

KEY TAKEAWAYS

- Strong stock picks in technology, communication services, and health care boosted performance.
- The portfolio is cautiously positioning for growth, emphasizing AI, software, and the energy transition.
- In the second half, the focus will be on macro factors, consumer health, and potential oversaturation of the AI trade.

PORTFOLIO MANAGER



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PERFORMANCE ANALYSIS

AI takes centre stage

During the quarter, our performance was boosted by overweight positions in the information technology sector as AI continued to dominate the market. Stock selection also contributed, largely because of strong quarterly earnings from Broadcom Inc. and Alphabet Inc., which both saw meaningful growth in key verticals.

Outside information technology, our selection in health care, through Elevance and UnitedHealth, as well as consumer discretionary, through Amazon and Aramark, contributed positively to the return.

PERCENTILE RANKING (GROSS RETURNS)

Period	Percentile ranking	Nb of funds in category
1 year	45	38
3 years	N/A	N/A
5 years	N/A	N/A

Source: Morningstar ratings, Global Equity

TOP 5 CONTRIBUTORS (% QTD)

Issuer	Return	Weight	Contribution
Broadcom	23.23	3.93	0.87
Taiwan Semiconductor	23.91	3.97	0.87
Alphabet	21.32	4.08	0.80
Apple	22.95	2.89	0.67
Microsoft	7.27	5.14	0.37

TOP 5 DETRACTORS (% QTD)

Issuer	Return	Weight	Contribution
CRH	-12.41	1.78	-0.25
Mastercard	-7.20	3.14	-0.25
Diageo	-13.85	1.63	-0.24
Moët Hennessy Louis Vuitton	-13.62	1.41	-0.21
Ashtead Group	-5.24	3.90	-0.20

1-YEAR RISK-RETURN ANALYSIS

Indicator	Fund	Index*
Beta	0.84	1.00
Volatility	9.45	10.92
Information ratio	-1.20	-
Upside capture	83.03	-
Downside capture	82.68	-

FUND CHARACTERISTICS

Characteristic	Fund	Index*
Number of holdings	41	1430
Dividend yield	2.16	2.02
Top 10 holdings weight	41%	
1-year trailing turnover	15%	

* Index: MSCI WORLD (\$CA)

PORTFOLIO ACTIVITY

Software pivot

We initiated a position in Accenture, a technology consulting company with specialized abilities to service clients in many industries. Most AI-related spending has been on hardware so far, and we think spending will soon rotate to software. Accenture will be a beneficiary of the shift because it will be the primary point of contact for any software implementation.

We eliminated our positions in Capgemini and Berry Global. Given the delayed recovery in global IT services, the valuation for Capgemini changed negatively during the quarter. We also decided to rotate funds into higher-quality positions already in the portfolio, and we identified Berry Global as the most logical position to exit.

PORTFOLIO POSITIONING

Remaining opportunistic while erring on the side of caution

We have positioned our fund to deliver long-term capital growth through investments in best-in-class businesses driving innovation in growing industries. Simultaneously, we acknowledge low visibility on the economy in the near term. Therefore, our holdings are assessed not only for their ability to generate long-term returns but also for their defensive nature in the event of an economic downturn.

Given these short-term uncertainties, we've identified trends such as AI and software, as well as the energy transition, to ensure the largest risk-reward asymmetry, mitigating the impact of an economic downturn while providing meaningful returns.

MARKET OUTLOOK

Macro themes and the AI trade

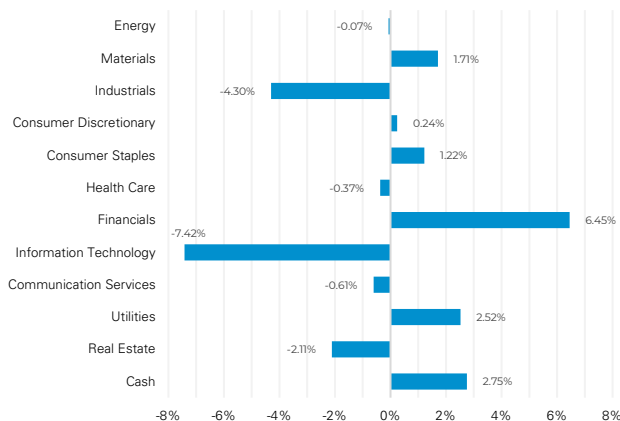
We think idiosyncratic opportunities will be uncovered in the back half of 2024. Even so, two main themes will take centre stage: first, the macro landscape and rate decisions in major economies, and the financial health of the consumer base, and second, the entire AI trade hinging on a few companies.

As inflation numbers have come in lower consecutively around the world, rate cuts are happening or are just around the corner for most major economies. Defensive and rate-sensitive industries, such as utilities, are poised to gain from such a setup. Even so, the current disinflationary cycle could come at the cost of the financial strength of the consumer base, which has already been battered. We remain vigilant on our consumer exposures and are underweight consumer discretionary. The AI trade has generated outsized returns for investors over the past year and focused the attention of the entire market on a handful of companies. Although we think secular AI growth will continue far down the road, the current AI trade is close to being saturated, considering the current valuation levels.

SIGNIFICANT TRANSACTIONS (Q2 2024)

Positions initiated	Sector
Accenture	Information Technology
Positions exited	Sector
Capgemini	Information Technology
Berry Global	Materials

SECTOR DEVIATIONS VS. INDEX



TOP 5 HOLDINGS

Holding	Sector	Weight (%)
Microsoft	Information Technology	4.97
CMS Energy	Utilities	4.97
Alphabet	Information Technology	4.29
Broadcom	Information Technology	4.19
Taiwan Semiconductor	Information Technology	4.13

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

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.