CI Brunswick Fund

QUARTERLY REPORT March 31, 2025

AFS LICENCE NUMBER 221794 ABN 26 100 409 890

Performance Summary

Net of fees and expenses	3M	FYTD	1Y	3Y*	5Y*	10Y*	Inception*	FY2024	FY2023	FY2022	FY2021	FY2020
CI Brunswick Fund %	-1.34	14.35	12.60	8.84	15.68	10.15	12.66	11.67	12.66	-2.85	27.15	4.41
S&P/ASX 200 Accumulation Index %	-2.80	3.93	2.84	5.62	13.24	7.15	8.41	12.10	14.78	-6.47	27.80	-7.68
Relative %	1.46	10.42	9.76	3.22	2.44	3.00	4.25	-0.43	-2.12	3.62	-0.65	12.09

Past performance is not a reliable indicator of future performance

Source: Internal CI data reports, March 31, 2025

Inception Date: 1 July 2004

*Annualised

^Partial Year

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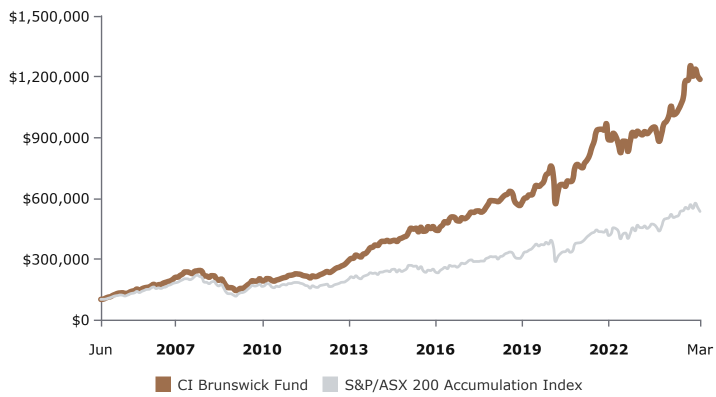
$100K INVESTED SINCE INCEPTION (NET)



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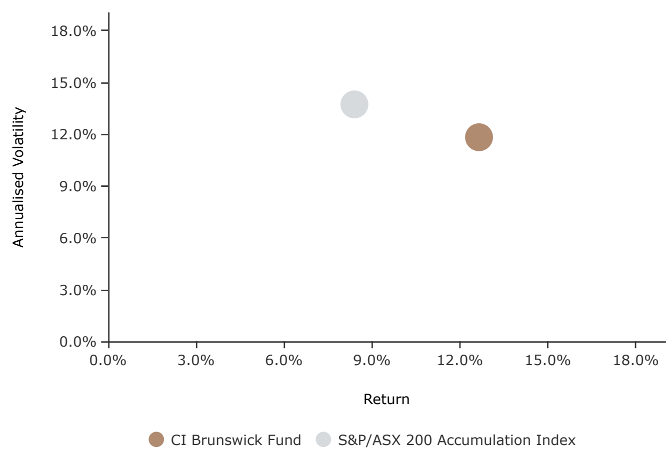
Source: Internal CI data reports, March 31, 2025

RISK/RETURN SINCE INCEPTION (PER ANNUM)



"If you're going to invest in stocks for the long term, or real estate, of course, there are going to be periods when there's a lot of agony and other periods when there's a boom. I think you just have to learn to live through them"

Charlie Munger

Quarterly Highlights

The CI Brunswick Fund returned -1.3% for the March 2025 quarter net of fees and expenses, compared to -2.8% for the ASX200 Accumulation Index[1]. Positive contributors to performance include **Greatland Gold (GGP), Nanosonics (NAN)** and **Regis Healthcare (REG)**. Stocks that underperformed include **Ryman Healthcare (RYM), Guzman y Gomez (GYG)** and stocks in the transport sector (**RXO (RXO)**and **Mainfreight (MFT)**).

[1] Past performance is not a reliable indicator of future performance.

