

# CI CORPORATE BOND FUND

## Q2-2025 Commentary



FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I.
CI Corporate Bond Fund, Series F*	8.6%	7.6%	4.5%	4.1%	5.1%
Benchmark: 70% FTSE Canada Universe + Maple Corporate Bond Index, 30% ICE BofAML US High Yield (CAD Hedged)	8.3%	7.0%	3.4%	4.2%	N/A

\* Inception date: July 15, 2003. Formerly Signature Corporate Bond 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 Corporate Bond Fund, Series F (the Fund) returned 1.0% compared with its benchmark, a 70/30 combination of FTSE Canada Universe + Maple Corporate Bond Index and ICE BofAML US High Yield (CAD Hedged), which was up 1.2% over the same period.
- The Fund underperformed its benchmark during the period as a result of lagging performance from investment-grade and high-yield credit, and negative U.S.-dollar currency effect.

### CONTRIBUTORS TO PERFORMANCE

A holding in Foot Locker Inc. 4.0% Oct. 1, 2029 contributed to the Fund's performance following the company's sale to Dick's Sporting Goods Inc. in May.

Another notable contributor to performance was Cineplex Inc. 5.75% Sep. 30, 2025, which benefited from a strong slate of new releases.

### DETRACTORS FROM PERFORMANCE

The Fund's position in Fairfax India Holdings Corp. 5.0% Feb. 26, 2028 detracted from performance as it underperformed in a strong market.

VF Corp. 6.45% Nov. 1, 2037 also detracted from the Fund's performance, driven by volatility in U.S. interest rates.

### PORTFOLIO ACTIVITY

During the period, a new position in Brookfield Property Partners L.P. + 350 bps Term Loan due 14 May 2030 was added to the Fund. The company enjoys strong parent company support and helps to refinance the existing capital structure. A new holding in Coreweave Inc. 9.25% Jun. 1, 2030 was also added to the Fund to facilitate growth for this newly public company.

We exited Fund positions in Tempur Sealy International Inc. 3.88% Oct. 15, 2031 and Match Group Holdings II LLC 3.63% Oct. 1, 2031 to make way for investments with higher return potential.

### MARKET OVERVIEW

While the U.S. administration continues to dominate headlines, trade policy has taken a temporary backseat, with the 90-day tariff pause likely to be extended for nations engaged in good-faith negotiations. However, mercantilism remains in full effect and the interplay between raising defense spending and receiving tariff relief is likely to persist. We still anticipate an economic "soft landing," although risks to long yields from fiscal policy and lingering tariff effects have grown. In the United States, while sentiment indicators

showed weakness early in the quarter, hard economic data held firm, and improving inflation trends should give the U.S. Federal Reserve Board more room to act, assuming that companies absorb rising input costs rather than passing them on to consumers.

In Canada, both soft and hard data have weakened. The Bank of Canada (BoC) held interest rates steady at 2.75%, and earlier cuts may be sufficient to avoid recession. Slightly improved mortgage renewal dynamics may help support consumer spending and bank balance sheets. However, inflation has ticked above 3%, and the BoC is awaiting further clarity before delivering more interest-rate cuts. Fiscal stimulus from provincial and federal governments could offset trade challenges, but may also add inflationary pressure and weigh on longer-dated yields.

We continue to remain tactical in both government and corporate bond markets, as the U.S. administration appears to be using policy uncertainty as a negotiating tool. While we believe the overall direction of government bond yields is lower, the path forward will not be a straight line. This is an environment that should reward sound strategy and disciplined security selection over outright risk-taking, conditions that tend to favour our approach to active management.

Source: CI Global Asset Management

For more information, please visit [ci.com](https://ci.com).

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