

CI HIGH INCOME FUND

Monthly Commentary



September 2025

CI High Income Fund is a non-traditional balanced strategy that provides investors with a high level of income with a defensive tilt and low volatility, delivering stronger yields than traditional balanced solutions. It offers exclusive access to private assets, providing enhanced diversification.

KEY FACTS

NAV/UNIT (SERIES F)	\$12.02
SERIES F FUND CODE	CIG 447 (C\$)
SERIES A FUND CODE	CIG 686 (C\$)

Source: CI Global Asset Management., as of September 30, 2025.

Performance series F - as of September 30, 2025

	1 Mth	YTD	1 Yr	3 Yr	5 Yr	10 Yr	15-Yr	S.I.*
CI High Income Fund, Series F	1.6%	7.5%	9.8%	11.0%	9.7%	6.8%	7.0%	8.3%
Global Neutral Balanced Category	2.8%	8.6%	10.5%	12.2%	6.8%	5.9%	6.2%	5.1%
Quartile Ranking	4	3	3	3	1+	2	1	1++

Source: Morningstar Research Inc., as of September 30, 2025. *Inception date of CI High Income Fund, Series F is December 18, 2001. "+" denotes top decile performance. "++" denotes top percentile performance. Quartile ranks relative to the Global Neutral Balanced category.

Macroeconomic Outlook

- September marked the **resumption of monetary policy easing** by both the Federal Reserve (the Fed) and the Bank of Canada (BoC). Expectations for further rate cuts, coupled with ongoing enthusiasm around the AI investment trend, continued to drive market momentum and investor sentiment.
- U.S.** employment data affirmed a cooling in the labour market, with job growth slowing and the unemployment rate rising to a new cycle high. While layoffs have remained at bay, the Fed judged that downside risks to employment have increased, prompting a resumption of policy easing. A likely government shutdown will delay key economic data complicating the outlook for monetary policy.
- The **Canadian economy** showed continued signs of slack, with employment declining and inflationary pressures easing. Along with the government's rollback of retaliatory tariffs, these factors led the BoC to resume easing in September. With the federal budget due in early November and expected to be stimulative, the likelihood of substantial further rate cuts is limited.
- China's economy** weakened in September, as ongoing softness in the housing market and labour conditions continued to weigh on domestic demand. Manufacturing activity remained in contraction, and policymakers are expected to respond with fiscal stimulus in Q4, consistent with what has occurred in each of the past three years.
- Momentum in **Europe** is improving as growth in the services sector offsets softness in manufacturing. Optimism around fiscal support announced earlier in the year is expected to sustain business confidence and underpin investment in the coming quarters.

Monthly Performance Commentary

- CI High Income Fund Series F (the Fund) returned 1.6% during the month, underperforming the global neutral balanced category.
- Real Estate: An underweight allocation to real estate supported results, with positive stock selection in holdings such as First Capital REIT and Ventas.
- Infrastructure: The Fund's overweight to energy infrastructure contributed positively, led by strong performance in Enbridge. However, some positions, including Cheniere Energy Inc., detracted from returns.
- High Yield Credit: Within the Fund's high yield sleeve, we were in-line in weight overall, strong security selection added to returns.

Stellar Long-term Results

- The Fund is ranked in the top decile of its category (Global Neutral Balanced) in the 5-year, top quartile in the 15-year performance periods as of August 31, 2025.

Asset Allocation and Portfolio Positioning

Asset Class	Fund Positioning	Benchmark Positioning
Equities	54.4%	60%
Infrastructure	22.3%	20%
Real Estate	19.5%	20%
Other	12.6%	20%
High Yield Credit	40.3%	40%
High Yield Corporates	26.6%	40%
Investment Grade Corporates	11.4%	
Not Rated	2.1%	
Preferred Shares	0.2%	
Private Assets	3.4%	0%
Cash	1.9%	0%
Foreign Exchange (hedged USD exposure)	70% vs. 60% Neutral	-

Source: CI Global Asset Management, as of September 30, 2025. Total private assets exposure: 3.3%.

Portfolio Positioning Commentary

- High Yield credit: We remain neutral on high yield. The focus is on name selection, targeting companies with solid technicals, fundamentals, and attractive yields such as TKO Worldwide Holdings LLC.
- Real Estate: REITS offers an appealing valuation and the potential for positive returns. The fund is slightly underweight REITS, with an emphasis on name selection such as in senior housing.

- Infrastructure: We maintain an overweight position in infrastructure, with conviction in pipelines and utilities, where we continue to see compelling opportunities.
- Private Markets: We maintain an exposure to private markets to provide additional diversification and enhance risk-adjusted returns.
- Currency & Hedging: The team remains constructive on Canada’s economic outlook, supporting slightly higher CAD exposure. The USD hedge ratio was gradually increased to 70% during the year, with scope for a further increase as conditions evolve.

Portfolio Statistics

Equity Characteristics	Price-to-Earnings (P/E) ratio	Forward 12 Months P/E	Active Share
	21.5	20.2	119.1%
Fixed Income Characteristics	Yield To Maturity	Effective Duration	Average Credit Quality
	6.9%	3.2 years	BB-
Aggregate Yield	5.0%		
Risk	Standard Deviation	Sharpe Ratio	Sortino Ratio
	9.0	0.9	0.6

Source: FactSet, as of September 30, 2025. Aggregate yield includes preferred shares.

For more information, please visit ci.com

GLOSSARY OF TERMS

Active Share: The difference between a portfolio's holding and the benchmark index.

Duration: A measure of the sensitivity of the price of a fixed income investment to a change in interest rates. Duration is expressed as number of years. The price of a bond with a longer duration would be expected to rise (fall) more than the price of a bond with lower duration when interest rates fall (rise).

Return (risk-adjusted): A measure of investment performance taking into consideration how much risk/volatility was assumed to generate it. Consider two investments, both of which return 10% over a given time period. The investment with the greater risk-adjusted return would be the one that experienced less price fluctuation. Two of the most commonly used measures of risk adjusted returns are Sharpe and Sortino ratios.

Sharpe Ratio: A risk-adjusted return measure calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the portfolio's historical risk-adjusted performance.

Sortino ratio An evolution of the Sharpe ratio. Ignores "good volatility" (upward price movement) and focused solely on returns per unit of "bad volatility" (downward price movement), which is more indicative of the risk of loss.

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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.

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.

Yield to maturity (YTM): The total expected return from a bond when it is held until maturity – including all interest, coupon payments, and premium or discount adjustments.

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CI High Income Fund was rated against the following numbers of Global Neutral Balanced funds over the following time periods: 1,468 funds in the last three years, 1,216 funds in the last five years, and 766 funds in the last ten years. Past performance is no guarantee of future results.

Morningstar Rating is for the F share series only; other series may have different performance characteristics.

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Morningstar Ratings reflect performance as September 30, 2025, and are subject to change monthly. The ratings are calculated from a fund's three-, five- and 10-year returns measured against 91-day Treasury bill and peer group returns. For each time period, the top 10% of the funds in a category get five stars. The Overall Rating is a weighted combination of the three-, five- and 10-year ratings. For greater detail see www.morningstar.ca.

The Morningstar Absolute Quartile Rankings are compiled by sorting the funds by returns relative to the mutual funds within the same peer group and range from 1 to 4 for all time periods covered and can change monthly. The top performing 25% of funds in each fund category are assigned a ranking of 1, the next 25% a 2, etc.

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