Portfolio Insights & Market Observations

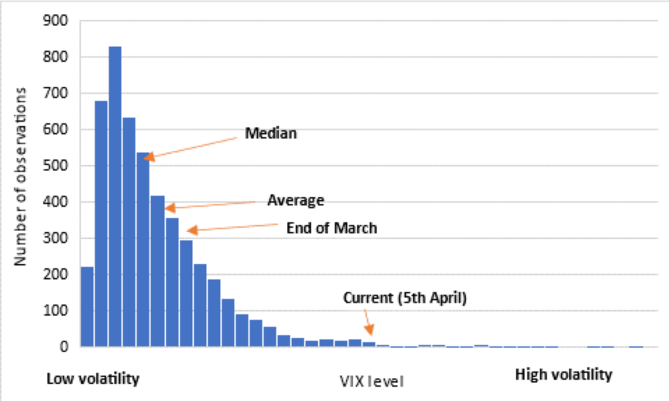
Late last year and during the March quarter economic uncertainty increased as US President Trump introduced tariffs across multiple countries and industries, with subsequent retaliatory tariffs imposed by many countries. The S&P 500 fell ~6% for the month of March (~5% for the March quarter overall) The selloff accelerated in early April with the S&P drawdown now over 17% (peak to trough) at the time of writing (7th April), a top 20 drawdown post second world war. The ASX 200 fared slightly better with a ~14% drawdown so far.

A common reference for volatility in US markets is the CBOE VIX index, referencing option markets on the S&P 500. At the time of writing, the index is well above both median and average levels for the last 20 years.

Chart 1 shows a histogram or distribution curve of VIX daily observations for 20 years. A normal distribution curve is symmetric, with a similar median and average value. However, financial markets typically exhibit skewness with more observations to the right or left of the median. In Chart 1, the observations to the right-hand side (higher volatility) in addition to the current period, relate primarily to three periods:

1. Global financial crisis, and the European crisis that followed in 2011
2. Covid-19
3. The 2022 correction resulting from the sharp increase in expectations for interest rates.

Chart 1: Volatility (CBOE VIX Index) – daily observations last 20 years



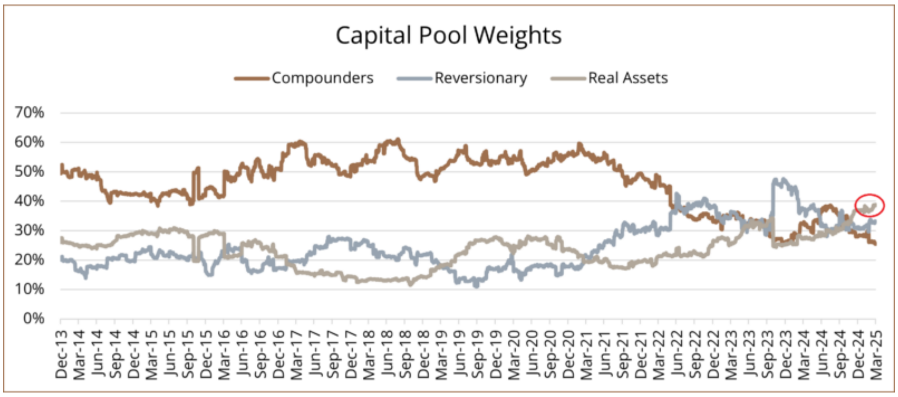
Source: FactSet

It's important to note that higher volatility is usually associated with markets falling but when volatility normalises towards and below the average, financial markets tend to move upwards or recover. Of some interest to us, higher volatility can be associated with the humility stage of a hubris-to-humility cycle. When this happens stocks become more reasonably priced, companies undertake cost out and only take on projects that have the highest potential future return. In general, this can be a good setup for making better returns down the track.

Our investment time horizon is typically 3-5 years (noting sometimes we get paid early) and seeks to take advantage of hubris to humility cycles. The CI Way or system utilises both top-down and bottom-up factors. We allocate capital in the Brunswick Fund top-down across our three capital pools, which will perform differently in different market backdrops, and also bottom-up, based on the particular VoF attributes we are observing at a stock level.

