

KEY TAKEAWAYS

- The U.S. market contributed 36% to the returns; the fund slightly underperformed owing to IT stock selection.
- The portfolio was adjusted to mitigate post-election tariff risks.
- A pro-business U.S. administration and lower rates are expected to support market breadth in Q1 2025.

PORTFOLIO MANAGER



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PERFORMANCE ANALYSIS

A strong quarter closes a stellar year

The Canadian Focused Equity funds had a stellar year, with the North American markets ending strongly. The U.S. market contributed significantly to the solid returns with an advance of more than 36%, including the currency effect.

During the quarter, the fund lagged its benchmark index slightly. The underperformance was mainly due to stock selection, specifically in the information technology sector. Allocation had little impact during the quarter, with no sector standing out positively or negatively.

PERCENTILE RANKING (GROSS RETURNS)

Period	Percentile ranking	Nb of funds in category
1 year	19	130
3 years	26	118
5 years	29	108

Source: Morningstar ratings, Canadian Focused Equity

TOP 5 CONTRIBUTORS (% QTD)

Issuer	Return	Weight	Contribution
Shopify	40.77	1.90	0.60
Tesla	47.14	0.67	0.41
Amazon	25.05	1.71	0.37
NVIDIA	17.41	2.56	0.34
Brookfield	15.18	1.94	0.29

TOP 5 DETRACTORS (% QTD)

Issuer	Return	Weight	Contribution
TD Bank	-9.42	2.41	-0.26
Canadian Pacific Kansas City	-9.85	1.64	-0.19
Rogers Communications	-17.80	0.76	-0.15
Canadian National Railway	-7.38	1.53	-0.12
BCE	-26.99	0.32	-0.10

3-YEAR RISK-RETURN ANALYSIS

Indicator	Fund	Index*
Beta	0.99	1.00
Volatility	13.13	13.20
Information ratio	-0.19	-
Upside capture	97.20	-
Downside capture	97.39	-

FUND CHARACTERISTICS

Characteristic	Fund	Index*
Number of holdings	211	726
Dividend yield	2.08	2.51
Top 10 holdings weight	23%	-
1-year trailing turnover	120%	-

* Index: 70% S&P/TSX Composite, 20% MSCI World (\$ CA), 10% FTSE TMX 91 Days

North American Equity (iA)

PORTFOLIO ACTIVITY

Source of uncertainty

In the last quarter of 2024, the results of the U.S. election added considerable uncertainty over the potential imposition of tariffs on Canadian exports to the United States. To mitigate this risk, we adjusted selected positions in the portfolio. For instance, positions in Aritzia, Spin Master and Interfor were reduced or removed.

In the United States, we exited our positions in Wayfair and Builders FirstSource because U.S. home sales have yet to re-bound and the housing market is expected to be choppy in 2025 owing to higher-than-expected interest rates. After the election, we increased our position in Tesla and exited our position in Uber because we expect Tesla to achieve fast-track commercialization of its Robotaxi, which will be detrimental to Uber in the long run.

PORTFOLIO POSITIONING

Proactive positioning

Several economic scenarios with variable impacts on the stock markets have been identified for 2025. For example, 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 adopted a more prudent approach by reducing the weight of companies potentially exposed to tariffs.

We also remain cautiously optimistic on evergreen trends, such as AI, automation and reshoring — as well as cyclical sectors benefitting from rate cuts.

MARKET OUTLOOK

The new U.S. administration creates considerable uncertainty

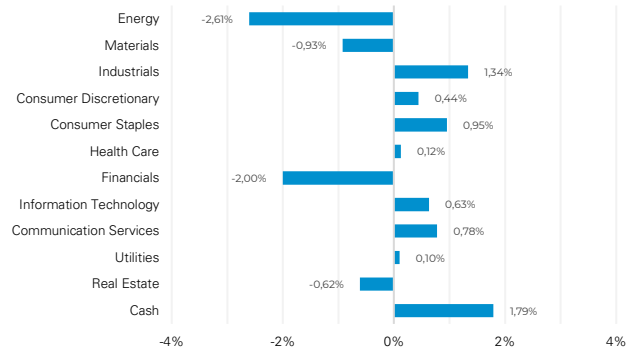
How Canadian stocks perform in the coming months will depend on the degree to which the U.S. President applies tariffs to trade partners. An equally important consideration is the inflationary effect that measures such as tax cuts and reduced immigration could have on the economy. In such a context, 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.

As we head into the first quarter of 2025, cash-flow-generating large-cap tech stocks will most likely remain in vogue. Even so, we expect greater market breadth in selected subsectors and lower market caps, supported by lower interest rates and the incoming U.S. administration's generally pro-business attitude.

SIGNIFICANT TRANSACTIONS (Q4 2024)

Positions initiated	Sector
AGF Management Ltd	Financials
North West Company Inc	Consumer Staples
Take-Two Interactive Software Inc	Information Technology
Robinhood Markets Inc	Financials
The Boeing Co	Industrials
Positions exited	Sector
Aritzia Inc	Consumer Discretionary
Interfor Corp	Materials
Uber Technologies Inc	Information Technology
Wayfair Inc	Consumer Discretionary
Builders FirstSource Inc	Industrials

SECTOR DEVIATIONS VS. INDEX



TOP 5 HOLDINGS

Holding	Sector	Weight (%)
Royal Bank of Canada	Financials	3.46
NVIDIA	Information Technology	3.06
Microsoft	Information Technology	2.99
The Toronto-Dominion Bank	Financials	2.21
Amazon	Consumer Discretionary	2.15

About iA Global Asset Management (iAGAM)

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General Disclosures

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