—	—	—	—	—	—	—
From net realized gain	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—
Net income (loss) per unit	(0.30)	(0.45)	0.43	(0.02)	(0.17)	(0.18)	(0.13)	—
Net realized and unrealized appreciation (depreciation) of investments per unit	(2.56)	(7.86)	10.65	(2.62)	(5.04)	(1.54)	(1.46)	—
	(2.86)	(8.31)	11.08	(2.64)	(5.21)	(1.72)	(1.59)	—
Surplus (deficiency) of capital transactions over original cost per unit	(0.22)	(0.15)	0.22	0.30	(0.39)	(0.12)	(0.10)	—
Net asset value per unit, end of year	10.78	13.86	22.32	11.02	13.36	6.47	8.31	10.00
Ratios & Supplemental Data								
Total return (%) (a)	-22.2	-37.9	102.5	-17.5	-29.5	-22.1	-16.9	—
Average net assets (\$000's) (b)	171,138	350,057	324,929	385,453	890,340	43,589	63,192	—
Management expense information (c)								
Management and operating expenses (%)	2.40	2.40	2.50	2.56	2.58	1.40	1.40	—
Goods and services tax expenses (%)	0.17	0.17	0.18	0.18	0.18	0.10	0.10	—
Total management expense ratio (%)	2.57	2.57	2.68	2.74	2.76	1.50	1.50	—
Portfolio turnover rate (d)	0.34	1.23	1.05	1.38	1.10	0.34	1.23	—

(a) Total return is the historical rate of return of an investment for the year, assuming reinvestment of all distributions at net asset value.

(b) Average net assets are calculated based on the daily net assets outstanding.

(c) Management expense information is calculated based on total amount of respective expenses and expressed as an annualized percentage of average net assets during the year.

(d) Portfolio turnover rate equals the lesser of purchases or sales divided by the average value of the portfolio securities of the fund, excluding short-term securities.

(i) Class F units were offered to investors commencing on July 17, 2000. 2000 amounts are for the period from inception to December 31, 2000.

(ii) Class I units were offered to investors commencing on July 31, 2001. No units were issued for the period from inception to December 31, 2001.

The accompanying notes are an integral part of these financial statements.

CI Pacific Fund

Investment Portfolio (as at December 31, 2001)