As shown in Chart 2, since last year we have increased the Fund's allocation to the real asset and income securities pool:

Chart 2: Capital Pool Weights



Source: Internal CI data reports, as at 31 March 2025

The real asset and income securities capital pool is comprised of more asset heavy stocks, that can demonstrate a lower correlation to broader markets. It is a lower risk pool but interestingly it is also our best performing pool now over the last 10 years. The pool includes three sub-categories at the moment.

Firstly, family backed holding companies such as **Washington Soul Patts (SOL)** and **Newscorp (NWSA)** where we can identify asset discounts, or valuation anomalies, but also where we can also identify long-term growth in asset value per share over time. These stocks are highly diversified and have highly aligned management teams with long-term horizons.

The second sub-category is royalty companies. Although we invest in cyclical resource companies in the reversionary group, royalties are a much higher quality exposure to commodities given they take none of the operating and investing risks, their claim is on the revenue of a mine with a free option (generally) on mine expansions. The Fund has holdings in royalty companies with exposures to gold, iron ore, oil and gas, and lithium.

Finally, we look for asset rich stocks, particularly where asset value is underappreciated such as in **Aspen Group (APZ)**, who are leaders in the strongly growing affordable housing segment.

It's also important to note that while our reversionary capital pool can be exposed to more cyclical stocks that will be hit harder in an economic cycle, it also includes many stocks that are subject to 'idiosyncratic' or stock specific issues and opportunities. For example, a company that is pursuing a turnaround via cost-out, is often in control of its own destiny and can drive earnings growth regardless of the economic backdrop. Most of these stocks are in defensive sectors.

At the stock level, the Fund's best performers during the quarter were **Greatland Gold (GGP)** which we discuss in more detail at the end of this quarterly, Last year we invested in NAN after it had several earnings downgrades partly driven by factors that we believed were short term, such as US hospital budgetary pressures. The company's main product is Trophon which is used for the high-level disinfection of ultrasound probes and has come to dominate their niche of the US market but has grown more slowly in other major markets.

At the time of investment, we saw significant asymmetry with net cash comprising ~20% of the market capitalisation, the company generating solid cash flows, a conservative set of financial accounts, a strong and robust existing business and what we viewed as a free option on their new product, Coris, in which the vast majority of R&D had already been spent.

Since then, the company has upgraded earnings expectations twice and in March it received FDA "De Novo" clearance for their new product, Coris. The product is used to improve cleaning outcomes for flexible endoscopes and post this approval will be sold into the large US market. While there is a broad range of potential outcomes for Coris, it retains numerous attractive attributes in that it:

- increases the efficacy and consistency of the clean/re-processing
- reduces costly, labour-intensive manual cleaning
- will likely reduce Hospital infection rates and/or the insurance costs required to be paid to patients should they fall ill post a hospital visit

On our estimates, the ROI for a potential customer buying Coris looks very high, which is a solid starting point for commercial success. Despite the strong recent share price performance, the company's risk attributes remain compelling with strong operating and industry trends, a strong balance sheet, good free cash generation and value latency remains significant not only in Coris but also in selling more Trophon units into other markets outside the US.

During the quarter, the Fund's poorest performer was **Ryman Healthcare (RYM)**, following a NZ$1bn capital raise to de-gear the balance sheet. This decision was primarily driven by reduced sales velocity post making (long overdue) adjustments to their pricing model and the removal of sales incentives.

While the balance sheet was a risk factor historically, following the capital raise the company now has the lowest gearing in the sector with significant cash generation to flow through as they sell excess stock built up post Covid (>$600m on our estimates) in addition to declining capex as their existing development book progressively nears completion.

RYM now trades well below replacement value and at a >40% discount to (written down) Net Tangible Assets provides a low-risk reversionary opportunity when also combined with improving Industry trends – incremental supply is declining, future supply growth is being pared back, and land banks are now being divested.

Finally, the backdrop for RYM appears highly supportive on a 3-5 year timeframe given the New Zealand economy is slowly emerging from recession, and there has been a number of incremental top-down events which augur well for the economy and housing in particular including the abrupt resignation of the hawkish RBNZ Governor who raised rates aggressively, was slow to reduce rates and who also imposed significantly higher capital requirements for banks in NZ constraining the flow of credit. Encouragingly, post his resignation, the RBNZ has announced a review into these capital standards.

