

# Canadian Equity Growth (iA)

## QUARTERLY ANALYSIS

As at March 31, 2025

### KEY TAKEAWAYS

- The Canadian market performed well, with the fund's underperformance from asset allocation offset by strong stock selection.
- Prudent stock choices in stable sectors balanced exposure in times of economic uncertainty.
- Amidst tariff uncertainty, we adjusted our exposure to reduce risk and maintain a prudent positioning.

### PORTFOLIO MANAGER



#### Marc Gagnon MBA, CFA

Vice-President, Portfolio Manager,  
North American Equities

### PERFORMANCE ANALYSIS

#### Positive performance for the Canadian market to start the Year

The fund underperformed its benchmark slightly in the first quarter, largely because of asset allocation decisions, specifically an underweight position in the gold subsector. That said, stock selection in consumer staples, financials, and utilities provided positive contributions, offsetting some of the impact on relative performance.

Even though the equity markets have experienced heightened volatility since the start of the year, Canada has demonstrated resilience, supported by a relatively low valuation.

#### TOP 5 CONTRIBUTORS (% QTD)

Issuer	Return	Weight	Contribution
Agnico Eagle Mines	39.30	1.83	0.60
TD Bank	13.93	3.62	0.49
Wheaton Precious Metals	38.01	1.08	0.35
Franco-Nevada	34.39	1.19	0.35
Intact Financial	12.84	1.92	0.24

#### TOP 5 DETRACTORS (% QTD)

Issuer	Return	Weight	Contribution
Shopify	-10.32	3.46	-0.34
Royal Bank of Canada	-5.65	5.83	-0.33
Brookfield	-8.69	2.66	-0.24
Alimentation Couche-Tard	-10.72	1.91	-0.22
Tfi International	-42.23	0.40	-0.19

#### PERCENTILE RANKING (GROSS RETURNS)

Period	Percentile ranking	Nb of funds in category
1 year	48	188
3 years	24	171
5 years	16	157

Source: Morningstar ratings, Canadian Equity

#### 3-YEAR RISK-RETURN ANALYSIS

Indicator	Fund	Index*
Beta	0.92	1.00
Volatility	12.92	13.90
Information ratio	0.59	-
Upside capture	96.74	-
Downside capture	89.05	-

#### FUND CHARACTERISTICS

Characteristic	Fund	Index*
Number of holdings	136	218
Dividend yield	2.84	3.16
Top 10 holdings weight	29%	-
1-year trailing turnover	42%	-

\* Index: S&P/TSX Composite Capped Total Return

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### PORTFOLIO ACTIVITY

#### Dialling down the cyclical

In today's challenging economic environment, effective stock selection is vital to navigate elevated levels of uncertainty. Accordingly, we excluded Trican and Precision Drilling from the portfolio, because economic downturns typically put downward pressure on oil prices, along with drilling and fracking activities.

To balance these sales, stocks such as Chartwell Retirement Residences and Emera were introduced to the portfolio. Chartwell, in particular, demonstrates low sensitivity to economic fluctuations, as Canada's aging population ensures consistent demand for its services, effectively reducing exposure to cyclical risks.

### PORTFOLIO POSITIONING

#### High level of uncertainty to start the year

The uncertainty stems from the constantly shifting tariff policies, with the resulting corporate and consumer paralysis giving rise to an economic slowdown. In these circumstances, we continue to favour a more prudent approach by reducing our exposure to companies potentially affected by tariffs and the economic situation. Although some stocks have already undergone significant corrections, we remain cautious about increasing our exposure to them until the uncertainty and volatility subside.

With tariffs on steel, aluminum, and autos still in place, it isn't clear whether the Canadian government will choose to respond or whether it will take any action at all. Accordingly, we remain prudent with our portfolio positioning.

### MARKET OUTLOOK

#### Liberation Day delivered some relief for Canada

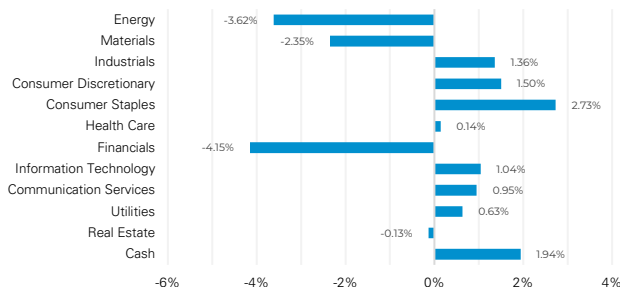
Although the tariffs imposed on Canada are not beneficial for the economy, they turned out to be less severe than initially expected. With its relatively low valuation and sectoral composition, the Canadian market has the potential to outperform the U.S. market, continuing the trend observed since the start of the year.

Regarding the Canadian cyclical sectors, China's export-driven economy has faced significant strain under the impact of tariffs, resulting in slower GDP growth. In response to these external economic pressures, we expect the Chinese government to bolster its economy by increasing fiscal stimulus and easing monetary policy. Such measures are likely to benefit the most economically sensitive sectors of the Canadian market.

#### SIGNIFICANT TRANSACTIONS (Q1 2025)

Positions initiated	Sector
Chartwell Retirement Residences	Health Care
CAE Inc.	Industrials
Kinaxis Inc.	Information Technology
Uber Technologies Inc.	Industrials
Emera Inc.	Utilities
Positions exited	Sector
Cargojet Inc.	Industrials
EQB Inc.	Financials
Precision Drilling Corp.	Energy
Gitlab Inc.	Information Technology
TransAlta Corp.	Utilities

#### SECTOR DEVIATIONS VS. INDEX



#### TOP 5 HOLDINGS

Holding	Sector	Weight (%)
Royal Bank of Canada	Financial Services	5.46
TD Bank	Financial Services	3.53
Shopify	Information Technology	3.05
Constellation Software	Information Technology	2.71
Bank of Montreal	Financial Services	2.48

# About iA Global Asset Management (iAGAM)

## ROOTED IN HISTORY, INNOVATING FOR THE FUTURE.

A magnet for top investment talent, iA Global Asset Management is one of Canada's largest asset managers, with over \$100 billion under management across institutional and retail mandates. We help investors achieve their long-term wealth creation goals through innovative investment solutions designed for today's complex markets. We are building upon our historic success, supporting the growth of our core strengths, and exploring innovative ways to meet investor needs. We are rooted in history and innovating for the future. Our experienced portfolio managers use a proprietary investment methodology, rooted in iAGAM's unifying commitment to strong risk management, analytical rigor and a disciplined, process-driven approach to asset allocation and security selection.

### General Disclosures

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