No. of Shares/ Face Amount	Average Cost (\$)	Market Value (\$)	No. of Shares/ Face Amount	Average Cost (\$)	Market Value (\$)
JAPAN (57.0%)			INDIA (9.1%)		
50,000,000	Acom Co. 0% 03/31/02	686,366	62,000	Gas Authority of India Ltd., GDR	621,985
20,000	Acom Co. Ltd.	2,643,518	50,000	Hindustan Petro Corp. Part Notes	205,796
309,000,000	Bank Of Kyoto 1.9% 09/30/09	4,388,598	48,000	Larsen & Toubro Ltd. Part Notes	443,724
18,000	Benesse Corp.	1,173,140	339,400	Mahanager Telephone Nigam Ltd., ADR	5,044,921
200,000,000	Chugai Pharmaceutical Co. 1.7% 06/28/02	2,756,762	180,000	Ranbaxy Laboratories Ltd., GDR	4,704,216
40,000	Dai Nippon Printing Co. Ltd.	1,012,013	68,000	Reliance Industries Part Note	816,010
201,000	Daiwa Securities Group Inc.	3,018,535	40,000	Saregama India Ltd. Part Notes	856,603
280,000	Fuji Electric Co., Ltd.	1,764,297	175,000	State Bank Of India GDR	2,644,478
150,000	Fujitsu Ltd.	6,315,183	92,000	Videsh Sanchar Nigam Ltd., ADR	2,985,055
535,000,000	Hitachi Ltd.	7,988,577	215,000	Zee Telefilms Ltd. Part Notes	3,330,153
13,500	Hitachi Software Engineering Co. Ltd.	1,508,042			21,652,941
10,000	Jafoo Co., Ltd.	2,100,353			14,426,686
30,000	Japan Medical Dynamic Marketing Inc.	1,390,144	U.S.A. (8.1%)		
20,000	Mitsubishi Estate Co. Ltd.	344,592	20,700	India Fund	458,089
200	Mitsubishi Tokyo Financial Group Inc.	3,301,857	126,666	Japan Otc Eqty Fd Com Usd0.10	1,782,729
20,000	Mitsui Fudosan Co. Ltd.	358,997	2,000,000	Mbl International Finance Bermuda 3.0% 11/30/02	3,171,980
160,000	Mitsui O.S.K. Lines Ltd.	522,997	50,000	Moody's Corp.	2,120,397
350	Mizuho Holdings Inc.	3,050,300	161,100	Morgan Stanley India Investment Fund	2,789,452
349,000,000	NEC Corp. 0% 03/30/07	4,964,219	50,000	New Dun & Bradstreet Corp.	1,349,652
170,000	NEC Corp.	7,105,689			11,672,299
230,000	Nikko Securities Co. Ltd.	2,554,978			12,805,683
52,000	Nippon Broadcasting System Inc.	4,996,919	SINGAPORE (6.5%)		
341,000	Nippon Express Co.	3,089,579	451,754	Datacraft Asia Ltd.	1,651,171
6,000	Nippon System Development Co. Ltd.	624,493	130,104	Singapore Press Holdings Ltd.	3,062,063
560	Nippon Telegraph & Telephone Corp.	10,094,270	2,487,510	Singapore Technologies Engineering Ltd.	5,769,632
3,000	Nippon Television Network Corp.	2,771,643	860,000	Singapore Telecommunications Ltd.	1,767,380
226,000	Nissinbo Industries Inc.	1,712,571			12,250,246
84,000	Nomura Securities Co. Ltd.	2,473,849			10,358,139
295	NTT Data Corp.	3,329,264	AUSTRALIA (4.6%)		
200	NTT DoCoMo Inc.	8,181,769	413,020	BHP Billiton Ltd.	3,394,703
19,500	Sanix Inc.	1,646,306	50,000	OneSteel Ltd.	31,594
61,000	Secom Co. Ltd.	6,341,973	130,000	Publishing & Broadcasting Ltd.	1,538,309
122,000	Shiseido Co. Ltd.	2,579,179	345,000	Telstra Corp. Ltd.	2,176,090
72,000	Sony Corp.	10,852,650	100,000	Woodside Petroleum Ltd.	1,152,491
140,000	Sumitomo Corp.	2,246,692			8,293,187
249,800	Sumitomo Mitsui Banking Corp.	3,562,963			7,217,698
90,000	Sumitomo Realty & Development Corp. Ltd.	1,045,070	SOUTH KOREA (2.3%)		
13,000	Takeda Chemical Industries	1,011,119	100,000	Pohang Iron & Steel Co. Ltd., ADR	3,416,709
20,500	Takefuji Corp.	2,573,664			
40,000	Takuma Co.	612,873	KYRGYZSTAN (2.1%)		
385,000	Teikoku Oil Corp. Ltd.	2,539,504	2,000,000	Ibk Cayman Finance 1.5% 08/17/03	3,048,876
149,000	The Bank of Kyoto Ltd.	1,109,972			3,367,084
14,200	Toho Co. Ltd.	3,655,027	CHINA (1.9%)		
30,000	Tokyo Broadcasting System Inc.	1,906,791	1,000	China Auto Comp. Group Lp Part. Note	996,698
94,000	TonenGeneral Sekiyu K.K.	1,110,825	40,000	Huaneng Power International Inc., ADR	1,322,017
500,000	Toshiba Corp.	7,632,099	3,250,000	PetroChina Co. Ltd.	1,134,172
99,000	Toyota Industries Corp.	2,756,416			3,452,887
300	UFJ Holdings Inc.	3,429,943			2,932,453
100,000	Yamato Transport Co. Ltd.	3,582,956			
		156,419,536			90,280,935

The accompanying notes are an integral part of these financial statements. All common shares unless otherwise noted. Percentages shown in brackets relate investments at market value to total net assets of the fund.

