CI GLOBAL DIVIDEND OPPORTUNITIES FUND

Q3-2024 Commentary

FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I.
CI Global Dividend Opportunities Fund, Series F*	28.3%	11.1%	10.6%	9.94%	10.6%
Benchmark: MSCI World Total Return Index	32.9%	12.0%	14.1%	12.8%	13.7%

* Inception date: July 30, 2013. Formerly Cambridge Global Dividend Fund, renamed effective July 29, 2021.
Source: CI Global Asset Management, as at September 30, 2024.

PERFORMANCE SUMMARY

- Over the third quarter of 2024, CI Global Dividend Opportunities Fund, Series F (the Fund) returned 4.6% compared with its benchmark, the MSCI World Total Return Index, which returned 5.1%.
- The Fund underperformed the benchmark as a result of stock selection in the information technology and health care sectors.

CONTRIBUTORS TO PERFORMANCE

A holding in Deutsche Telekom AG contributed to the Fund's performance. The company's shares performed well due to several key factors, including its initiation of a significant share buyback program, repurchasing millions of shares that boosted earnings per share. Its subsidiary, T-Mobile US Inc., saw strong performance and also engaged in shareholder returns through buybacks and dividends. The company also made a strategic sale of T-Mobile US shares that generated substantial capital.

A holding in Carrier Global Corp. also contributed to the Fund's performance. The company announced results that included a 21% increase in net sales to $6 billion and organic sales growth of 4%. The company saw robust aftermarket sales, significant order growth and strategic portfolio transformation. The company increased its share repurchase authorization to $4.7 billion, reflecting its commitment to shareholder value. Carrier Global updated its full-year forecast to reflect continued growth and profitability.

DETRACTORS FROM PERFORMANCE

A holding in Novo Nordisk AS detracted from the Fund's performance. The company faced a significant setback when its experimental obesity pill Monlunabant showed disappointing results in a Phase 2a trial, achieving only 6.5% weight loss compared to the expected 15%. This highlighted increased competition in the obesity drug market, eroding investor confidence. Ongoing supply constraints for its popular weight-loss drug Wegovy continued to impact sales. Additionally, the company cut its operating profit outlook for the year, facing pricing pressure and scrutiny over drug costs in the U.S. market. These issues, coupled with concerns about market saturation in the rapidly growing obesity treatment sector, contributed to the company stock's decline during this period.

A holding in Microsoft Corp. was another detractor from the Fund's performance. Investor enthusiasm for stocks related to artificial intelligence (AI) waned as the market sought more concrete evidence of AI product demand. Microsoft's high valuation compared to historical averages made it less attractive to value-oriented investors, while increased competition from rivals such as Amazon.com Inc. and Alphabet Inc. in AI capabilities diminished its perceived edge. The company's mixed earnings results, particularly a slowdown in cloud-computing growth at its Azure subsidiary, also contributed to its stock's underperformance. As the broader market rebound expanded beyond large technology companies, some investors shifted to alternatives. Despite these short-term challenges, we remain optimistic about Microsoft's long-term prospects in cloud computing and AI markets.

PORTFOLIO ACTIVITY

We added a new Fund position in Carrier Global Corp., and we eliminated the Fund's holding in Dell Technologies Inc.

MARKET OVERVIEW

Looking forward, the global market remains cautiously optimistic, with continued attention on the pace of interest rate cuts and the potential impact of recent Chinese stimulus measures on the global economy. As we enter the fourth quarter of 2024, the global equity landscape is characterized by a delicate balance of optimism and caution, shaped by economic trends, interest rate expectations and geopolitical factors. On the positive side, the U.S. Federal Reserve Board's ongoing monetary easing is expected to stimulate growth. Other positive indicators include disinflationary trends, a stable labour market, strong consumer spending and continued earnings growth, particularly in information technology driven by AI. In Europe, economic conditions are mixed, but easing inflation may prompt further action from the European Central Bank, which should support equity markets. Regions and sectors with exposure to China may benefit from the recent stimulus measures announced by Beijing.

However, challenges remain. Valuations have moved higher and consumer confidence is waning, especially regarding labour market conditions, raising concerns about a potential shift from slow hiring to increased layoffs. The upcoming U.S. presidential election, geopolitical tensions with China, broader global political instability, and implications from the ongoing Ukraine and Middle Eastern conflicts further complicate the outlook.

The fourth quarter of 2024 presents a complex backdrop for global equity markets. Investors should remain vigilant of economic trends, interest rate movements and geopolitical developments across regions. Navigating these factors will be crucial for making informed investment decisions in the coming months. We suggest that a diversified portfolio should provide some protection in this challenging environment. We remain balanced between optimism and caution shaped by economic trends, interest rate expectations and geopolitical factors.

Source: CI Global Asset Management

For more information, please visit 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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Published October 31, 2024.