

# CI U.S. STOCK SELECTION FUND

## Q2-2025 Commentary



FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I.
CI U.S. Stock Selection Fund, Series F*	4.2%	19.9%	15.8%	11.4%	6.4%
Benchmark: S&P 500 Total Return Index	14.8%	22.0%	16.7%	14.7%	7.8%

\* Inception date: November 17, 2000. Formerly CI American Value 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 U.S. Stock Selection Fund, Series F (the Fund) returned 4.1% compared with its benchmark, the S&P 500 Total Return Index, which returned 5.2%.
- The Fund underperformed its benchmark primarily as a result of exposure to the health care sector. Security selection within that sector also detracted from 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 a new position in Lowe's Cos. Inc. as we continue to see strength in the U.S. home improvement market and believe the company's shares offer a compelling return opportunity.

Merck & Co. Inc. was eliminated from the Fund after its share price rose, benefiting from the "Most Favored Nation" drug pricing news, while tariff-related risks lingered.

### 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.

Source: CI Global Asset Management

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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