CI Pacific Fund

Investment Portfolio (as at December 31, 2001)

No. of Shares/ Face Amount	Average Cost (\$)	Market Value (\$)
TAIWAN (1.3%)		
300 Asustek Computer Inc.	2,775	2,089
140 Bank Sinopac	124	93
42,347 Cathay Financial Holding Co.	135,383	109,840
324,229 Chinatrust Commercial Bank	371,552	309,837
478 Compal Electronics Inc.	1,350	961
720 Hon Hai Precision Industry Co. Ltd.	6,350	5,242
150,177 Quanta Computer Inc.	875,132	779,058
897 Siliconware Precision Industries Co.	2,248	1,261
2,000,000 Taiwan Spec Opportunity Fund	1,357,115	859,681
	2,752,029	2,068,062
BERMUDA (1.2%)		
417,000,000 Mizuho Holdings Trust 0.25% 02/01/02	4,312,906	1,910,193
THAILAND (1.1%)		
450,800 PTT Exploration and Production Co.	1,639,179	1,817,103
NEW ZEALAND (1.1%)		
680,000 Rubicon Ltd.	151,709	261,703
459,093 Telecom Corp. Of New Zealand Ltd.	2,293,983	1,523,151
	2,445,692	1,784,854
HONG KONG (0.7%)		
750,000 CNOOC Ltd.	1,218,015	1,125,333
LUXUMBERG (0.6%)		
200,000,000 TB Finance Pfd.	1,984,897	882,900
Total Bonds & Equities (97.6%)	234,559,399	154,638,727
DERIVATIVE INSTRUMENTS (Capital)		
Foreign Currency Forward Contracts (Capital) (1.6%) (see Schedule 1)		
		2,495,990
Total Investments (Capital) (99.2%)	234,559,399	157,134,717
Other Assets (net) (0.8%)		1,338,879
Total Net Assets (100.0%)		158,473,596

Schedule 1

Foreign Currency Forward Contracts (Capital) (1.6%)

Contracts	Pay	Receive	Due Date	Credit Rating	Market Value \$
1	1,217,300,000 Japanese Yen	10,105,429 US\$	23-Jan-02	A-1+	1,349,757*
1	1,160,860,430 Japanese Yen	9,551,734 US\$	31-Jan-02	A-1+	1,146,233*
Total Foreign Currency Forward Contracts Value					<u>2,495,990</u>

The accompanying notes are an integral part of these financial statements. All common shares unless otherwise noted. Percentages shown in brackets relate investments at market value to total net assets of the fund.

*Hedge

CI Pacific Fund

Financial Statements

Statements of Net Assets

as at December 31 (in 000's except for per unit amounts and units outstanding)

	2001 \$	2000 \$
Assets		
Investments at market value (Note 2)	157,135	187,165
Cash	–	67,128
Daily variation margin	–	5,754
Receivable for unit subscriptions	531	2,243
Receivable for securities sold	2,414	–
Dividends and accrued interest receivable	258	896
	160,338	263,186
Liabilities		
Bank overdraft	52	–
Payable for securities purchased	49	2,203
Payable for unit redemptions	1,762	1,672
Distributions payable	1	1
	1,864	3,876
Net assets and unitholders' equity	158,474	259,310
Net asset value per unit:		
Class A	10.78	13.86
Class F	6.47	8.31
Class I	10.00	–
Number of units outstanding (Note 4)		
Class A	11,560,863	14,894,727
Class F	5,223,411	6,372,040
Class I	–	–

Approved on behalf of the Board of Directors:


G. Raymond Chang
Director


William T. Holland
Director

Statements of Operations

for the years ended December 31 (000's)

