

## Global Dividend (iA)

### KEY TAKEAWAYS

- Defensive strategies boosted performance, led by consumer staples and health care.
- We focused on high risk-reward opportunities in AI, software, and energy transition.
- Geopolitical tensions, AI trade saturation, and interest rate decisions are under the radar.

### PORTFOLIO MANAGER



#### Dan Rohinton

Vice-President, Portfolio Manager,  
Global Dividend

### PERFORMANCE ANALYSIS

#### Capitalizing on defensive strategies

During the quarter, our performance was boosted by strong security selection in consumer staples and health care, with Philip Morris and British American Tobacco as key contributors.

Outside consumer staples and health care, our selection in energy through Enbridge as well as in information technology through Broadcom, Apple and Accenture significantly contributed to the return.

### PERCENTILE RANKING (GROSS RETURNS)

Period	Percentile ranking	Nb of funds in category
1 year	42	43
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
CMS Energy	17.88	5.02	0.86
Philip Morris International	19.60	3.06	0.55
Linde	23.08	1.29	0.50
CRH	21.10	2.31	0.45
Ashtead Group	16.40	3.00	0.42

### TOP 5 DETRACTORS (% QTD)

Issuer	Return	Weight	Contribution
Amazon	-5.30	2.95	-0.39
Rentokil Initial	-16.78	2.07	-0.38
Alphabet	-10.17	3.26	-0.34
Microsoft	-4.65	4.68	-0.23
Elevance Health	-5.00	3.84	-0.20

### 1-YEAR RISK-RETURN ANALYSIS

Indicator	Fund	Index*
Beta	0.83	1.00
Volatility	7.56	8.58
Information ratio	-0.88	-
Upside capture	87.79	-
Downside capture	59.11	-

### FUND CHARACTERISTICS

Characteristic	Fund	Index*
Number of holdings	40	1410
Dividend yield	1.81	1.97
Top 10 holdings weight	37%	
1-year trailing turnover	69%	

\* Index: MSCI WORLD (\$ CA)

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### PORTFOLIO ACTIVITY

#### Targeting high-cash-flow generators with asset-light business models

We initiated positions in Booking Holdings, Nvidia, Relx, and Transdigm. We took a substantial position in Relx, a global provider of information-based analytics and decision tools, owing to its structural growth potential and strong cash flow. Relx's geographic diversification ensures exceptional earnings visibility and sustainability in relation to many of its peers.

We sold our positions in Gruma, Lowe's, Linde, Ferguson, and Dollar General. Gruma's profitability improvements appear to be priced in, with valuations at historical averages. Dollar General has faced a series of poor earnings performances with an uncertain turnaround timeline. We decided the risk-reward profiles did not justify continuing to hold these stocks.

### PORTFOLIO POSITIONING

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

We have positioned our fund to achieve long-term capital growth by investing in top-tier businesses that drive innovation in expanding industries. At the same time, we acknowledge the current economic uncertainty. Therefore, our holdings are evaluated not only for their long-term return potential but also for their resilience to an economic downturn.

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

### MARKET OUTLOOK

#### Macro themes: geopolitics, AI, and interest rates

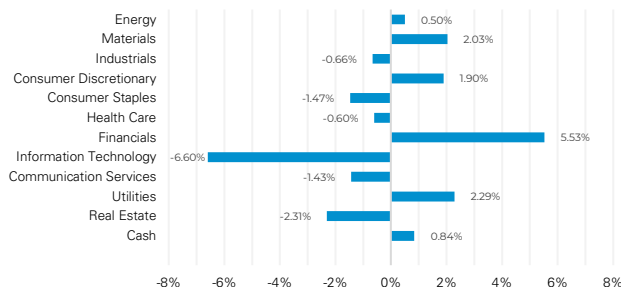
For the latter part of 2024 and early 2025, we expect certain tumultuous events to play out. Three main themes will dominate: (1) geopolitical tensions and their impact on the global economy and inflationary pressures; (2) the AI trade, which is heavily reliant on a few key companies; and (3) the macro landscape, including rate decisions in major economies, and the U.S. election. The war in the Middle East has escalated, involving multiple parties. If this conflict persists, it could lead to global inflationary pressures. Even so, we think inflation will remain under control, benefitting defensive and rate-sensitive industries, such as utilities.

AI has delivered significant returns for investors over the past year, drawing market attention to a select few companies. Even though we believe in the long-term growth of AI, the current AI trade appears saturated, given the current valuations. Stock selection will be crucial for future returns in the technology sector. Maintaining realistic growth expectations is essential, because some AI company valuations have become stretched. Therefore, we remain selective, focusing on high-quality companies integral to the AI value chain. Looking ahead, we see the software industry, along with defensive sectors, such as utilities and health care, offering more favourable risk-reward opportunities.

### SIGNIFICANT TRANSACTIONS (Q3 2024)

Positions initiated	Sector
Booking Holdings Inc	Consumer Discretionary
Nvidia Corp	Information Technology
Relx Plc	Industrials
Transdigm Group Inc	Industrials
Positions exited	Sector
Lowe's Companies, Inc	Consumer Discretionary
Linde Plc	Materials
Gruma S.A.B.	Consumer Staples
Ferguson Enterprises Inc	Industrials
Dollar General Corp	Consumer Staples

### SECTOR DEVIATIONS VS. INDEX



### TOP 5 HOLDINGS

Holding	Sector	Weight (%)
CMS Energy	Utilities	4.99
Microsoft	Information Technology	4.90
VISA	Financials	3.58
Elevance Health	Healthcare	3.50
Mastercard	Financials	3.42

## 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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