The other main underperformers for the quarter include **Guzman y Gomez (GYG)**, which derated despite a strong result for same-store-sales growth in Australia, ahead of market expectations. However, GYG's overhead costs were higher than expected and trends in its US stores had a particularly soft period. The stock's derating mean it is much more attractively valued now, particularly as we see ongoing positive operating trends persisting in Australia in the near term.

Finally, stocks in the transport sector including **RXO (RXO)** and **Mainfreight (MFT)**, were weak on economic/tariff concerns. There has been a long cycle in the freight industry extending back a couple of years. However, we have been observing for some time trucking spot rates that are operating near cash costs which is a precursor to reduced supply and an improvement in the profit cycle going forward.

Observations From The Road

In early March we visited the US. The trip was broad-based from a sector perspective including mining, fintech, restaurants, transport, media, datacentres, renewables, and consumer.

One key challenge we observed for the US economy is consumers have experienced significant price increases over the last few years when inflation was high. This suggests further tariff induced price increases could have material impacts on demand and the broader economy. Given significant variation in supply chain and manufacturing dynamics, and uncertainty on tariff levels, it is extremely difficult assessing likely winners and losers.

During our trip we spent a day visiting GYG stores in Chicago with CEO Steven Marks, including the new Evanston store a day prior to its opening. Evanston is a high visibility, high traffic footfall strip site and around the corner from the Ivy League Northwestern University. Our view has not changed that the US will be a slow grind for the company as it customises its offering and stores for the US market and slowly builds a brand presence in the outer Chicago suburbs. We do not include this latency in our VoF score.

We also made our way up to Northern Quebec, a two-hour plane ride from Montreal, to the Bloom Lake mining site of portfolio stock **Champion Iron (CIA)**. CIA is a producer of both high-grade iron ore and in the next 6-12 months what is known as direct reduced iron or DRI pellets, into a relatively niche but growing green steel segment of the market. CIA is founder-led with Chairman Michael O'Keefe retaining a 9% stake in the business and having a long track record of value creation across multiple resources. The Labrador region in which the mine is located is rich in resource with both Rio's IOC and Arcelor's mining operations being in close proximity.

The visit increased our conviction in management quality and focus and the underlying quality and scale of Bloom Lake. It was also clear that operating Bloom Lake requires a unique skillset, dealing with the intersection between Canadian French culture and business practices, true bilingual operations and a very remote location.

In summary, we think Bloom Lake:

- is underappreciated in scale and duration as a 30+ year asset
- has rich organic latencies embedded in the business across debottlenecking, DR feed projects, Kami, and exploration
- is at inflection point in terms of cash generation with a significant amount of growth capex to be spent by year end – post this spend the stock is trading on ~5x free cash flow
- has an attractive set of infrastructure with capacity to increase production 3-fold over time without need for significant port and rail capacity upgrades.

Stock Story/Stock in Focus

During the quarter, **Greatland Gold (GGP)** was a strong performer for the Fund. We initiated a position in Greatland late last year after identifying what we believed was a set of deeply mispriced gold-copper assets in a tier 1 jurisdiction with a quality management team and a clearly defined catalyst to close the valuation gap.

Greatland Gold is a UK listed small cap gold producer with two key assets (Telfer and Havieron) which are situated 45km away from each other in WA.

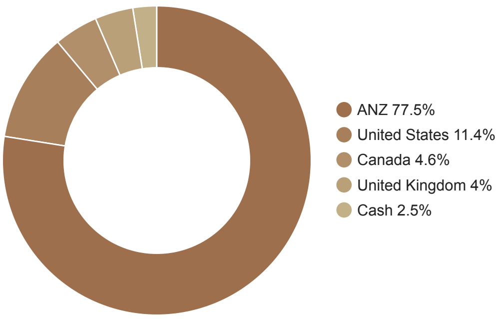
The current management team is a group of highly motivated and capable ex. Northern Star executives who joined Greatland after Northern Star merged with Saracen in 2020. The management team led by Sean Day (ex. Northern Star CFO) has a long track record of value creation in opportunistically buying unloved assets from gold majors and subsequently running them better and leaner through an entrepreneurial approach to cost management, revisiting mine plans from first principles and investing in drilling and exploration. We were familiar with Sean Day from his time with Bill Beament, as the Fund had previously been investors in Northern Star.

