

KEY TAKEAWAYS

- Security selection in industrials, information technology, and financials added value during the quarter.
- Year to date, energy and materials are the top-performing sectors in Canada. Despite profit taking in these sectors, we maintained a pro-cyclical bias in the portfolio.

PORTFOLIO MANAGER



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PERFORMANCE ANALYSIS

The solid start to the year continues

During the second quarter, the strategy outperformed its benchmark with security selection.

At the sector level, security selection in industrials, information technology, and financials was the main driver of performance during the period; with strong contributions from names such as Bombardier, Atkinsréalis, and Celestica. The contributions by consumer staples and health care are also noteworthy.

Other strong standalone contributions can be found in the table below.

TOP 5 CONTRIBUTORS (% QTD)

Issuer	Return	Weight	Contribution
Royal Bank of Canada	7.58	5.77	0.42
Dollarama	21.14	1.56	0.29
Constellation Software	6.55	2.97	0.19
Agnico Eagle Mines	11.42	1.43	0.16
Manulife Financial	8.81	1.73	0.15

TOP 5 DETRACTORS (% QTD)

Issuer	Return	Weight	Contribution
Bank of Montreal	-12.17	2.68	-0.34
Canadian Pacific Kansas City	-9.51	2.86	-0.29
Open Text	-21.00	1.13	-0.29
Toronto-Dominion Bank	-6.88	3.81	-0.28
Canadian National Railway	-8.92	2.80	-0.26

PERCENTILE RANKING (GROSS RETURNS)

Period	Percentile ranking	Nb of funds in category
1 year	14	152
3 years	28	140
5 years	16	125

Source: Morningstar ratings, Canadian Equity

3-YEAR RISK-RETURN ANALYSIS

Indicator	Fund	Index*
Beta	0.93	1.00
Volatility	12.55	13.34
Information ratio	1.12	-
Upside capture	100.51	-
Downside capture	88.29	-

FUND CHARACTERISTICS

Characteristic	Fund	Index*
Number of holdings	124	226
Dividend yield	2.95	3.44
Top 10 holdings weight	30%	
1-year trailing turnover	43%	

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

PORTFOLIO ACTIVITY

Strong performances from the energy and materials sectors

Given its composition, the Canadian market benefited from solid performances by the energy and materials sectors. At the portfolio level, oil and copper producers had an excellent start in 2024. We reduced our exposure to entities that had benefited strongly from the cyclical rebound in materials. We added to natural gas producers, which should benefit from a better price for their commodity in the coming months.

We also added K-Bro Linen to the portfolio during the quarter because we think it will experience strong organic growth as well as a structurally higher margin profile in the coming months.

PORTFOLIO POSITIONING

Synchronized global recovery helps cyclical sectors

We continued to maintain our bias to cyclical industries despite profit taking in these sectors, which have performed well.

After several quarters of negative annual earnings-per-share growth in Canada, last quarter's results ended the earnings recession streak. It had created significant uncertainty about the performance of the Canadian market in 2024; thus, the risk associated with profit growth has faded slightly for the second half of the year.

MARKET OUTLOOK

Tactical positioning for market volatility

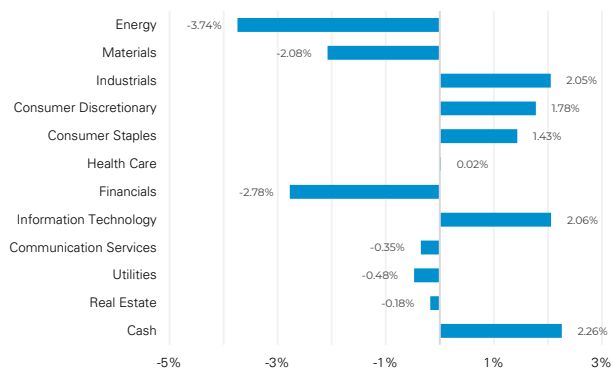
Major central banks started to reduce their key rates at the beginning of June. Even though the easing cycle is under way, there are major divergences across the developed markets. Therefore, we remain cautious because we think rates could remain higher for longer in the coming months.

In addition to interest rates, we must position the portfolio for the U.S. presidential election according to lessons learned from an in-depth analysis of market behaviour after the 2016 and 2020 elections. Although the election is a few months away, understanding its effects and what Trump 2.0 would mean for specific policies, industries, and companies is key.

SIGNIFICANT TRANSACTIONS (Q2 2024)

Positions initiated	Sector
AG Growth International Inc.	Industrials
Boralex Inc.	Utilities
Champion Iron LTD.	Materials
GFL Environmental Inc.	Industrials
K-Bro Linen Inc.	Industrials
Positions exited	Sector
Cargojet Inc.	Industrials
Foran Mining Corp.	Materials
MDA Space LTD.	Industrials
Nexus Industrials	Real Estate
Surge Energy Inc.	Energy

SECTOR DEVIATIONS VS. INDEX



TOP 5 HOLDINGS

Holding	Sector	Weight (%)
Royal Bank of Canada	Financials	5.76
Toronto-Dominion Bank	Financials	3.56
Constellation Software	Information Technology	3.04
Canadian Natural Resources	Energy	3.00
Canadian Pacific Kansas City	Industrials	2.80

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

The portfolio managers' comments on the fund's relative performance are based on gross returns (before fees). The information and opinions contained in this report were prepared by iA Global Asset Management ("iAGAM"). The opinions, estimates and projections contained in this report are those of iAGAM as of the date of this report and are subject to change without notice. iAGAM endeavours to ensure that the contents have been compiled or derived from sources that we believe to be reliable and contain information and opinions that are accurate and complete. However, iAGAM makes no representations or warranty, express or implied, in respect thereof, takes no responsibility for any errors and omissions contained herein and accepts no liability whatsoever for any loss arising from any use of, or reliance on, this report or its contents. There is no representation, warranty, or other assurance that any projections contained in this report will be realized. There is no representation, warranty, or other assurance that any projections contained in this report will be realized. The pro forma and estimated financial information contained in this report, if any, is based on certain assumptions and analysis of information available at the time that this information was prepared, which assumptions and analysis may or may not be correct. This report is not to be construed as an offer or solicitation to buy or sell any security. The reader should not rely solely on this report in evaluating whether or not to buy or sell securities of the subject company. The reader should consider whether it is suitable for your particular circumstances and talk to your financial advisor.