

# CI EMERGING MARKETS FUND

## Q2-2025 Commentary



FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I.
CI Emerging Markets Fund, Series F*	11.5%	11.0%	7.3%	6.4%	5.9%
Benchmark: MSCI Emerging Markets Total Return Index (C\$)	15.6%	12.3%	7.3%	6.2%	6.9%

\* Inception date: August 8, 2000. Formerly Signature Emerging Markets 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 Emerging Markets Fund, Series F (the Fund) returned 7.1% compared with its benchmark, the MSCI Emerging Markets Total Return Index (C\$), which returned 6.4% over the same period.
- The Fund outperformed its benchmark partly as a result of stock selection, particularly in the consumer discretionary and materials sectors.
- Stock selection in the energy sector detracted from performance, but the Fund's underweight exposure to the Middle East offset the drag from stock selection.
- A small weighting in Argentina detracted from performance as investors waited for further macroeconomic improvements.

### CONTRIBUTORS TO PERFORMANCE

Grupo Financiero Banorte SAB de CV contributed to the Fund's performance. The stock was supported by healthy quarterly earnings, a cheap valuation, and a return of risk appetite to markets in general after the early-April slump. As well, the company benefited from investors revisiting Mexican investment after Mexico and Canada were exempt from the U.S. administration's "Liberation Day" tariff announcement.

Another notable contributor to the Fund's performance was a holding in MercadoLibre Inc. The company's stock outperformed amid improved investor risk appetite, which benefited e-commerce companies in general and MercadoLibre in particular. In addition, strong quarterly results, a dominant position in Argentina, and increased branding calmed fears of a company reaching peak growth.

Pop Mart International Group Ltd., the largest pop toy company in China, was another contributor to performance. It benefited from the successful launch of generation 3 of "The Monster," ongoing category expansion into jewelry, and a series of marketing campaigns.

### DETRACTORS FROM PERFORMANCE

After the strong equity rebound during the first quarter of 2025, the stock performance of "blue chip" Chinese companies struggled partly because of tariff uncertainties, as well as investors finding more compelling investments elsewhere in the region, such as South Korea. The Fund's holdings in Alibaba Group Holding Ltd., Tencent Holdings Ltd. and Meituan all detracted from performance as a result.

Another notable detractor from the Fund's performance was Anglo American PLC. As part of the risk management process following the "Liberation Day" announcement, Anglo American was sold from the Fund to reduce exposure to a highly cyclical commodity, copper. However, the sale in April crystallized the losses in the Fund.

### PORTFOLIO ACTIVITY

We added a new position in Hesai Group, one of the world's leading light detection and ranging (LiDAR) technology providers. The company had 33% market share by sales revenue in 2024. We are expecting rapid market growth for LiDAR and chips for smart driving. We also added a new holding in Samyang Foods Co. Ltd., which manufactures instant and processed food products. Production capacity expansion in the United States in 2025 should increase its overall capacity by close to 100%.

PharmaResearch Co. Ltd. was eliminated from the Fund to take profit after the company announced a spin off in 2025, with the newly created company getting most of the intellectual property and real estate. Investors suspected the net asset value of the new company is undervalued as they did not do mark-to-market on intellectual property and real estate. We took profits after the news as this unfavourable shareholder action and high valuations left the stock price susceptible to a correction.

## **MARKET OVERVIEW**

Despite slower global growth expectations and sticky inflation, policy uncertainty and geopolitical events, emerging markets equities were one of the top-performing asset classes during the period. The weakening U.S. dollar and investors' desire to diversify beyond the United States provided support for outperformance of emerging markets equities. In our view, diversification outside of the United States, still relatively light positioning in emerging markets and attractive valuations, bode well for a continued outperformance of emerging markets equities for the second half of 2025.

Latin America is expected to benefit as China continues to relocate supply chains out of China but investors would also like more clarity regarding the US tariff regime towards the region.

The slower growth profiles of India and Indonesia should not be problematic, but an expected slowdown in growth momentum in China needs careful monitoring. Growth in exports and consumer spending are expected to slow after a rush of exports ahead of potentially broader U.S. tariff increases. On the positive side, the multi-year housing market decline and deflation appear to be bottoming.

Source: CI Global Asset Management

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

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