Greatland's acquisition of Telfer and the remaining 70% share of Havieron from Newmont in December 2024 resonated with this attractive playbook for value creation. We were particularly drawn to the nature of the transaction - Newmont was a forced seller and Greatland was the only genuinely competitive buyer due to having a right of first refusal, leading to the acquisition being made at a deeply discounted price. Further diligence also highlighted the asymmetry of the transaction structure, including downside protection against certain operational exposures and Newmont's liabilities for further redundancies.

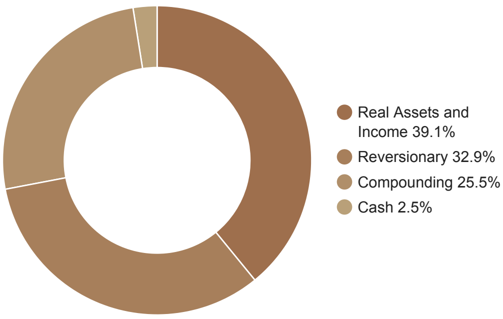
Our investment thesis for Greatland was underscored by quality, low cost gold assets which are deeply mispriced relative to gold sector peers; value latencies in life extensions at Telfer and improved economics for the Havieron project and most critically; the right management team to drive operational excellence at the acquired assets and maximise the embedded latencies. Since Greatland's ownership, Telfer's resource size has increased by more than 5 times, providing a high level of confidence for further life extensions. We also believe there are opportunities to enhance Havieron's economics, primarily through improved cost management and expanding its production rate.

Greatland has announced a planned ASX secondary listing in coming months (June 2025). This will increase the number of Australian based investors on the register with natural comparison to midcap ASX listed gold stocks which should assist in further closing the valuation gap. Our investment in Greatland Gold is a good illustration of the Brunswick Fund's flexibility and an expression of CI's investment philosophy in being able to invest up to 25% in international markets.

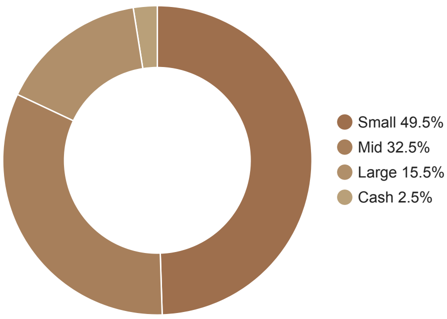
REGIONAL EXPOSURE



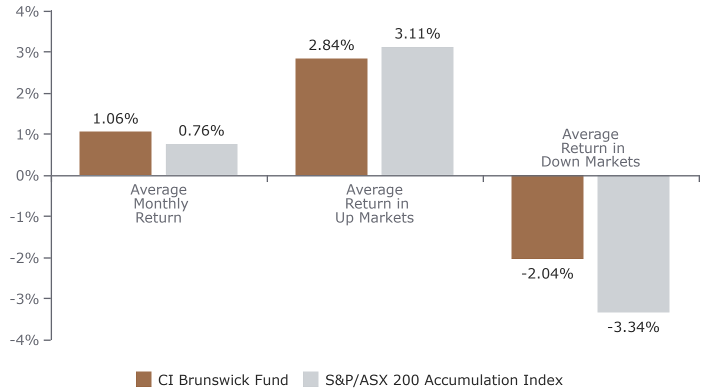
CAPITAL POOLS



MARKET CAPITALISATION



SINCE INCEPTION NET RETURNS IN UP/DOWN MARKETS



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Source: Internal CI data reports, March 31, 2025

Further Information

Looking for further information regarding the Fund, please don't hesitate to get in touch:

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Financial product advice contained in this document

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