

KEY TAKEAWAYS

- The fund underperformed its benchmark in the first quarter owing to asset allocation decisions and stock selection in key sectors, such as energy and technology.
- In response to economic uncertainty, the focus is on effective stock selection.
- Canada's resilience and lower valuation provide potential for outperformance relative to the United States.

PORTFOLIO MANAGER



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PERFORMANCE ANALYSIS

Market struggles amid uncertainty and trade tensions

The fund underperformed its benchmark in the first quarter owing to asset allocation and security selection. In terms of asset allocation, underweight positions in energy and the gold subsector were the main detractors. Stock selection in information technology, industrials, and health care had a modestly negative impact on relative performance.

Even though the equity markets have seen 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	39.19	1.06	0.34
TD Bank	14.13	2.37	0.30
USD/CAD Currency Forward	-1.85	-2.98	0.24
Wheaton Precious Metals	38.00	0.50	0.16
Franco-Nevada	34.35	0.52	0.15

TOP 5 DETRACTORS (% QTD)

Issuer	Return	Weight	Contribution
Nvidia	-18.00	2.85	-0.54
Microsoft	-10.84	3.01	-0.35
Broadcom	-27.87	1.08	-0.32
Alphabet	-18.53	1.69	-0.30
Amazon	-13.40	2.09	-0.28

PERCENTILE RANKING (GROSS RETURNS)

Period	Percentile ranking	Nb of funds in category
1 year	46	142
3 years	39	129
5 years	43	119

Source: Morningstar ratings, Canadian Focused Equity

3-YEAR RISK-RETURN ANALYSIS

Indicator	Fund	Index*
Beta	0.99	1.00
Volatility	13.35	13.32
Information ratio	-0.89	-
Upside capture	96.35	-
Downside capture	102.43	-

FUND CHARACTERISTICS

Characteristic	Fund	Index*
Number of holdings	212	687
Dividend yield	2.28	2.49
Top 10 holdings weight	33.86%	
1-year trailing turnover	121%	

* Index: 70% S&P/TSX Composite, 20% MSCI World (\$ CA), 10% FTSE TMX 91 Days

PORTFOLIO ACTIVITY

Dialling down the cyclicality

In today's challenging economic environment, effective stock selection is vital for navigating the elevated levels of uncertainty. For example, Cargojet and Adentra were removed from the portfolio, because economic downturns generally reduce demand for the goods and services they provide.

We added a position in AT&T, owing to the telecom industry's efficiency cycle and the increasing competition from cable service providers. We also initiated an allocation to Colgate-Palmolive, given its broad-based volume growth, the defensive nature of its products, and its solid pricing strategy.

PORTFOLIO POSITIONING

High level of uncertainty to start the year

The uncertainty is due to constantly shifting tariff policies, with the resulting corporate and consumer paralysis giving rise to an economic slowdown. In this context, we continue to favour a more prudent approach by reducing our exposure to companies potentially exposed to tariffs and the economic situation. Even though some stocks have already experienced significant corrections, we remain cautious about increasing our exposure to them until the uncertainty and volatility subside.

Even though we expect a volatile environment owing to Trump's inconsistent economic policies, we remain cautiously optimistic about evergreen trends, such as AI, automation, and reshoring, as well as cyclical sectors benefitting from rate cuts. Even though we are maintaining a growth focus, we have taken a defensive torque.

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. Moreover, 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.

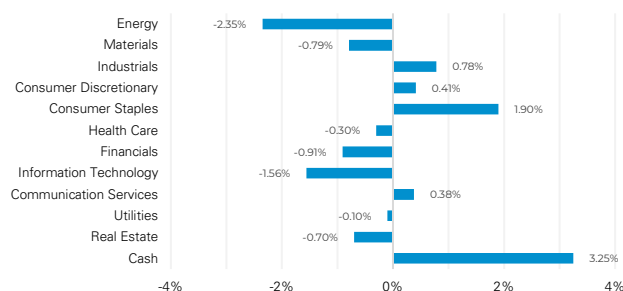
Regarding cyclical sectors, China's export-driven economy has faced significant strain under the impact of tariffs, resulting in slower GDP growth. In response to these external economic pressures, we expect the Chinese government to bolster its economy by increasing fiscal stimulus and easing monetary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

SIGNIFICANT TRANSACTIONS (Q1 2025)

Positions initiated	Sector
Innergex Renewable Energy Inc.	Utilities
FirstService Corp.	Real Estate
Kinaxis Inc.	Information Technology
CME Group Inc.	Financials
Marsh & McLennan Cos Inc.	Financials

Positions exited	Sector
Cargojet Inc.	Industrials
Adentra Inc.	Industrials
Precision Drilling Corp.	Energy
Salesforce Inc.	Information Technology
Accenture PLC	Information Technology

SECTOR DEVIATIONS VS. INDEX



TOP 5 HOLDINGS

Holding	Sector	Weight (%)
Royal Bank of Canada	Financial Services	3.38
Microsoft	Information Technology	2.80
TD Bank	Financial Services	2.60
Nvidia	Information Technology	2.44
Constellation Software	Information Technology	1.98

About iA Global Asset Management (iAGAM)

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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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