

# CI SELECT CANADIAN EQUITY FUND

## Q3-2024 Commentary



FUND	1 YEAR	3 YEAR	5 YEAR	10 YEAR	S.I.
CI Select Canadian Equity Fund, Series F*	25.5%	8.7%	12.4%	9.0%	9.4%
Benchmark: 50% MSCI ACWI Index/50% S&P/TSX Composite Index	29.3%	10.0%	11.9%	9.9%	N/A

\* Inception date: August 8, 2000. Formerly Signature Select Canadian 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 Select Canadian Equity Fund, Series F (the Fund) returned 6.4% compared with its benchmark, the 50% MSCI ACWI Index/50% S&P/TSX Composite Index, which returned 7.9%.
- The Fund underperformed its benchmark primarily as a result of its exposure to the energy sector. Stock selection within the consumer discretionary sector also detracted from the Fund's performance.

### CONTRIBUTORS TO PERFORMANCE

The Fund's position in Manulife Financial Corp. contributed to performance. The company's shares rebounded from very moderate valuation as strong earnings results bolstered market confidence, lifting the company's valuation from low levels.

Another contributor to the Fund's performance was a holding in The Bank of Nova Scotia. The bank's stock rebounded amid optimism for further interest rate cuts within Canada, which the market sees as reducing fears of an adverse credit cycle.

### DETRACTORS FROM PERFORMANCE

A holding in Cenovus Energy Inc. detracted from the Fund's performance as the company continued to struggle with its downstream operations against a backdrop of generalized weakness in global energy prices.

Another detractor from the Fund's performance was a holding in Canadian Natural Resources Ltd., which was affected by broad-based weakness within the energy sector.

### PORTFOLIO ACTIVITY

During the period, we trimmed the Fund's holding in Agnico Eagle Mines Ltd., with the proceeds added to the Fund's holding in Barrick Gold Corp. in order to increase gold exposure, but at a lower valuation.

### MARKET OVERVIEW

We remain positive about global equity markets, believing that economies will likely experience an economic "soft landing" without severe recession. While recent concerns around inflation and interest rates have challenged economies, fiscal, economic and monetary supports are likely to continue.

Challenges remain for the Canadian economy, with mortgage renewals continuing to occur at higher interest rates than existing loans, stressing many indebted consumers. However, we believe that lower interest rates should be adequate to allow a reasonable level of Canadian economic growth at moderate inflation levels.

Within the Fund, allocations continue to reflect a concern that U.S. equity markets are somewhat overvalued relative to other global opportunities, particularly that of Canada. This view is reflected in the Fund's overweight allocation to Canadian equities.

From a sectoral perspective, there is an equity underweight exposure to the information technology sector, which we view as highly vulnerable to a pullback from extended valuation metrics and high growth expectations. In contrast, fear around a Canadian recession has provided attractive valuations for Canadian financial services stocks, where we retain for the Fund an overweight exposure.

Source: CI Global Asset Management

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

---

## IMPORTANT DISCLAIMERS

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns net of fees and expenses payable by the fund (except for figures of one year or less, which are simple total returns) including changes in security value and reinvestment of all dividends/distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

This document is provided as a general source of information and should not be considered personal, legal, accounting, tax or investment advice, or construed as an endorsement or recommendation of any entity or security discussed. Every effort has been made to ensure that the material contained in this document is accurate at the time of publication. Market conditions may change which may impact the information contained in this document. All charts and illustrations in this document are for illustrative purposes only. They are not intended to predict or project investment results. Individuals should seek the advice of professionals, as appropriate, regarding any particular investment. Investors should consult their professional advisors prior to implementing any changes to their investment strategies.

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.

Certain statements contained in this communication are based in whole or in part on information provided by third parties and CI Global Asset Management has taken reasonable steps to ensure their accuracy. Market conditions may change which may impact the information contained in this document.

Certain statements in this document are forward-looking. Forward-looking statements ("FLS") are statements that are predictive in nature, depend upon or refer to future events or conditions, or that include words such as "may," "will," "should," "could," "expect," "anticipate," "intend," "plan," "believe," or "estimate," or other similar expressions. Statements that look forward in time or include anything other than historical information are subject to risks and uncertainties, and actual results, actions or events could differ materially from those set forth in the FLS. FLS are not guarantees of future performance and are by their nature based on numerous assumptions. Although the FLS contained herein are based upon what CI Global Asset Management and the portfolio manager believe to be reasonable assumptions, neither CI Global Asset Management nor the portfolio manager can assure that actual results will be consistent with these FLS. The reader is cautioned to consider the FLS carefully and not to place undue reliance on FLS. Unless required by applicable law, it is not undertaken, and specifically disclaimed that there is any intention or obligation to update or revise FLS, whether as a result of new information, future events or otherwise.

CI Global Asset Management is a registered business name of CI Investments Inc.

© CI Investments Inc. 2024. All rights reserved.

Published October 31, 2024.