

CI U.S. STOCK SELECTION FUND

Q3-2024 Commentary



| FUND | 1 YEAR | 3 YEAR | 5 YEAR | 10 YEAR | S.I. |
|---|--------|--------|--------|---------|------|
| CI U.S. Stock Selection Fund, Series F* | 38.0% | 13.5% | 14.7% | 12.9% | 6.4% |
| Benchmark: S&P 500 Total Return Index | 38.6% | 13.5% | 17.3% | 16.5% | N/A |

* Inception date: November 17, 2000. Formerly CI American Value 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 U.S. Stock Selection Fund, Series F (the Fund) returned 0.9% compared with its benchmark, the S&P 500 Total Return Index, which returned 3.5%.
- The Fund underperformed its benchmark as a result of security selection within the health care and consumer discretionary sectors.

CONTRIBUTORS TO PERFORMANCE

A holding in UnitedHealth Group Inc. contributed to the Fund's performance as the company reported in July 2024 quarterly results that exceeded market expectations.

Another notable contributor to Fund's performance was a holding in Apple Inc. as anticipation built around the company's next iPhone product launch.

DETRACTORS FROM PERFORMANCE

Holding shares of Alphabet Inc. detracted from the Fund's performance. The U.S. government succeeded in its antitrust case against the firm, raising the prospect of an eventual breakup of Alphabet.

Another detractor from the Fund's performance was a holding in CrowdStrike Holdings Inc. A software glitch pushed through to CrowdStrike Holdings customers caused a global outage of critical systems.

PORTFOLIO ACTIVITY

We added to the Fund a new position in Brookfield Corp. We anticipated the pending U.S. interest rate cutting cycle would drive significant value for the business through lowered debt costs and increased capital availability to pursue deals.

A holding in Novo Nordisk AS was eliminated from the Fund. We chose to consolidate our exposure to the unprecedented glucagon-like peptide-1 launch to Eli Lilly and Co., who we viewed as having stronger prescription trends and a superior product portfolio.

MARKET OVERVIEW

Looking ahead, we anticipate an environment similar to what we saw prior to the COVID-19 pandemic. Excess savings from the lockdown are now spent, oil production is nearing pre-pandemic highs and wage growth is slowing. These drivers lead us to anticipate a continued downward trend in inflation.

Interest rate cuts will likely provide a near-term boost to low-value cyclical stocks, but we expect this to be short-lived. Longer term, the rapid reduction in excess savings and overall higher cost of living should lead to higher consumer price elasticity than we saw in 2021-2022. Without the ability to take price at will, companies in slow-growth sectors should return to normalized growth rates.

With growth once again scarce, we expect a premium to be paid for true organic growth. This growth will likely be generated through productivity gains or demographic trends. While the market ebbs and flows, we expect the Fund's core allocations to benefit from a long-term rising tide.

Source: CI Global Asset Management

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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