

# CI SELECT GLOBAL EQUITY FUND

## Q2-2025 Commentary



FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I.
CI Select Global Equity Fund, Series F*	13.8%	15.7%	14.0%	9.9%	4.6%
Benchmark: MSCI All Country World Total Return Index	16.4%	20.1%	14.2%	11.5%	6.5%

\* Inception date: August 8, 2020. Formerly Signature Global Equity Fund, renamed effective July 29, 2021.

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

### PERFORMANCE SUMMARY

- Over the second quarter of 2025, CI Select Global Equity Fund, Series F (the Fund) returned 6.7% compared with its benchmark, the MSCI All Country World Total Return Index, which returned 5.9% over the same period.
- The Fund outperformed its benchmark largely as a result of stock selection in the information technology, consumer discretionary and materials sectors. The Fund's U.S. dollar-Canadian dollar currency hedge also contributed to performance as the U.S. dollar came under renewed pressure.
- A small country weighting in Argentina detracted from the Fund's performance as investors waited for further macroeconomic improvements.

### CONTRIBUTORS TO PERFORMANCE

Following the equity sell-off in early April, information technology stocks made a strong comeback as broad-based investor risk appetite returned to markets. The rebound was further supported by renewed interest in artificial intelligence (AI). The Fund's holdings in NVIDIA Corp., Microsoft Corp. and SK Hynix Inc. were part of this rebound and significantly contributed to performance.

A holding in Japanese retailer Ryohin Keikaku Co. Ltd. also contributed to the Fund's performance. Its share price outperformance was supported by the expansion of product categories such as skincare products, apparel and household products, significant improvements in product offering in China, and expectations of future earnings beats.

### DETRACTORS FROM PERFORMANCE

UnitedHealth Group Inc. detracted from the Fund's performance. The company had a series of negative developments, including allegations of overly aggressive Medicare Advantage marketing, questionable billing practices, unexpected high Medicare Advantage costs and wrong assumptions regarding care levels. This led to questions about the company's strategy, management's credibility and ability to effectively execute on its current strategy. The lack of timely and relevant communication to investors further added to our skepticism.

Another notable detractor from the Fund's performance was Apple Inc. Its stock underperformed on cost and margin concerns as it tried to move supply chains out of China for all iPhones destined for the United States. Also weighing on the stock were the worries about Apple's in-house AI capabilities.

### PORTFOLIO ACTIVITY

We added another non-U.S. financial company, NatWest Group PLC, to the Fund. It is a full-service bank with the majority of its revenue coming from the United Kingdom. Its revenue outlook continues to be well supported, even if loan growth is muted. Its valuation remains undemanding despite the improvement in returns. Capital returns have been high as NatWest is also buying back shares.

A new holding in gold miner Kinross Gold Corp. was also added to the Fund. The company was able to contain its costs and increase its margins. It now has one of the highest free cash flow margins per ounce among its peers. Kinross' management is also very disciplined when it comes to capital allocation.

We eliminated the Fund's position in LVMH Moët Hennessy Louis Vuitton SE amid concerns regarding the demand for luxury goods. The company's latest quarterly results reflected this trend, with a decline in its organic revenue growth and a conservative outlook. The future demand growth out of China remains a concern, as well as the demand for fashion and leather goods. With the sale of the stock, the Fund's exposure to luxury goods was eliminated.

UnitedHealth Group Inc. was sold from the Fund as the last part of our stop-loss process for a stock under extreme pressure.

## **MARKET OVERVIEW**

Recent headlines suggested that trade frictions will remain, but tariff uncertainties are down from early April. The general easing of trade policy, combined with continued focus on tax cuts, fiscal spending, deregulation and business-friendly reforms in the United States, is helping to foster a more constructive equity and corporate bond market outlook. However, with U.S. equities (as measured by the S&P 500 Index) testing new highs, valuation concerns are again rising in the face of slower economic growth. Debt concerns after the passing of the U.S. budget bill are also keeping the U.S. Treasury market under pressure.

While survey-based indicators have shown improvement, the road ahead remains bumpy as hard data begins to catch down to weaker investor sentiment. This lag underscores ongoing uncertainty about the economy's path, especially as policy and inflation dynamics remain in flux. The U.S. budget bill that passed in early July removed a number of uncertainties, but the positive growth impact might be limited and not be felt immediately.

Growth in Europe has shown improvement but remains subdued and faces challenges from trade frictions. Despite these external challenges, there is optimism as Germany's recently approved a 500 billion euro infrastructure fund, coupled with the increase to defence spending and looser fiscal rules, provides strong support for domestic economic growth.

Source: CI Global Asset Management

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

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