

KEY TAKEAWAYS

- Even though Canadian equities rose, the fund underperformed slightly owing to financials and information technology. Consumer staples and energy added value.
- We overweighted consumer discretionary and industrials, and underweighted energy and materials. We expect rate cuts and fiscal stimuli to boost these sectors.

PORTFOLIO MANAGER



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PERFORMANCE ANALYSIS

An excellent quarter for Canadian equities

Even though Canadian equities had a positive return in the third quarter, the fund slightly underperformed its benchmark.

The underperformance was due mainly to security selection in the financials and information technology sectors. In addition, asset allocation made a somewhat negative contribution, with the adverse impact on relative performance being due to the underweight in financials and the overweight in industrials.

On the positive side, stock selection added value in consumer staples, while asset allocation to energy also contributed positively.

PERCENTILE RANKING (GROSS RETURNS)

Period	Percentile ranking	Nb of funds in category
1 year	21	168
3 years	29	156
5 years	9	137

Source : Morningstar ratings, Canadian Equity

TOP 5 CONTRIBUTORS (% QTD)

Issuer	Return	Weight	Contribution
Royal Bank of Canada	16.84	5.96	0.98
Brookfield	26.35	2.31	0.56
Toronto-Dominion Bank	15.12	3.64	0.55
Canadian Imperial Bank of Commerce	28.64	1.56	0.42
Bank of Nova Scotia	19.59	1.93	0.37

TOP 5 DETRACTORS (% QTD)

Issuer	Return	Weight	Contribution
Canadian Natural Resources	-6.86	2.75	-0.20
Cenovus Energy	-15.25	0.69	-0.11
Atkinsrealis Group	-6.80	1.16	-0.09
Boyd Group Services	-20.01	0.33	-0.08
Celestica	-25.81	0.30	-0.08

3-YEAR RISK-RETURN ANALYSIS

Indicator	Fund	Index*
Beta	0.93	1.00
Volatility	12.82	13.64
Information ratio	0.81	-
Upside capture	99.09	-
Downside capture	89.11	-

FUND CHARACTERISTICS

Characteristic	Fund	Index*
Number of holdings	124	223
Dividend yield	2.74	3.14
Top 10 holdings weight	30%	
1-year trailing turnover	42%	

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

Canadian Equity Growth (iA)

PORTFOLIO ACTIVITY

Strong performance from real estate

Given its composition, the portfolio benefited from a solid performance by the real estate sector. With central banks loosening their monetary policies and the economy remaining fundamentally strong, this sector fared well.

During the quarter, we increased our exposure to real estate by adding Granite REIT and SmartCentres REIT to the portfolio. We also initiated a position in ATS Corporation because of its strong life sciences segment.

Finally, companies such as Innergex should also benefit from lower interest rates, which is why we added it to the fund.

PORTFOLIO POSITIONING

Economic recovery boosts cyclical sectors

We continued to maintain our favourable bias to cyclical industries with a significant overweight in the consumer discretionary and industrials sectors. In contrast, energy and materials are still underweighted in the portfolio.

Interest rates cuts from central banks and fiscal stimuli offer an excellent environment for capital investments in the industrials and consumer discretionary sectors.

Industrial companies also have a positive outlook, with increasing demand for infrastructure to meet electricity demand from data centres.

MARKET OUTLOOK

Tactical positioning for market volatility

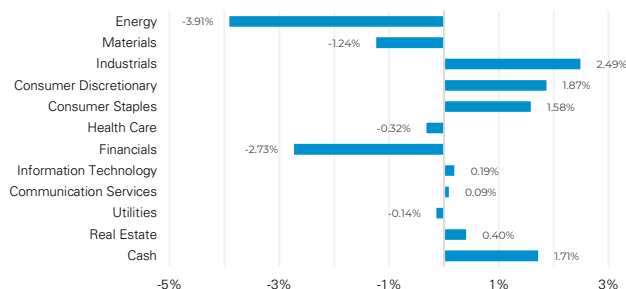
The fourth quarter will be marked by the U.S. election, potentially leading to increased market volatility in the coming weeks. Regardless of the election outcome, any election-related weakness in equities is likely to be temporary. Historically, markets tend to stabilize after the initial uncertainty surrounding elections subsides, as investors refocus on economic fundamentals and corporate earnings.

It is also important that the strategy monitor China's efforts to revive its property sector. September's stimulus announcements in China are the initial steps to support business and consumer confidence. Additional policy support will be needed for China to achieve its 2024 growth target of about 5%. Further easing measures on the fiscal and property fronts could be announced in the coming weeks, providing support for commodity prices and the North American stock markets.

SIGNIFICANT TRANSACTIONS (Q3 2024)

Positions initiated	Sector
ATS Corporation	Industrials
Granite Real Estate Investment Trust	Real Estate
Innergex Renewable Energy	Utilities
SmartCentres Real Estate Investment Trust	Real Estate
Vizsla Silver Corp.	Materials
Positions exited	Sector
Hudbay Minerals Inc.	Materials
Maple Leaf Foods Inc.	Consumer Staples
Microsoft Corporation	Technology
UnitedHealth Group Incorporated	Health Care
InterRent Real Estate Investment Trust	Real Estate

SECTOR DEVIATIONS VS. INDEX



TOP 5 HOLDINGS

Holding	Sector	Weight (%)
Royal Bank of Canada	Financials	6.30
Toronto-Dominion Bank	Financials	3.70
Constellation Software	Information Technology	3.07
Canadian Pacific Kansas City	Industrials	2.74
Canadian National Railway	Industrials	2.51

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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