

CI INTERNATIONAL VALUE FUND

Q2-2025 Commentary



FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I.
CI International Value Fund, Series F*	17.3%	15.3%	9.6%	6.8%	5.8%
Benchmark: MSCI EAFE Total Return Index (C\$)	17.4%	18.2%	11.2%	7.5%	5.8%

* Inception date: December 18, 2001.

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

PERFORMANCE SUMMARY

- Over the second quarter of 2025, CI International Value Fund, Series F (the Fund), returned 1.3% compared to its benchmark (MSCI EAFE Total Return Index (C\$)), which returned 6.0% over the same period.
- The Fund underperformed its benchmark as a result of holdings in the industrials, information technology, and communication services sectors.
- Underperformance in the industrials sector was driven by the Fund's underweight exposure to the sector, coupled with weakness in select holdings. An underweight exposure to the information technology sector also detracted from performance.
- Underperformance in communication services was driven by declines in the Fund's holding in Baidu Inc.

CONTRIBUTORS TO PERFORMANCE

The Fund's holdings in South Korea-based KB Financial Group Inc. and Hana Financial Group Inc. contributed to performance. Both stocks rebounded 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 the country, which is highly reliant on exports.

DETRACTORS FROM PERFORMANCE

Sanofi SA detracted from the Fund's performance. The pharmaceutical company's shares declined after it announced disappointing trial results for itepekimab, its chronic obstructive pulmonary disease drug candidate. However, in our view, its solid growth outlook, driven by lead drug Dupixent and a strong pipeline, is not reflected in the current valuation.

Everest Group Ltd. also detracted from 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

Sandoz Group Ltd. was one of the positions added to the Fund during the quarter. The pharmaceutical firm is a global leader in biosimilars and appears well positioned to capitalize on the growing shift toward lower-cost alternatives to branded biologics. While a large portion of revenue comes from small-molecule generics, biosimilars are the key driver of growth and margins, which should improve momentum and overall profitability. As an independent company, Sandoz is unlocking efficiencies and scale, with positive upside to margins over time.

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

MARKET OVERVIEW

The global economy has shown resilience, particularly the United States. Valuations in many segments of equity markets suggest significant trend extrapolation embedded in share prices. Although we have a positive long-term outlook, we believe that the price paid matters, and 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 as a result of 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.

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Published July 18, 2025.