	2001 \$	2000 \$
Income		
Dividends	2,224	4,793
Interest	1,394	4,292
Gain (loss) on derivative investments	(3,300)	(8,829)
Less foreign withholding taxes	(315)	(319)
	3	(63)
Expenses		
Management fees (Note 5)	3,888	7,247
Administrative (Note 5)	721	1,425
Custody	70	79
Legal	5	5
Audit	4	9
Goods and services tax	329	608
	5,017	9,373
Net income (loss) for the year	(5,014)	(9,436)
Realized and unrealized gain (loss) on investments		
Realized gain (loss) on investments (a)	(15,694)	123,482
Change in unrealized appreciation (depreciation) of investments	(27,202)	(283,083)
Net gain (loss) on investments	(42,896)	(159,601)
Increase (decrease) in net assets from operations		
	(47,910)	(169,037)
(a) Realized gain (loss) on investments		
Proceeds from sale of investments including foreign exchange gain (loss) (b)	63,888	455,712
Investments at cost, beginning of year	239,571	218,452
Investments purchased	74,570	353,349
Change in cost of short-term notes held	–	–
	314,141	571,801
Investments at cost, end of year	234,559	239,571
Cost of investments sold	79,582	332,230
Realized gain (loss) on investments	(15,694)	123,482
(b) Proceeds on sales of short-term notes sold during the year not included above		
	–	–

Statements of Changes in Net Assets

for the years ended December 31 (000's)

	2001 \$	2000 \$
Net assets, beginning of year	259,310	495,023
Capital Transactions		
Proceeds from units issued (including reinvested distributions)	366,929	372,668
Amounts paid for units redeemed	(419,855)	(474,796)
	(52,926)	(102,128)
Distributions to investors		
Distribution from net realized gains	–	–
Distribution from net income	–	–
	–	–
Acquisition of net assets on fund merger (Note 1)		
	–	35,452
Increase (decrease) in net assets from operations	(47,910)	(169,037)
Net assets, end of year	158,474	259,310

The accompanying notes are an integral part of these financial statements.

CI Pacific Fund

Notes to the Financial Statements

1. THE FUND

CI Pacific Fund (the "Fund") is an open-ended mutual fund trust created under the laws of Ontario by declaration of trust on October 30, 1981.

On July 31, 2001, the Fund commenced the offering of a new class of units which are referred to as Class I units. Class I units are available to institutional clients and investors who have entered into a Class I Account Agreement with CI Mutual Fund Inc. Class F units, which were launched on July 17, 2000, are available to certain investors including those who participate in fee-based programs through their financial advisers or who are members of certain groups. Class A units are available to all investors.

Effective as of the close of business on July 7, 2000, CI Asian Fund and BPI Asia Pacific Fund ("the terminated funds") were merged into CI Pacific Fund ("the continuing fund").

The merger was effected by transferring the net assets of the terminated funds in exchange for Class A units of the continuing fund. The value of the units of the continuing fund issued in connection with this merger was equal to the market value of the net assets transferred from the terminated funds.

These financial statements do not include the operating results of the terminated funds prior to the merger date.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies of the Funds:

(a) Valuation of Investments

Listed securities are valued on each business day at their latest available sale price. In the absence of recorded sales on that day, they are valued at the average of the last recorded bid and ask prices where appropriate. Unlisted securities are valued on each business day based on price quotations from recognized investment dealers, or failing that, management's best estimate. Short-term fixed income securities are valued at cost which, together with accrued interest, approximates market value.

(b) Foreign Exchange

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

(c) Investment Transactions and Income Recognition

Investment transactions are accounted for on trade date and any realized gains and losses from such transactions are calculated on an average cost basis. Dividend income is recognized on the ex-dividend date and interest income on the accrual basis. Stock dividends are recorded as dividend income determined by reference to market value.

(d) Net Asset Value Per Unit

Net asset value per unit for each class is calculated at the end of each day on which the Fund's manager is open for business by dividing the net assets of each class by its outstanding units.

The net asset value of each class is computed by calculating the value of that class's proportionate share of the Fund's assets less that class's proportionate share of the Fund's common liabilities and less class specific liabilities. Expenses directly attributable to a class are charged to that class. Other income and expenses are allocated to each class proportionately based upon the relative net asset value of each class.

