CI GLOBAL INCOME & GROWTH FUND

Q3-2024 Commentary

FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I.
CI Global Income & Growth Fund, Series F*	20.3%	5.2%	8.1%	7.7%	6.4%
Benchmark: 60% MSCI ACWI Total Return Index, 25% J.P. Morgan Global Government Bond Total Return Index and 15% ICE BofAML U.S. High Yield Total Return Index	24.0%	6.8%	8.3%	8.7%	6.1%

* Inception date: February 26, 2007. Formerly Signature Global Income & Growth 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 Income & Growth Fund, Series F (the Fund) returned 3.7% compared with its blended benchmark (60% MSCI ACWI Total Return Index, 25% J.P. Morgan Global Government Bond Total Return Index and 15% ICE BofAML U.S. High Yield Total Return Index), which returned 5.3%.
- The Fund underperformed the benchmark mostly due to stock selection, especially in the health care, energy and consumer discretionary sectors. Security selection in the high-yield bond sleeve detracted from the Fund's performance, as did the Fund's cash allocation and private market investments.
- From a country perspective, an underweight allocation to China detracted from the Fund's performance as Chinese equities rebounded during the last week of September.
- An overweight allocation to longer-term government bonds contributed to the Fund's performance, as did stock selection in Japan.

CONTRIBUTORS TO PERFORMANCE

The Fund's out-of-benchmark holding in gold producer Agnico Eagle Mines Ltd. was the largest contributor to relative performance as the price of gold moved from just above US$2,300 to US$2,635 per ounce by quarter-end.

Another contributor to the Fund's performance was a holding in ASICS Corp. The Japanese athletic footwear company continued to grow and take market share despite being in a challenging market segment. Its overall growth is expected to exceed 20% during the next 12 months. In China alone, ASICS's growth exceeded 20% year over year in August. New product launches, controlling supply to wholesalers and a better management of discounts have resulted in better margins. We believe these changes will continue to benefit the company in the quarters ahead.

Government bonds contributed to the Fund's performance as yields fell sharply in anticipation of a fairly aggressive interest rate cut by the U.S. Federal Reserve Board (Fed) as the U.S. economy showed early signs of weakness. An interest rate cut of 50 basis points was delivered by the Fed on September 18, in line with the top end of expectations.

DETRACTORS FROM PERFORMANCE

The Fund's overweight position in Alphabet Inc. detracted from performance. The company's stock declined amid rising costs of hiring skilled talent as part of the artificial intelligence (AI) race, concerns about margins amid higher depreciation, decelerating growth of its YouTube division and an anti-trust verdict against the company.

The rebound in commodities late in the period on the back of easing monetary policy in China was not enough to offset the quarterly drag from the copper miner Freeport-McMoRan Inc.

PORTFOLIO ACTIVITY

We added to the Fund positions in real estate investment trusts Healthpeak Properties Inc. and VICI Properties Inc., to increase the Fund's exposure to this interest rate-sensitive sector in anticipation of slowing inflation and further interest rate cuts.

A position in Samsung Electronics Co. Ltd. was eliminated from the Fund. The company suffered from several concerns, including a slowdown in the excitement of AI-related investments as investors adjusted expectations about the future demand of AI-related hardware. Samsung Electronics has also failed to close the gap in producing leading-edge HBMe3 (high bandwidth) memory.

MARKET OVERVIEW

A number of near-term macroeconomic factors are key for the continuation of an equity rebound in an environment of an overvalued S&P 500 Index. High valuations are not enough to become overly defensive in our positioning, but they highlight the risk of a sharper correction if negative risks materialize.

We will monitor the U.S. labour market for weakness and slowing consumer spending, which became more evident in the third quarter of 2024. U.S. inflation continues to decline towards levels that are consistent with further interest rate cuts by the Fed. Globally, most other central banks are expected to follow or resume with their own monetary easing cycles. The central banks of Japan and Brazil are outliers, as both are expected to hike interest rates in the near future.

The U.S. presidential election is a clear event risk, and the outcome could have a binary impact on certain industries, such as energy and heavily regulated industries. A drawn-out process to declare a winner post the election poses an additional risk.

The war in the Middle East has escalated and needs close monitoring as Iran is coming under increased pressure to react to recent attacks on Hezbollah in Lebanon and the Houthis in Yemen.

We expect China to add more economic stimulus early in the fourth quarter of 2024, not only supporting the rebound in Chinese equities but also providing broader support to emerging market equities, global luxury companies and commodity producers.

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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