

CI INTERNATIONAL EQUITY FUND

Q3-2024 Commentary



FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I.
CI International Equity Fund, Series F*	20.2%	6.6%	8.1%	7.3%	9.8%
Benchmark: MSCI EAFE Total Return Index	25.3%	8.3%	9.2%	8.3%	6.4%

* Inception date: September 30, 2008. Formerly CI Black Creek International Equity 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 International Equity Fund, Series F (the Fund) returned 7.5% compared with its benchmark, the MSCI EAFE Total Return Index, which returned 6.0%.
- The Fund outperformed its benchmark as a result of stock selection in the consumer discretionary and health care sectors. Selection within the utilities and financials sectors detracted from the Fund's performance.
- International equities, as defined by the MSCI ACWI-ex USA Index, ended the first half of the year up 8.1% in U.S.-dollar terms, reflecting robust performance across various international markets. China showed notable strength during the period following the announcement of government stimulus aimed at boosting the country's economy. Notably, small-capitalization stocks outperformed the broader market across several regions as investors embraced expectations of lower inflation and interest rates.

CONTRIBUTORS TO PERFORMANCE

A holding in Alibaba Group Holding Ltd. contributed to the Fund's performance. The company's stock performed well, benefiting from the Chinese government's stimulus measures aimed at revitalizing the Chinese economy. Despite the extreme pessimism and volatility in the market, Alibaba Group Holding is well positioned to capitalize on the rebound, as the company navigates a consensus-driven environment following a challenging year.

Another notable contributor to the Fund's performance was a holding in Grifols SA. Strong first-half results reported significant revenue growth, increased earnings and higher net profit, with the company's debt ratio improving to 5.5x. Discussions between the Grifols family and Canada-based Brookfield Asset Management Inc. about potentially taking the health care group private have generated positive investor sentiment, further enhancing the company stock's appeal.

DETRACTORS FROM PERFORMANCE

A position in Worldline SA detracted from the Fund's performance. The company experienced slow growth in the first half of 2024 and encountered a volatile consumer spending environment, with noticeable softness across several European countries. The company's multiple profit warnings within a year prompted the company's board of directors to change the CEO, which introduced additional uncertainty and share price volatility.

Another detractor from the Fund's performance was a holding in STMicroelectronics NV. Its shares were weak following negative earnings revisions. Concerns around the automotive sector impacted the company's performance. The current downcycle is proving difficult, especially in Europe, where the automotive market is weak. However, with strong demand expected to persist beyond this cycle, there remains an optimistic outlook for the company despite current cyclical challenges.

PORTFOLIO ACTIVITY

We added to the Fund a new position in Trip.com Group Ltd. The company, despite an uncertain macroeconomic environment, is witnessing solid domestic travel demand and a rebound in outbound travel. Notably, the outbound segment is at least twice as profitable as the domestic business, suggesting significant upside potential in operating margins. As the company capitalizes on strong pent-up demand, its international business is becoming an increasingly important segment for future growth.

A holding in B&M European Value Retail SA was also added to the Fund during the period. The company's core U.K. business boasts an increasingly efficient supply chain and substantial growth potential. With new stores turning profitable and strong cash generation, we expect to see continued volume growth. Given these factors, the company's shares are currently undervalued compared to peers, presenting an attractive buying opportunity.

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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