(e) Futures, Forward and Option Contracts

Futures, forward and option contracts are valued on each business day according to the gain or loss that would be realized if the contracts were closed out, unless daily limits are in effect in which case they are valued based on the current market value of the underlying interest. Any payments made to satisfy initial and variation margin are reflected as a receivable balance in daily variation margin on the Statement of Net Assets. Margin consisting of assets other than cash is noted in the Statement of Investment Portfolio. Gains or losses arising from futures, forward and option contracts which are held as hedges for capital investments are recorded as unrealized gains (losses) on investments until the contracts are closed or expire. Gains or losses arising from futures, forward and option contracts not held as hedges for capital investments are recorded as income (loss) on a daily basis.

3. INCOME TAXES

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is not subject to tax on its net income, including net realized capital gains for its taxation year, which is paid or payable to its unitholders at the end of its taxation year. However, such part of the Fund's taxable income and net realized capital gains that is not so paid or payable will be taxable to the Fund. Income tax on net realized capital gains not paid or payable will be generally recoverable by virtue of refunding provisions contained in the Income Tax Act (Canada) and provincial income tax legislation, as redemptions occur. It is the intention of the Fund to pay all net taxable income and sufficient net realized capital gains so that the Fund will not be subject to income taxes. Occasionally, the Fund may distribute more than it earns. This excess distribution is a return of capital and is not taxable to unitholders. Derivative investments are recorded in the same manner for tax purposes as for accounting purposes.

As a result of the merger noted in Note 1, each of the terminated and continuing funds was deemed to have a taxation year end as at July 7, 2000. In accordance with the Income Tax Act, all unrealized losses and certain unrealized gains of those funds' investment portfolios were deemed to be realized at July 7, 2000. All tax losses available to those funds as at July 7, 2000 expired on that date.

CI Pacific Fund

Notes to the Financial Statements

The Fund has the following tax losses carried forward as at December 31, 2001. Net capital losses may be carried forward indefinitely to reduce future net realized capital gains. Non-capital losses may be applied against future taxable income. These non-capital losses will expire December 31 of the years indicated unless previously applied.

	(in 000's)	
Net capital loss	\$	23,098
	By year of expiration (in 000's)	
	2008	2007
Non-capital loss	\$ 6,098	\$ 4,636

4. UNITS ISSUED AND OUTSTANDING

For the years ended December 31, the following numbers of units were issued or redeemed:

	2001		
	Class A	Class F	Class I
Balance beginning of year	14,894,727	6,372,040	-
Units issued for cash including re-invested distributions	21,199,663	12,779,399	-
Units redeemed	(24,533,527)	(13,928,028)	-
Balance end of year	11,560,863	5,223,411	-
	2000		
	Class A	Class F	
Balance beginning of year	22,182,800	-	
Units issued for cash including re-invested distributions	13,769,525	12,404,394	
Units issued on fund merger	1,975,010	-	
Units redeemed	(23,032,608)	(6,032,354)	
Balance end of year	14,894,727	6,372,040	

5. MANAGEMENT FEES AND OTHER EXPENSES

CI Mutual Funds Inc. is the manager of the Fund and, in consideration of management fees received, provides management services required in the day-to-day operations of the Fund including management of the investment portfolio of the Fund.

The management fee is calculated on the net assets of the Fund at the end of each business day and is paid daily.

The Fund also bears all operating and administrative expenses including audit and legal fees, registry and transfer agency fees, custody fees, expenses relating to reporting and making distributions to unitholders, all other costs and fees imposed by statute or regulation and expenses of all communications with unitholders.

To encourage large purchases in the Fund, the manager may reduce the management fee that it would otherwise be entitled to receive from the Fund with respect to an investment in the Fund provided that the amount of the management fee reduction is distributed to the investor for whose benefit the fees were reduced.

