

# CI U.S. EQUITY FUND

## Q2-2025 Commentary



FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I.
CI U.S. Equity Fund, Series F*	17.8%	21.0%	15.1%	11.7%	14.2%
Benchmark: S&P 500 Total Return Index	14.8%	22.0%	16.7%	14.7%	16.4%

\* Inception date: May 31, 2011. Formerly Sentry U.S. Growth and Income Fund, renamed effective June 25, 2021.

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

### PERFORMANCE SUMMARY

- Over the second quarter of 2025, CI U.S. Equity Fund, Series F (the Fund) returned 3.6% compared with its benchmark, the S&P 500 Total Return Index, which returned 5.2% over the same period.
- The Fund underperformed its benchmark primarily as a result of stock selection in the health care sector and allocation to the information technology sector.

### CONTRIBUTORS TO PERFORMANCE

A holding in Alphabet Inc. contributed to the Fund's performance. The company's stock outperformed given that demand for its cloud services accelerated as customers integrated artificial intelligence (AI) functionality into their own systems. Alphabet also deployed AI into its search browser to improve user experience and benefited from robust advertising spending.

Another notable contributor to performance was Live Nation Entertainment Inc., which benefited from consumers continuing to prioritize spending on in-person events. Live Nation also expanded advertising partnerships and its presence internationally.

### DETRACTORS FROM PERFORMANCE

UnitedHealth Group Inc. detracted from the Fund's performance. Its stock underperformed because of rising medical costs to treat patients, government investigation into its billing practices, and leadership turnover. We remain shareholders because we think this series of events has caused the market to become overly pessimistic and overlook UnitedHealth's attractive position as the scaled leader in the steady and growing health insurance industry.

Thermo Fisher Scientific Inc. also detracted from performance. It underperformed as a result of weak funding for new drug development, which reduced the volume of consumables sold and delayed new equipment spending. Thermo Fisher was also pressured by fears that reductions in government grants to universities could slow research activity.

### PORTFOLIO ACTIVITY

We added a new holding in CCC Intelligent Solutions Holdings Inc., which provides claims management software to auto insurers and collision repair shops. The company strategically uses AI to enable photo-based estimation, which saves time and labour costs.

A holding in McDonald's Corp. was eliminated amid concerns about new competition, the proliferation of weight-loss drugs, and general macroeconomic weakness, which is likely to put pressure on restaurant traffic volumes.

## **MARKET OVERVIEW**

We expect trade tariffs imposed by the United States will place upward pressure on inflation, and thus, we favour businesses with competitive advantages that allow them to exercise pricing power. Consumer spending will likely decline amid weaker sentiment and higher prices reflecting the added cost of tariffs. We are cautious towards companies that manufacture discretionary goods. We believe that the U.S. Federal Reserve Board may pull forward interest rate cuts but remain cautious about the magnitude of those cuts given the upside risk to inflation presented by tariffs.

We expect the renewal of corporate tax cuts and general deregulation. We expect stimulus spending under the U.S. Infrastructure Investment and Jobs Act, Inflation Reduction Act and CHIPS and Science Act will partially offset slower activity in the private sector. We also expect geopolitical conflicts to increase volatility in oil prices, but we remain selective within the energy sector given its poor track record for capital allocation through the cycle.

We continue to position the Fund in companies that can endure any economic environment as well as businesses with short-term challenges that are trading at prices well below our estimate of their intrinsic value. We place an emphasis on balance sheet resilience and liquidity, which enables businesses to continue investing through an economic downturn and ultimately emerge stronger when economic conditions recover.

Source: CI Global Asset Management

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