

KEY TAKEAWAYS

- Allocations to technology and financials, as well as exposure to AI names such as Nvidia, contributed to the return.
- The synchronized global recovery will support cyclical sectors, but AI, automation, and reshoring are still our favoured themes.

PORTFOLIO MANAGER



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PERFORMANCE ANALYSIS

The solid start to the year continues

During the quarter, gross returns were in line with the benchmark.

Our overweighting of the technology sector and underweighting of financials were the two significant contributors to the return. As for stock selection, most of the gains were generated by the technology sector. Companies such as Nvidia have again generated substantial returns in recent months.

Security selection in consumer discretionary was strong in the Canadian and U.S. portions of the portfolios during the quarter, with the performance of a small manufacturer and retailer of eyecare products, Kits Eyecare, standing out.

PERCENTILE RANKING (GROSS RETURNS)

Period	Percentile ranking	Nb of funds in category
1 year	11	112
3 years	30	104
5 years	38	99

Source: Morningstar ratings, Canadian Focused Equity

TOP 5 CONTRIBUTORS (% QTD)

Issuer	Return	Weight	Contribution
Nvidia	38.23	2.47	0.85
Apple	23.54	2.30	0.57
Alphabet	21.47	1.95	0.39
Royal Bank of Canada	7.63	3.36	0.25
Microsoft	7.47	3.02	0.21

3-YEAR RISK-RETURN ANALYSIS

Indicator	Fund	Index*
Beta	0.99	1.00
Volatility	13.09	13.08
Information ratio	-0.19	-
Upside capture	96.90	-
Downside capture	97.34	-

TOP 5 DETRACTORS (% QTD)

Issuer	Return	Weight	Contribution
Bank of Montreal	-12.17	1.51	-0.19
Canadian Pacific Kansas City	-9.58	1.82	-0.19
Toronto-Dominion Bank	-6.84	2.44	-0.18
Canadian National Railway	-8.87	1.86	-0.17
Shopify	-13.33	1.15	-0.15

FUND CHARACTERISTICS

Characteristic	Fund	Index*
Number of holdings	208	729
Dividend yield	2.29	2.72
Top 10 holdings weight	24%	
1-year trailing turnover	91%	

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

PORTFOLIO ACTIVITY

Strong performance from the AI theme and cyclical sectors

For the U.S. portion of the portfolio, we initiated a position in Marvell Technology. We are attracted by their cloud networking business, which should accelerate meaningfully because of breakthroughs in generative AI.

Given its composition, the Canadian market benefited from the strong performance of 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. During the quarter, Kits Eyecare was also added to the portfolio because of its significant sales momentum.

PORTFOLIO POSITIONING

Synchronized global recovery helps cyclical sectors

We continue 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 in the second half of the year has diminished slightly.

Even though we expect an increasingly volatile environment in the rest of the year, we think industries benefiting from AI, automation, and reshoring should be favoured and we expect them to maintain their market leadership.

MARKET OUTLOOK

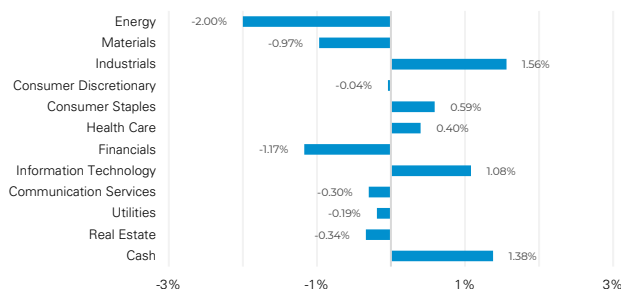
Tactical positioning for market volatility

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. In the United States, we will continue to identify future market leaders amongst innovative firms, while ensuring our capital is also allocated to dominant market players.

SIGNIFICANT TRANSACTIONS (Q2 2024)

Positions initiated	Sector
Costco Wholesale Corp.	Consumer Staples
Eaton Corp.	Industrials
Kits Eyecare Ltd.	Consumer Discretionary
Granite REIT	Real Estate
Waste Management Inc.	Industrials
Positions exited	Sector
GDI Integrated Facility Serv.	Industrials
Heroux-Devtek Inc.	Industrials
Netflix Inc.	Communication Services
Salesforce Inc.	Information Technology
Vistra Corp.	Utilities

SECTOR DEVIATIONS VS. INDEX



TOP 5 HOLDINGS

Holding	Sector	Weight (%)
Royal Bank of Canada	Financials	3.46
Microsoft	Information Technology	3.00
Apple	Information Technology	2.80
Nvidia	Information Technology	2.70
Toronto-Dominion Bank	Financials	2.35

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.