

CI GLOBAL LEADERS FUND

Q3-2024 Commentary



FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I.
CI Global Leaders Fund, Series F*	25.6%	6.8%	11.6%	11.6%	10.0%
Benchmark: MSCI World Total Return Index (C\$)	32.9%	12.0%	14.1%	12.8%	9.8%
Benchmark: MSCI ACWI GR Total Return Index (C\$)	32.2%	11.0%	13.2%	12.1%	9.3%

* Inception date: June 12, 2006. Formerly CI Black Creek Global Leaders Fund, renamed effective July 29, 2021.
Source: Black Creek Investment Management Inc., as at September 30, 2024.

PERFORMANCE SUMMARY

- Over the third quarter of 2024, CI Global Leaders Fund, Series F (the Fund) returned 9.3% compared with its benchmarks, the MSCI World Total Return Index (in Canadian-dollar terms), which returned 5.1%, and the MSCI ACWI Total Return Index (in Canadian-dollar terms), which returned 5.4%
- The Fund outperformed its benchmarks largely as a result of an underweight allocation to the information technology sector and overweight allocation to the industrials sector. Stock selection within the information technology, communication services and industrials sectors also contributed the Fund's performance. Stock selection within the materials sector and a lack of exposure to the real estate sector detracted from the Fund's performance.
- Global equity markets continued their upward trend during the period, despite a spike in volatility. Within the benchmark, previously underperforming sectors showed a strong rebound, while information technology and communication services stocks lagged behind. This shift in sector performance resulted from a decrease in the dominance of U.S. large-capitalization growth stocks. Global small- and mid-cap stocks outperformed the broader market, likely reflecting a more benign growth outlook and expectations of lower inflation and interest rates.

CONTRIBUTORS TO PERFORMANCE

A holding in PayPal Holdings Inc. contributed to the Fund's performance. The company's strong performance was driven by an attractive valuation and positive investor sentiment regarding new growth initiatives and the company's new management team. Furthermore, Apple Inc.'s recent decision to open its near-field communication chip to third-party developers significantly boosts PayPal Holdings' prospects, allowing payment providers like PayPal Holdings to utilize this technology for in-store payments in key markets.

Another notable contributor to the Fund's performance was a holding in Kerry Group PLC. The company is outpacing its peers in volume growth, primarily due to its advancements in food service innovation and expanding market penetration. With a strong emphasis on research and development for staple products and food service, Kerry Group is committed to promoting health-conscious innovations. The company's attractive valuation relative to peers highlights its strong growth potential.

DETRACTORS FROM PERFORMANCE

A position in Kuehne + Nagel International AG detracted from the Fund's performance. The company faces challenges as global ports contend with various disruptions, including attacks on commercial shipping vessels and labour strikes at U.S. terminals. Despite these

hurdles, Kuehne + Nagel International boasts a robust balance sheet, and its management remains optimistic for the second half of 2024, supported by an impressive pace of cost reduction initiatives.

Another detractor from the Fund's performance was a holding in Nutrien Ltd. Its second-quarter 2024 results disappointed on lower fertilizer prices, and its adjusted profitability was down 10% versus the same time last year. The company noted that improved retail division profits somewhat offset lower prices. The company also announced a US\$335-million non-cash impairment on the value of its Brazilian retail operation and a restructuring of its Brazilian operations.

PORTFOLIO ACTIVITY

We eliminated a Fund holding in Heidelberg Materials AG because of concerns over its current valuation. The company's management delivered positive results in revenue, profitability and sustainability, but the company's rising valuation led to lower expectations for future return potential, and we opted to allocate to other ideas.

We also sold the Fund's position in Stericycle Inc. following the announcement that Waste Management Inc. had made an offer to acquire the company with an all-cash offer.

MARKET OVERVIEW

Moderate global economic growth, declining inflation and central bank interest rate cuts have been supportive of global corporate profits. Given this backdrop, corporate earnings growth is expected to expand beyond the largest U.S. companies to international markets and to smaller- and mid-capitalization companies. Given the expected earnings growth convergence, areas such as Continental Europe, Japan and the United Kingdom look attractive given comparatively lower valuations than can be found in the United States. The Chinese equity market remains attractive on a valuation basis but has been weighed down by weakness in its property market and depressed consumer confidence. The recent announcement of a coordinated effort to support economic growth was received positively by investors.

We believe that if a business is well managed, has a competitive advantage, is growing or holding its market share and is undervalued, it offers a superior future investment proposition. Currently, the Fund is tilted toward non-U.S.-domiciled businesses and to mid- and smaller-cap companies.

Source: Black Creek Investment Management Inc.

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