

CI GLOBAL LEADERS FUND

Q1-2025 Commentary



FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I.
CI Global Leaders Fund, Series F*	3.8%	7.0%	13.4%	9.4%	9.5%
Benchmark: MSCI World Total Return Index (C\$)	14.5%	12.6%	16.0%	10.8%	9.3%
Benchmark: MSCI ACWI GR Total Return Index (C\$)	14.3%	13.3%	16.9%	11.5%	9.8%

* Inception date: June 12, 2006. Formerly CI Black Creek Global Leaders Fund, renamed effective July 29, 2021.
Source: Black Creek Investment Management Inc., as at March 31, 2025.

PERFORMANCE SUMMARY

- Over the first quarter of 2025, CI Global Leaders Fund, Series F (the Fund) returned -0.4% compared with its benchmarks, the MSCI World Total Return Index (in Canadian-dollar terms), which returned -1.6%, and the MSCI ACWI Total Return Index (in Canadian-dollar terms), which returned -1.2%
- The Fund outperformed its benchmark largely as a result of an underweight exposure to the information technology sector. Stock selection in and underweight allocations to the consumer discretionary and communication services sectors also contributed to the Fund's performance.
- The first quarter of 2025 was volatile, and tariff rhetoric and uncertainty continued to dominate the market. An underweight allocation to the United States contributed to the Fund's performance as U.S. stocks sold off from their peaks amid tariff uncertainty.
- Stock selection in financials, as well as an underweight allocation to the sector, detracted from the Fund's performance. Selection within the health care sector and a lack of exposure to the energy sector also detracted from the Fund's performance.

CONTRIBUTORS TO PERFORMANCE

A holding in NEC Corp. contributed to the Fund's performance. The company's operating profit benefited from sustained strong trends in domestic information technology services spending, particularly from local governments for modernization and digitization services. The company has an expanding national security business that is growing from work on large-scale defence projects.

Also contributing to the Fund's performance was a holding in ConvaTec Group PLC. The company delivered strong results in 2024 across all four product segments, with year-over-year 7.7% organic revenue growth and operating margin improvement of 100 basis points to 21.2%. The company's current management has improved innovation, execution and cost management, which have led to above-market growth and improved margins for the foreseeable future.

DETRACTORS FROM PERFORMANCE

Detracting from the Fund's performance was a holding in PayPal Holdings Inc. Payment processors were negatively impacted in the quarter by the Trump administration's tariff announcement. While PayPal Holdings has little direct exposure, it does have exposure to ecommerce, and there are concerns that tariffs will have a negative effect on discretionary spending.

Another detractor from the Fund's performance was a holding in Elanco Animal Health Inc. The company is at the very early stages of commercializing Zenrelia (dermatology) and Credelio Quattro (parasiticide) for companion animals and Bovaer (methane reduction in cows' digestion) for dairy cows. It is in an investment phase to support these key product launches, which has suppressed margins in the short term. We believe that the market does not fully appreciate the longer-term potential of these innovative products.

PORTFOLIO ACTIVITY

A new holding in Brown-Forman Corp., one of the largest global spirits and wine companies, was added to the Fund. Many spirits companies have experienced near-term share price weakness. We added the position given the company's exposure to the structurally attractive whiskey and tequila categories that are positively exposed to the industry's premiumization trend. The company also has an innovative pipeline of products.

A holding in CDW Corp. was also added to the Fund because we believe it should benefit from a recovery in information technology hardware spending after sales declined following the COVID-19 pandemic bump. The company also has value-added services that it can offer with its acquisition of Sirius.

A holding in BAE Systems PLC was eliminated from the Fund after strong performance amid rising geopolitical tensions, which have led to increased spending on defence, particularly in Europe. Given the company stock's higher valuation, we sold the holding in favour of more attractive investment opportunities.

A holding in Makita Corp. was sold after the company's stock rebounded from lows in October 2022. The company is exposed to tariff risks as it manufactures a lot of its products in China and then exports.

MARKET OVERVIEW

The biggest unknown for global economic growth remains the duration and magnitude of the tariffs. This increased uncertainty comes at a time when global economic growth was already moderating. If large trading blocs, such as China and the European Union, escalate the trade war through retaliatory tariffs, the negative impact on growth will be more pronounced. However, if the United States begins to engage with countries on trade and tariffs, then growth could become more robust in the coming quarters with lower inflation. The economic data has not yet reflected a decline in spending, but forward-looking confidence surveys point to reduced confidence and spending by both businesses and consumers. Central bankers have the challenge of balancing growth concerns against rising inflation expectations.

In times of increased uncertainty and volatility, investors often make decisions based on emotion. We believe in owning a concentrated, high-conviction Fund of differentiated and winning businesses. Given our approach, we welcome the increased market volatility as it should allow us to take advantage of mispricing or irrational behaviour as we focus on the long term.

Source: Black Creek Investment Management Inc.

GLOSSARY OF TERMS

Volatility: Measures how much the price of a security, derivative, or index fluctuates. The most commonly used measure of volatility when it comes to investment funds is standard deviation.

Derivatives: A financial security with a value that is reliant upon, or derived from, an underlying asset or group of assets. The derivative itself is a contract between two or more parties based upon the asset or assets. Its price is determined by fluctuations in the underlying asset.

Standard Deviation: A measure of risk in terms of the volatility of returns. It represents the historical level of volatility in returns over set periods. A lower standard deviation means the returns have historically been less volatile and vice-versa. Historical volatility may not be indicative of future volatility.

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

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