

CI INTERNATIONAL EQUITY FUND

Q2-2025 Commentary



FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I.
CI International Equity Fund, Series F*	10.2%	12.9%	11.1%	5.8%	9.5%
Benchmark: MSCI EAFE Total Return Index	18.0%	18.8%	11.8%	8.0%	8.3%

* Inception date: September 30, 2008. Formerly CI Black Creek International Equity Fund, renamed effective July 29, 2021.
Source: Black Creek Investment Management Inc., as at June 30, 2025.

PERFORMANCE SUMMARY

- Over the second quarter of 2025, CI International Equity Fund, Series F (the Fund) returned 6.4% compared with its benchmark, the MSCI EAFE Total Return Index, which returned 6.3% over the same period.
- The Fund outperformed its benchmark as a result of stock selection in the materials, health care and consumer staples sectors. An overweight allocation to the information technology sector also contributed to performance.
- Conversely, underweight positions in the financials and industrials sectors, coupled with stock selection in these sectors, detracted from the Fund's performance. An overweight exposure to the consumer discretionary sector also detracted from performance.
- Equity markets finished the period higher despite a significant tariff-induced sell-off. The second quarter witnessed persistent market volatility, fuelled by geopolitical tensions, inflation concerns and shifting monetary policy expectations. These factors created a challenging environment as investor sentiment fluctuated with each new development.

CONTRIBUTORS TO PERFORMANCE

A holding in STMicroelectronics NV contributed to the Fund's performance. The company capitalized on structural growth in electronics and industrial technology, benefiting from diversified demand across key markets, particularly automotive and industrial sectors. With analysts expecting strong growth in the second half of 2025, the company's performance was driven by the increasing adoption of electric vehicles, automation and energy-efficient solutions. The company's ability to meet growing demand with efficient production and innovative products has further supported its strong results.

Also contributing to the Fund's performance was a holding in NOF Corp. The company delivered strong results and upgraded earnings forecasts, driven by robust demand in the functional chemicals segment. A series of share buybacks helped lift the stock, supported by Japan's improving corporate governance and reform agenda. NOF's focus on high-value, specialty chemicals aligns with growing global demand and offers higher margins compared to commodity chemicals.

DETRACTORS FROM PERFORMANCE

A holding in Worldline SA detracted from the Fund's performance. The company's share price dropped to an all-time low following an investigation accusing it of concealing client fraud. In response, Worldline stated it has strengthened merchant risk controls and terminated non-compliant client relationships since 2023. Revenue declined in the first quarter of 2025 amid challenges that included hardware availability, merchant terminations and an unfavourable product and customer mix. In March 2025, Pierre-Antoine Vacheron was appointed CEO. The company also announced it would delay its annual financial outlook update until July 30, creating short-term uncertainty and a lack of clear strategic direction.

A holding in Alibaba Group Holding Ltd. was another detractor from the Fund's performance. Persistent challenges in the domestic market, such as weak consumer demand and investor skepticism, significantly impacted its performance. Moreover, the company reported weaker-than-expected results for the quarter ended March 31.

PORTFOLIO ACTIVITY

We eliminated a holding in Assicurazioni Generali SPA based on its expensive valuation after a successful turnaround. Originally acquired as a restructuring opportunity under a capable CEO experienced in low-interest environments, the company reduced its debt, resumed growth and restored dividends. However, rising valuations in the European financials sector and increasing governance risks given political influence and shareholder control disputes prompted our exit to avoid these uncertainties.

Essity AB was also sold from the Fund. The investment was initially based on strong organic growth potential. However, organic growth has slowed, competitive pressures have intensified and the company's CEO is retiring. While well-known brands like Tork maintain global visibility, the fading growth thesis and leadership changes have diminished the stock's attractiveness at current valuations, leading to its elimination from the Fund.

MARKET OVERVIEW

The investment landscape heading into the second half of 2025 continues to be shaped by elevated uncertainty. While equity markets have experienced intermittent rebounds, the backdrop remains fragile, with shifting trade policies, persistent inflation concerns and rising recession risks in key economies like the United States. Despite recent market strength, underlying volatility remains high, and visibility on the global economic direction is limited.

Consumer sentiment remains cautious, and corporate activity, such as mergers and acquisitions, initial public offerings and capital investment, has slowed as businesses await clearer policy signals. Diverging monetary responses globally further add to the complexity, with Europe and Canada easing interest rates to support growth, while the United States maintains a more neutral stance amid mixed economic indicators.

The Fund's positioning remains unchanged, reflecting our long-term investment philosophy. We continue to focus on businesses with strong fundamentals, reliable cash flows and solid balance sheets. These attributes should help companies navigate economic uncertainty more effectively. Recent volatility has also presented opportunities to reinforce positions in companies we believe are mispriced relative to their intrinsic value.

Source: Black Creek Investment Management Inc.

For more information, please visit ci.com.

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The comparison presented is intended to illustrate the Mutual Fund's historical performance as compared with the historical performance of widely quoted market indexes or a weighted blend of widely quoted market indexes. There are various important differences that may exist between the Mutual Fund and the stated indexes that may affect the performance of each. The objectives and strategies of the Mutual Fund result in holdings that do not necessarily reflect the constituents of and their weights within the comparable indexes. Indexes are unmanaged and their returns do not include any sales charges or fees. It is not possible to invest directly in market indexes.

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