

# CI GLOBAL VALUE FUND

## Q2-2025 Commentary



FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I.
CI Global Value Fund, Series F*	15.2%	13.0%	10.1%	7.4%	5.3%
Benchmark: MSCI World Total Return Index	16.4%	21.1%	15.1%	12.2%	6.6%

\* Inception date: August 8, 2000.

Source: Altrinsic Global Advisors, LLC, as at June 30, 2025.

### PERFORMANCE SUMMARY

- Over the second quarter of 2025, CI Global Value Fund, Series F (the Fund) returned -1.4% compared to its benchmark (MSCI World Total Return Index), which returned 5.8%.
- The Fund underperformed its benchmark, in part owing to its positions in the information technology, financials, and communication services sectors.
- Information technology underperformed given the Fund's underweight exposure and weak performance from Genpact Ltd., which reported disappointing results as a result of macroeconomic-related delays in large deal closures. However, the company is strategically investing to accelerate growth and position itself as a key implementation partner for AI solutions, providing meaningful potential for both growth and margin expansion.
- Financials underperformed owing to insurance-focused holdings. Investors grew increasingly concerned that, after years of price increases, we could see increased competition and slowing growth. We believe the industry continues to act with some of the greatest discipline in decades, and that strong profitability and growth can be maintained given rising demand, increasing penetration, and benefits from higher interest rates.
- Underperformance in communication services was driven by declines in the Fund's holding in Baidu Inc. and a lack of exposure to highly valued technology firms in the sector.

### CONTRIBUTORS TO PERFORMANCE

A holding in KB Financial Group Inc. contributed to the Fund's performance. The South Korea-based firm saw its stock rebound sharply along with most stocks domiciled in the country. South Korea's "value up" program appears set to release more shareholder value, which is greatly needed in that equity market. In addition, the improving trade outlook is particularly beneficial for a country that relies heavily on exports.

Shares of Brazil's largest private bank, Itau Unibanco Holding SA, also contributed to performance. The stock rose on an improving economic outlook in the country, along with an expectation that the interest-rate policy would improve in the coming years.

### DETRACTORS FROM PERFORMANCE

Bristol-Meyers Squibb Co. detracted from the Fund's performance amid concerns that the U.S. administration could pursue stricter drug pricing policies in the United States. However, the company has a strong pipeline of late-stage assets that should enhance its growth outlook over time.

Everest Group Ltd. also detracted from the Fund's performance. After a disappointing fourth quarter of 2024, investors remained skeptical that the insurer could sustain its current return on equity (ROE). At this point, the share price implies the company will be unable to earn an underwriting profit again, which we believe is overly pessimistic for a company with a strong 20-year history of

execution. While sentiment has driven down prices, Everest enjoys strong margins and ROE, and with a large share buyback at current valuations, we believe a re-rating is warranted.

## **PORTFOLIO ACTIVITY**

One of the positions added during the quarter was Booz Allen Hamilton Holding Corp., a consulting firm that provides technology services primarily to government agencies, including defense, intelligence, and civil sectors. The stock declined recently amid concerns related to the U.S. Department of Governmental Efficiency, which we view as short-term challenges. Booz Allen is strategically positioned to capitalize on the government's long-term investments in defense, cybersecurity, and artificial intelligence (AI).

Among holdings eliminated from the Fund was Baidu Inc. Management delayed the monetization timeline for its AI-enhanced search results, and we lost confidence in their ability to fully capitalize on this significant opportunity.

## **MARKET OVERVIEW**

The global economy remained resilient, particularly the United States. Valuations in many segments of equity markets suggest significant trend extrapolation embedded in share prices. Although we have a positive outlook in the long term, we believe that the price paid matters and we continue to be drawn to opportunities away from the crowded and more cyclical segments of the market.

Looking forward, inflation will likely be more volatile given deglobalization, government fiscal expansion, geopolitical risk, and energy price volatility. When a market is overly focused in one area, it often pays to look the other way. Our attention remains on companies with durable competitive advantages, reasonable valuations and the ability to compound value through various market cycles.

Sources: Altrinsic Global Advisors, LLC and FactSet Research Systems Inc.

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

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