

### KEY TAKEAWAYS

- Sector allocation added value, and a tech overweight contributed positively despite stock selection drag.
- We adjusted the portfolio to mitigate tariff risks, add U.S. companies and leverage Alberta's electricity trend.
- The Canadian market has an appealing valuation and a positive outlook if tariffs are lower than expected.

### PORTFOLIO MANAGER



#### Marc Gagnon MBA, CFA

Vice-President, Portfolio Manager,  
North American Equities

### PERFORMANCE ANALYSIS

#### Canadian equities end the year on a strong note

The fund slightly underperformed its benchmark in the fourth quarter. This underperformance was due almost entirely to stock selection in the technology sector. Stock selection in energy and financials also deducted a few basis points from relative performance.

On the positive side, sector allocation added value, mainly because we underweighted the materials sector. Overweighting the technology sector also contributed positively during the quarter.

#### TOP 5 CONTRIBUTORS (% , QTD)

Issuer	Return	Weight	Contribution
Shopify	41.10	3.05	0.99
AtkinsRéalis Group	38.87	1.35	0.45
Bank of Montreal	15.68	2.59	0.38
Brookfield	15.18	2.64	0.38
Fairfax Financial	17.03	1.71	0.27

#### TOP 5 DETRACTORS (% , QTD)

Issuer	Return	Weight	Contribution
TD Bank	-9.33	3.54	-0.34
Canadian Pacific Kansas City	-9.85	2.47	-0.27
Rogers Communications	-17.80	1.00	-0.19
BCE	-26.83	0.55	-0.18
Canadian National Railway	-7.28	2.27	-0.17

#### PERCENTILE RANKING (GROSS RETURNS)

Period	Percentile ranking	Nb of funds in category
1 year	35	185
3 years	22	169
5 years	8	155

Source: Morningstar ratings, Canadian Equity

#### 3-YEAR RISK-RETURN ANALYSIS

Indicator	Fund	Index*
Beta	0.92	1.00
Volatility	12.88	13.87
Information ratio	0.73	-
Upside capture	97.06	-
Downside capture	87.56	-

#### FUND CHARACTERISTICS

Characteristic	Fund	Index*
Number of holdings	126	223
Dividend yield	2.74	3.16
Top 10 holdings weight	31%	-
1-year trailing turnover	42%	-

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

### PORTFOLIO ACTIVITY

#### A new risk has emerged in recent months

During the last quarter, the results of the U.S. election added considerable uncertainty regarding the imposition of potential tariffs on Canadian exports to the United States. To mitigate this risk, we adjusted selected positions in the portfolio. For instance, positions in Stella-Jones, Spin Master and Adentra were removed.

To compensate, a few U.S. companies were added to the portfolio over the last three months. The largest additions were Amazon and Microsoft.

Finally, companies such as Transalta were added to the portfolio to take advantage of an emerging trend in Alberta: electricity demand from new data centres.

### PORTFOLIO POSITIONING

#### Proactive positioning

We have identified several economic scenarios whose impacts on stock markets could vary in 2025. Great uncertainty remains regarding the imposition of tariffs by the Trump administration. China's implementation of fiscal and monetary measures to stimulate its economy is another example.

In these circumstances, we recently put in place a more prudent approach by reducing the weight of companies potentially exposed to tariffs.

It is crucial for portfolio positioning that we keep an eye on the synchronized easing cycle that is still under way, for it should boost global economic growth and support cyclical sectors.

### MARKET OUTLOOK

#### The new U.S. administration creates considerable uncertainty

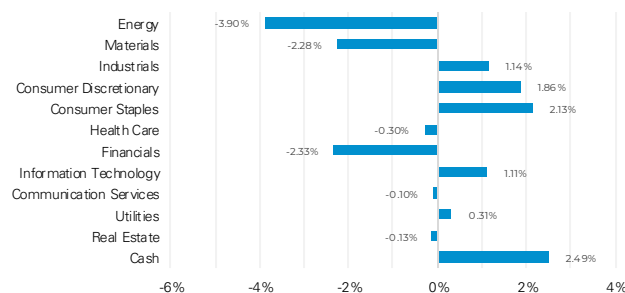
How Canadian stocks perform in the coming months will depend on the degree to which the president-elect applies tariffs to trade partners. An equally important consideration is the inflationary effect that measures such as tax cuts and reduced immigration could have on the economy. In such a context, inflation would persist, limiting the Federal Reserve's ability to cut its policy rate. To counter potential tariffs, the Chinese government will implement significant stimulus measures in the hope of boosting domestic demand.

On the positive side, the current valuation of the Canadian market is appealing. If tariffs are lower than expected, the market could continue its momentum into 2025.

### SIGNIFICANT TRANSACTIONS (Q4 2024)

Positions initiated	Sector
Amazon.com Inc.	Information Technology
Microsoft Corp.	Information Technology
North West Co. Inc.	Consumer Staples
Definity Financial Corp.	Financials
Gitlab Inc.	Information Technology
Positions exited	Sector
Stella-Jones Inc.	Materials
George Weston Ltd.	Consumer Staples
Emera Inc.	Utilities
ATS Corp.	Industrials
Spin Master Corp.	Consumer Discretionary

### SECTOR DEVIATIONS VS. INDEX



### TOP 5 HOLDINGS

Holding	Sector	Weight (%)
Royal Bank of Canada	Financials	6.14
Shopify	Information Technology	3.70
Toronto-Dominion Bank	Financials	3.66
Constellation Software	Information Technology	2.96
Brookfield	Financials	2.75

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