

## Canadian Dividend (iA)

### KEY TAKEAWAYS

- Rate-sensitive companies drove performance, such as Enbridge, TC Energy, and Agnico Eagle Mines.
- We are investing in AI-driven energy demand, software, and the energy transition for long-term growth.
- Expecting rate cuts, we see opportunities in utilities, energy, materials, and IT amid economic uncertainty.

### PORTFOLIO MANAGER



#### Dan Rohinton

Vice-President, Portfolio Manager,  
Global Dividend

### PERFORMANCE ANALYSIS

#### Rate-sensitive companies to the fore

Throughout the quarter, the fund's performance was driven primarily by rate-sensitive industries, such as energy and materials. In the energy sector, Enbridge and TC Energy outperformed on expectations of rate cuts and of an increase in energy demand from AI data centres.

In the materials sector, security selection played a crucial role, with Agnico Eagle Mines outperforming the broader market. Its advance was fuelled by rising gold prices amid increasing geopolitical risks and expectations of interest rate cuts.

#### TOP 5 CONTRIBUTORS (% QTD)

Issuer	Return	Weight	Contribution
Royal Bank of Canada	16.90	7.32	1.20
Brookfield Asset Management	25.62	3.42	0.91
TD Bank	15.06	5.74	0.83
Agnico Eagle Mines	21.61	4.59	0.77
Enbridge	14.76	4.80	0.69

#### TOP 5 DETRACTORS (% QTD)

Issuer	Return	Weight	Contribution
Canadian Natural Resources	-6.95	4.72	-0.34
Microsoft	-4.81	2.36	-0.15
Amazon	-10.36	1.77	-0.14
Suncor Energy	-3.23	2.56	-0.08
Alimentation Couche-Tard	-2.46	2.69	-0.06

#### PERCENTILE RANKING (GROSS RETURNS)

Period	Percentile ranking	Nb of funds in category
1 year	14	86
3 years	31	72
5 years	48	69

Source : Morningstar ratings, Canadian Dividend & Income Equity

#### 3-YEAR RISK-RETURN ANALYSIS

Indicator	Fund	Index*
Beta	0.86	1.00
Volatility	12.17	13.75
Information ratio	0.20	-
Upside capture	91.37	-
Downside capture	82.24	-

#### FUND CHARACTERISTICS

Characteristic	Fund	Index*
Number of holdings	46	173
Dividend yield	2.78	3.18
Top 10 holdings weight	47%	
1-year trailing turnover	65%	

\* Index: S&P/TSX 60 Total Return

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### PORTFOLIO ACTIVITY

#### Navigating economic uncertainty with a resilient portfolio

We initiated positions in Lundin Mining, BCE, Meta, TFI International, and LVMH. We have always considered these companies to be high-quality, if not best-in-class, businesses. We think the time is right to invest in these stocks, which are likely to perform better in uncertain economic conditions than the companies they have replaced in our portfolio.

During the quarter, we removed Bank of Nova Scotia, Tourmaline Oil, Arc Resources, and CCL Industries. We think that these companies will face significant headwinds in the coming macroeconomic environment and that the newly added or existing portfolio positions offer a more favourable risk-reward profile.

### PORTFOLIO POSITIONING

#### Strategically focusing on high risk-reward opportunities

We have strategically positioned our fund to achieve long-term capital growth by investing in top-tier businesses that drive innovation in expanding industries. Acknowledging the current economic uncertainties, we evaluate our holdings not only for their long-term return potential but also for their resilience to economic downturns.

Amid these short-term uncertainties, we have identified trends such as AI-driven energy demand, software, and the energy transition as having the most favourable risk-reward profiles. These trends help mitigate the impact of economic downturns while offering substantial returns.

### MARKET OUTLOOK

#### Expecting a series of rate cuts to unfold

In the Canadian market, we expect the latter part of 2024 and early 2025 to be marked by unique scenarios, including the impact of ongoing wars, interest rate cuts, and the outcome of the U.S. election. The financial health of the Canadian consumer base is showing signs of strain and inflation remains under control, so we expect rate cuts to continue.

We think high-quality businesses in most sectors will be able to withstand market uncertainties. We see significant opportunities in utilities, energy, materials, and information technology as the main beneficiaries of a decelerating economy in a rate-cut environment.

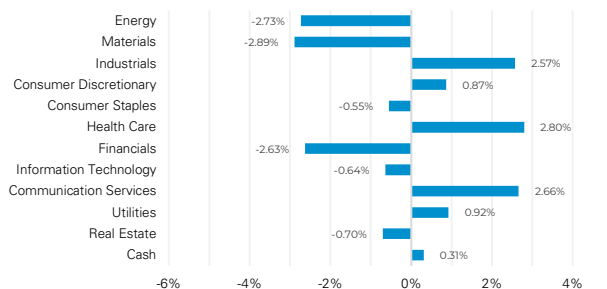
### SIGNIFICANT TRANSACTIONS (Q3 2024)

Positions initiated	Sector
Lundin Mining Corp	Materials
BCE Inc	Communication Services
Meta Platforms Inc	Communication Services
TFI International Inc	Industrials
LVMH Moët Hennessy Louis Vuitton SE	Consumer Discretionary

Positions exited	Sector
Bank of Nova Scotia	Financials
Tourmaline Oil Corp	Energy
Arc Resources Ltd	Energy
CCL Industries Inc	Materials

### SECTOR DEVIATIONS VS. INDEX



### TOP 5 HOLDINGS

Holding	Sector	Weight (%)
Royal Bank of Canada	Financials	7.13
Toronto-Dominion Bank	Financials	6.51
Brookfield Asset Management	Financials	5.27
Agnico Eagle Mines	Materials	5.00
Enbridge	Energy	4.87

## 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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