6. BROKERAGE COMMISSIONS

Total commissions paid to dealers for the years ended December 31 in connection with portfolio transactions were in (000's):

	2001	2000
	\$ 182	\$ 429

7. SECURITIES LENDING

The Fund has entered into a securities lending program with its custodian, Royal Trust Company of Canada ("Royal Trust"). The aggregate market value of all securities loaned by the Fund cannot exceed 50% of the assets of the Fund. The Fund will receive collateral of at least 102% of the value of securities on loan. Collateral will generally be comprised of cash and obligations of or guaranteed by the Government of Canada or a province thereof, or by the United States government or its agencies, but may include obligations of other governments with appropriate credit ratings. Royal Trust has indemnified the Fund against the credit risk of the borrowers. As at December 31, 2001, the Fund has loaned \$24,999,983 in securities, received \$26,530,000 in collateral, and recognized \$62,000 in securities lending income. Income from securities lending is included in "Interest Income" in the Statement of Operations of the Fund.

8. PORTFOLIO TRANSACTIONS

A copy of the Statement of Portfolio Transactions (unaudited) for the Fund for the year ended December 31, 2001 is available without charge upon written request to the manager, CI Mutual Funds Inc., CI Place, 151 Yonge Street, Eleventh Floor, Toronto, Ontario M5C 2W7.

CI Pacific Fund

Management and Audit Reports

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements have been prepared by CI Mutual Funds Inc., the manager of the Fund, and approved by the Board of Directors of the manager. The Fund's manager is responsible for the information and representations contained in these financial statements and other sections of the Annual Report.

CI Mutual Funds Inc. maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada and include certain amounts that are based on estimates and judgments. The significant accounting policies which management believes are appropriate for the Fund are described in Note 2 to the financial statements.

PricewaterhouseCoopers LLP are the external auditors of the Fund, appointed by the unitholders. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the unitholders their opinion on the financial statements. Their report is set out at the right.



President
CI MUTUAL FUNDS INC.



Chief Financial Officer
CI MUTUAL FUNDS INC.

AUDITORS' REPORT

To the unitholders of CI Pacific Fund (the "Fund"):

We have audited the Investment Portfolio of the Fund as at December 31, 2001, the Statements of Net Assets as at December 31, 2001 and 2000, the Statements of Operations and Changes in Net Assets for the years then ended and the Statements of Financial Highlights for each of the years in the five-year period ended December 31, 2001. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2001 and 2000, the results of its operations and changes in its net assets for the years then ended and its financial highlights for each of the years in the five-year period ended December 31, 2001 in accordance with Canadian generally accepted accounting principles.



Toronto, Ontario
February 1, 2002

PRICEWATERHOUSECOOPERS LLP
Chartered Accountants

Board of Governors' Letter

Your CI Funds' Board of Governors is pleased to report on its activities in respect of the year ended December 31, 2001. The Governors are appointed pursuant to the Declarations of Trust governing the Funds that are trusts, and constitute the board of directors of CI Sector Fund Limited.

The Governors' mandate is to consult with CI Mutual Funds Inc. (the "Manager") and any investment advisers (referred to as "Subadvisers") in matters pertaining to investment policy; receive and review periodic reports concerning the investment of the Funds' assets, the issue and redemption of securities and distributions to securityholders; and to review and advise or consent, if appropriate, with respect to any other matter required by the Declarations of Trust and by applicable securities laws, regulations and rules. The Governors have met at least semi-annually.

The Governors have reviewed, commented on and approved the CI Code of Ethics and Conduct, which establishes rules of conduct designed to ensure fair treatment of the Funds' securityholders and that, at all times, the interests of the the Funds and their securityholders are placed above personal interests of employees, officers and directors of the Manager and each of its subsidiaries and affiliates, the Subadvisers, and the Governors, through application of the highest standards of integrity and ethical business conduct. The objective is not only to remove any potential for real conflict of interest but to avoid any perception of conflict.

