

# CI NORTH AMERICAN EQUITY FUND



## Q2-2025 Commentary

| FUND                                                       | 1 YEAR | 3 YEAR | 5 YEAR | 10 YEAR | S.I.  |
|------------------------------------------------------------|--------|--------|--------|---------|-------|
| CI North American Equity Fund, Series F*                   | 10.8%  | 18.3%  | 14.6%  | 9.9%    | 10.2% |
| Benchmark: 25% S&P/TSX Composite Index & 75% S&P 500 Index | 20.6%  | 19.1%  | 16.0%  | 12.2%   | 10.7% |

\* Inception date: August 21, 2008. First Asset Canadian Dividend Opportunity Fund merged into CI North American Equity Fund effective April 16, 2021, and this change may impact performance. Had these changes been in effect prior to this date, the performance of the Fund could have been different. Please refer to the disclosure documents of CI North American Equity Fund for more information on ci.com. Formerly CI North American Dividend Fund, renamed effective June 27, 2025

Source: CI Global Asset Management, as at June 30, 2025.

### PERFORMANCE SUMMARY

- Over the second quarter of 2025, CI North American Equity Fund, Series F (the Fund) returned 8.3% compared with its benchmark, the 25% S&P/TSX Composite Index & 75% S&P 500 Index, which returned 6.9% over the same period.
- The Fund outperformed its benchmark as a result of security selection in the information technology sector and an overweight exposure to that sector.
- A lack of exposure to the energy sector also contributed to the Fund's relative performance.

### CONTRIBUTORS TO PERFORMANCE

A holding in NVIDIA Corp. contributed to the Fund's performance. The company posted strong results and, more importantly, its largest customers have committed to substantial spending, which should maintain demand for NVIDIA's products.

Another notable contributor to performance was Broadcom Inc. Its stock performed well amid accelerating demand for its custom compute products that are being used to support the build out of high-performance data centres.

### DETRACTORS FROM PERFORMANCE

UnitedHealth Group Inc. detracted from the Fund's performance. Its share price declined substantially as higher-than-expected expense levels impacted earnings, resulting in a change of CEO and a recalibration of expectations.

A holding in Thermo Fisher Scientific Inc. was another detractor from performance. With the U.S. administration reviewing and then pulling research funding, there was concern that demand for research tools could decline, which impacted the company's share price.

### PORTFOLIO ACTIVITY

We added to the Fund a new position in Canadian Pacific Kansas City Ltd., as we continue to see good value at current levels.

We eliminated the Fund's position in CrowdStrike Holdings Inc after it earned a substantial return. Our outlook for returns from these levels had compressed, while risk around the business was increasing.

## **MARKET OVERVIEW**

The second quarter of 2025 was one for the history books, as it started with the announcement of trade tariffs by the U.S. administration. The equity market dropped substantially until tariff rates and associated timing were walked back. Near the end of the quarter, equities were back to near all-time highs, led by returns of the largest-capitalization companies.

While tariff threats and discussions have not ended, it seems the worst threats are behind us and the market is looking through tariff headlines. Spending on artificial intelligence (AI) remains robust, the employment picture is solid, and inflation is moderate. The U.S. Federal Reserve Board remains in what is considered restrictive territory.

Business disruption from the worst of the tariff threats has yet to be felt, and the inflationary impact of the new tariff rates are yet to be established. Thus, we see the potential for volatility to increase from the levels experienced at the end of the second quarter, and believe the spending on AI infrastructure should continue to be a bright spot in the market.

We maintain a fairly balanced portfolio, with slight overweight sector allocations to information technology, where we see continued growth, and to health care, where we see good value.

Sources: CI Global Asset Management, Bloomberg Finance L.P. and FactSet Research Systems Inc.

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

## 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.

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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 indices or a weighted blend of widely quoted market indices or another investment fund. There are various important differences that may exist between the mutual fund and the stated indices or investment fund, 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 indices or investment fund. Indices are unmanaged and their returns do not include any sales charges or fees. It is not possible to invest directly in market indices.

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