

CI CANADIAN BALANCED FUND

Q2-2025 Commentary



FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I.
CI Canadian Balanced Fund, Series F*	13.0%	10.6%	9.2%	6.3%	6.5%
Benchmark: 30% MSCI ACWI Index/30% S&P/TSX Composite Index/40% FTSE Canada Universe Overall Bond Index	14.9%	12.4%	8.4%	7.0%	N/A

* Inception date: August 8, 2000. Formerly Signature Canadian Balanced Fund, renamed effective July 29, 2021.

Source: CI Global Asset Management, as at June 30, 2025.

PERFORMANCE SUMMARY

- Over the second quarter of 2025, CI Canadian Balanced Fund, Series F (the Fund) returned 3.2% compared with its benchmark (30% MSCI ACWI Total Return Index/30% S&P/TSX Composite Total Return Index/40% FTSE Canada Universe Overall Bond Index), which returned 4.0% over the same period.
- The Fund underperformed its benchmark primarily as a result of stock selection in the information technology sector. An underweight allocation to that sector also detracted from performance.

CONTRIBUTORS TO PERFORMANCE

The Fund's position in Fairfax Financial Holdings Ltd. contributed to performance. Its stock gained given its inexpensive valuation and the company's solid execution and better-than-expected first-quarter results.

Shopify Inc. also contributed to performance, benefiting from strength in the information technology sector and the announcement of the company's inclusion in the Nasdaq 100 Index.

DETRACTORS FROM PERFORMANCE

A holding in UnitedHealth Group Inc. detracted from the Fund's performance. The company's stock declined with generalized weakness within the health care sector around U.S. regulatory concerns, disappointing earnings, litigation concerns and the withdrawal of its forecast.

Another detractor from the Fund's performance was a holding in CI Private Markets Income Fund, which was affected by the strong performance from increased public market valuations and expectations.

PORTFOLIO ACTIVITY

During the period, we added a new Fund holding in Keyera Corp. subscription receipts on a secondary offering of shares to acquire Canadian natural gas liquid assets from Plains All American Pipeline LP. In our view, the company is likely to outperform over the medium term.

A Fund holding in Dollarama Inc. was sold given the stock's very high valuation, and despite reasonably good financial results from the company.

MARKET OVERVIEW

For the coming period, it is our expectation that the global and Canadian economies are likely to slow, although this is unlikely to be a large drawdown. Around the world, geopolitical concerns and conflicts and the increasingly protectionist direction of the United States should contribute to the expected slowdown.

Within Canada, the U.S. administration's tariff policy, despite recurring exemptions for most Canadian goods, is impacting export volumes directly and is also eroding consumer and business confidence. We are hopeful that Canadian government actions will spur investment, but any improvement in the U.S. policy backdrop will take time to filter through to economic results. Bank of Canada (BoC) interest-rate reductions should support consumer spending somewhat, although the recent increase in unemployment represents a challenge.

In the Fund's equity component, we have maintained an overweight exposure to Canada, seeing boosts to Canadian financial markets from flows, reasonable valuations, and reasonable expectations of corporate profit growth from Canadian companies. Given the year-to-date performance strength of Canadian equities, and a renewed set of trade uncertainty early in the third calendar quarter, investors may expect some moderate levels of risk reduction within the Fund toward more defensive positioning.

Within the Fund's fixed-income allocation, we are comfortable with an overweight allocation to corporate credit, viewing the supply-and-demand dynamics to be supportive of current spreads, even if they are relatively tight on a historic basis. With higher interest rates and greater uncertainty, many corporate issuers are keeping their balance sheets strong, which tends to be positive for credit.

With interest-rate cuts from the BoC, and inflationary pressures that are slightly higher than expected, we expect to see a near-term moderation in growth. Within the United States, increased government borrowing and a resilient consumer has put upward pressure on interest rates. The outlook for interest rates and bond returns in the United States, given the political and economic backdrop, has greater uncertainty and binary possibilities than most times in history.

Source: CI Global Asset Management

For more information, please visit ci.com.

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Published July 28, 2025.