

KEY TAKEAWAYS

- Canadian small caps performed well, with Crew Energy, Gildan, Hammond Power, and Filo Mining leading the way.
- We increased our exposure to Wesdome, Innergex, Adentra, and Interfor to benefit from falling interest rates.
- Our overweight in industrials benefits from infrastructure and nuclear energy demand.

PORTFOLIO MANAGER



Marc Gagnon MBA, CFA

Vice President, Portfolio Manager,
North American Equities

PERFORMANCE ANALYSIS

Another excellent quarter for small caps

Once again, Canadian small caps had a strong quarterly performance. Even though the fund marginally underperformed its benchmark index, stock selection added value while asset allocation detracted. The energy sector stood out as a primary contributor to the return.

Crew Energy, recently acquired by Tourmaline, emerged as the top performer in terms of added value. Following closely were Gildan, Hammond Power, and Filo Mining. Of particular interest, BHP and Lundin jointly submitted a purchase offer for Filo, a copper-exposed mining company, in July.

PERCENTILE RANKING (GROSS RETURNS)

Period	Percentile ranking	Nb of funds in category
1 year	9	46
3 years	10	43
5 years	3	42

Source : Morningstar ratings, Canadian Small/Mid Cap Equity

TOP 5 CONTRIBUTORS (% QTD)

Issuer	Return	Weight	Contribution
Crew Energy	65.99	0.54	0.42
Dundee Precious Metals	28.13	1.50	0.39
Killam Apartment REIT	24.22	1.69	0.38
Skeena Resources	56.54	0.80	0.36
Colliers International Group	34.41	1.16	0.35

TOP 5 DETRACTORS (% QTD)

Issuer	Return	Weight	Contribution
Nuvista Energy	-21.80	1.18	-0.29
Ascot Resources	-72.27	0.23	-0.23
Lumine Group	-14.43	1.28	-0.21
Goeasy	-7.55	1.80	-0.16
Bird Construction	-9.41	1.34	-0.15

3-YEAR RISK-RETURN ANALYSIS

Indicator	Fund	Index*
Beta	0.92	1.00
Volatility	15.96	16.79
Information ratio	1.38	-
Upside capture	103.52	-
Downside capture	77.98	-

FUND CHARACTERISTICS

Characteristic	Fund	Index*
Number of holdings	123	246
Dividend yield	2.48	3.50
Top 10 holdings weight	16%	
1-year trailing turnover	36%	

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

Canadian Equity Small Cap (iA)

PORTFOLIO ACTIVITY

Positioning for falling interest rates

Political and geopolitical news remained dynamic throughout the quarter, particularly with Israel's ongoing targeted attacks in the Middle East. Additionally, as most central banks adopted monetary easing, gold reached new highs. The fund's exposure to Wesdome, a Canadian gold mining company, was further increased during the quarter.

In line with more accommodative monetary policies, the fund increased the weights of companies that stand to benefit from lower interest rates. Businesses such as Innergex, Adentra, and Interfor are expected to benefit from this economic environment.

PORTFOLIO POSITIONING

Maintaining an overweight in the industrials sector

We continue to identify compelling companies in the industrials sector, which stands out as the most significantly overweighted in relation to the index.

The fund's overweight position in industrials is driven by companies in promising niches, such as infrastructure.

These companies are poised to benefit from fiscal stimuli and the resurgence of nuclear energy, which will be essential to meet the rising electricity demand from data centres.

MARKET OUTLOOK

Synchronized global growth favours Canadian small-cap equities

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.

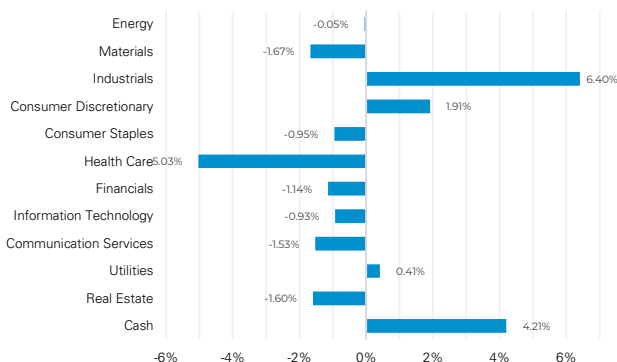
It is also important that the strategy monitor China's efforts to revive the property sector. September's stimulus announcements in China are the initial steps to support business and consumer confidence. Additional policy support will be needed for China to achieve its 2024 growth target of about 5%. 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.

Considering this economic background, small caps continue to offer strong long-term growth potential, a favourable characteristic in an environment where we see synchronized global growth emerging.

SIGNIFICANT TRANSACTIONS (Q3 2024)

Positions initiated	Sector
Bravo Mining Corp	Materials
H&R REIT	Real Estate
Innergex Renewable Energy	Utilities
Premium Brands Corp	Staples
Vizsla Silver Corp	Materials
Positions exited	Sector
Ascot Resources Ltd	Materials
Enerflex Ltd	Energy
Source Energy Services Ltd	Energy

SECTOR DEVIATIONS VS. INDEX



TOP 5 HOLDINGS

Holding	Sector	Weight (%)
EQB	Financials	2.17
Killam Apartment REIT	Real Estate	1.78
Torex Gold Resources	Materials	1.70
Goeasy	Financials	1.63
Government of Canada, Treasury Bill	Cash	1.58

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 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.