The independent Governors report that management has been open and cooperative, permitting the Governors to meet with subadvisers of the Funds, to meet with individual department heads and personnel to review control mechanisms and compliance procedures, including those relating to the

personal securities trading activity of employees, and to consider other matters that affect the Funds, such as customer complaints. The personal trading rules under the CI Code of Ethics and Conduct require prior clearance of personal trades and restrict the ability of staff to trade any securities held by the Funds. The three independent Governors comprise the Audit Committee of the Board of Governors. The Audit Committee independently reviewed, with the Fund's auditors, the planning, scope and results of the audit of the financial statements of the Funds for the year 2001, and reported to the Board of Governors. The Board of Governors has received and accepted the 2001 Annual Reports of the Funds.

The Manager's year 2001 compliance report, and reports on compliance with the CI Code of Ethics and Conduct have been provided to the Governors in a timely and satisfactory manner.

Jasmine Herlt
CHAIR, CI MUTUAL FUNDS INC. BOARD OF GOVERNORS

March 6, 2002

Members of the Board of Governors

Jasmine Herlt, Chair
Stephen T. Moore
Paul J. Perrow
G. Raymond Chang, Chairman, C.I. Fund Management Inc.
William T. Holland, President and Chief Executive Officer,
C.I. Fund Management Inc.

Legal Notice

NOTICE: Should you require additional copies of this Annual Report or have received more than one copy, please contact CI Mutual Funds Inc. or your financial adviser.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Unless otherwise indicated and except for returns for periods less than one year, the indicated rates of return are the historical annual compounded total returns including changes in security value. All performance data assume reinvestment of all distributions or dividends and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Mutual fund securities are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer.

The commentaries contained herein are provided as a general source of information and should not be considered personal investment advice or an offer or solicitation to buy or sell securities. Every effort has been made to ensure that the material contained in these commentaries is accurate at the time of publication. However, CI Mutual Funds Inc. cannot guarantee its accuracy or completeness and accepts no responsibility for any loss arising from any use of or reliance on the information contained herein.

SIMPLIFIED PROSPECTUS: The Simplified Prospectus and Annual Information Form of a Fund are renewed annually. CI Mutual Funds Inc. would be pleased to provide, without charge, the most recent Simplified Prospectus upon request to its Toronto office.

DISTRIBUTION OR DIVIDEND REINVESTMENT: Distributions or dividends from the Funds are automatically reinvested, free of any sales commissions or charges, in additional securities of the relevant Fund, unless you otherwise direct. You may withdraw from participation in the reinvestment plan at any time by delivering a written request to your financial adviser or to CI Mutual Funds Inc.

REDEMPTION OF SECURITIES: Securities may be redeemed by securityholders on any business day by delivering to your financial adviser or CI Mutual Funds Inc. (the "Manager") a redemption request in writing, or in such other form as permitted by your financial adviser. If your redemption request is received by the Manager on any Valuation Date prior to 4:00 p.m. (Eastern time), then your securities being redeemed will be priced at the next valuation time following receipt by the Manager of the redemption request. If the proceeds of redemption exceed \$10,000 or are to be paid to someone other than the registered owner, your signature must be guaranteed by a bank, trust company, investment dealer, or broker. If certificates representing the securities to be redeemed have been issued, the redemption request must be accompanied by the certificates, properly endorsed for redemption with the signature guaranteed in the manner described above. If the registered owner is a corporation, partnership, agent, fiduciary or surviving joint owner, additional documentation may be required.

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Head Office

CI Place, 151 Yonge Street, Eleventh Floor

Toronto, Ontario M5C 2W7

Tel: 416-364-1145

Toll Free: 1-800-268-9374

English Client Services Team: 1-800-563-5181

French Client Services Team: 1-800-668-3528

Sales Offices

Calgary Tel: 403-205-4396 Toll Free: 1-800-776-9027

Halifax Tel: 902-422-2444 Toll Free: 1-888-246-8887

Montreal Tel: 514-875-0090 Toll Free: 1-800-268-1602

Vancouver Tel: 604-681-3346 Toll Free: 1-800-665-6994

CI Teleservice: 1-800-275-3672 *Automated telephone account information*

E-mail: service@cifunds.com

www.cifunds.com