

Thematic Innovation

KEY TAKEAWAYS

- Semiconductor investments proved beneficial in Q1 2024.
- We added Datadog and Vertiv to the portfolio.
- We maintained a barbell approach with a focus on innovation trends.

PORTFOLIO MANAGER



Maxime Houde CFA

Director, Portfolio Manager,
Thematic Investing

PERFORMANCE ANALYSIS

Strong Start to the Year

Our exposure to semiconductors through investments in Nvidia and Broadcom proved beneficial as they continued to profit from the proliferation of AI via their GPU and custom ASIC offering.

Meta was again one of the largest contributors as the company continues to deliver outstanding earnings growth through best-in-class products and execution. Additionally, our underweight positioning in Apple contributed significantly to returns.

Vistra, a vertically integrated nuclear utility player, was also a stand-out as they are benefiting from a renewed interest in nuclear energy to power AI data centres.

PERCENTILE RANKING (GROSS RETURNS)

| Period | Percentile ranking | Nb of funds in category |
|---------|--------------------|-------------------------|
| 1 year | 15 | 296 |
| 3 years | 72 | 259 |
| 5 years | 21 | 223 |

Source : Morningstar ratings, US Equity

TOP 5 CONTRIBUTORS (% , QTD)

| Issuer | Return | Weight | Contribution |
|--------------------|--------|--------|--------------|
| Nvidia Corp | 85.28 | 5.31 | 3.41 |
| Meta Platforms Inc | 34.44 | 3.85 | 1.28 |
| Microsoft Corp | 14.92 | 8.16 | 1.24 |
| Amazon.com Inc | 21.24 | 4.97 | 1.02 |
| Vistra Corp | 79.62 | 0.96 | 0.72 |

TOP 5 DETRACTORS (% , QTD)

| Issuer | Return | Weight | Contribution |
|----------------------------------|--------|--------|--------------|
| Apple Inc | -9.04 | 3.42 | -0.34 |
| Humana Inc | -22.08 | 0.52 | -0.15 |
| Integral Ad Science Holding Corp | -27.37 | 0.33 | -0.12 |
| Snowflake Inc. | -9.30 | 0.58 | -0.11 |
| Inari Medical Inc. | -19.92 | 0.43 | -0.11 |

3-YEAR RISK-RETURN ANALYSIS

| Indicator | Fund | Index* |
|-------------------|--------|--------|
| Beta | 1.00 | 1.00 |
| Volatility | 14.87 | 14.28 |
| Information ratio | -0.70 | - |
| Upside capture | 95.47 | - |
| Downside capture | 108.98 | - |

FUND CHARACTERISTICS

| Characteristic | Fund | Index* |
|--------------------------|------|--------|
| Number of holdings | 86 | 503 |
| Dividend yield | 1.14 | 1.67 |
| Top 10 holdings weight | 39% | |
| 1-year trailing turnover | 185% | |

* Index : S&P 500 Total Return (\$CA)

Thematic Innovation

PORTFOLIO ACTIVITY

Profit Taking in Consumer and Semiconductor

We initiated a position in Datadog, a best-in-class observability software. We are attracted to the company's opportunity related to AI adoption, which should fuel an acceleration of growth. Vertiv was another addition that should highly benefit from AI data centre buildouts since their liquid cooling technology will be required to regulate chip temperatures.

We eliminated Crocs and Micron from the portfolio. The rationale for Crocs was that the price rebound, and recent relative valuation more than adequately accounts for the brand's current growth opportunity amid a backdrop of slowing consumer spending. Micron had a great rebound and valuation was reflecting both the recovery in Dynamic Random Access Memory (DRAM) pricing and the opportunity for Hubsay Minerals Inc. in an AI data centre.

PORTFOLIO POSITIONING

Barbell Approach with Exposure to Both Thematic Innovators and Dominant Firms

The fund is positioned to deliver long-term capital growth through its exposure to U.S. companies that have dominant market positions and are poised to benefit from innovation trends. We are optimistic on the outlook of the economy and believe the probability of a no-landing scenario is increasing. We have therefore increased our exposure to more rate sensitive and cyclical sectors.

We believe we are entering a transformative decade, led by several technological breakthroughs, starting with AI. Therefore, we remain exposed to themes that should strongly benefit from those innovations.

MARKET OUTLOOK

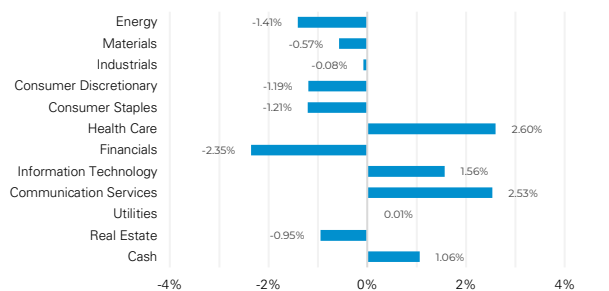
Positioning for a New Tomorrow

In our view, the prevailing market regime will increasingly favour active stock selection and thematic investing. As we move into the second half of 2024, structural growth stocks are likely to remain in favour, underpinned by stabilized long-term interest rates and a consistently below-average potential GDP growth. Technology shifts usually usher in new market cycles and regimes, and we foresee AI becoming the defining technological turning point of our generation. Using the data era framework as a guide, we expect to witness a significant shift from the semiconductor industry to infrastructure and software layers as use cases emerge and are commercialized/monetized. In line with our barbell investment approach, we will continue to identify potential market leaders of tomorrow amongst innovative firms, while concurrently ensuring our capital is allocated to dominant market players that stand to gain from the widespread innovation throughout the economy.

SIGNIFICANT TRANSACTIONS (Q1 2024)

| Positions initiated | Sector |
|-------------------------------|------------------------|
| Vertiv Holding | Industrials |
| Datadog | Information technology |
| Toast Inc | Financials |
| Cyberark software | Information Technology |
| Positions exited | Sector |
| Crocs | Consumer Discretionary |
| Planet Fitness | Consumer Discretionary |
| Ulta Beauty | Consumer Discretionary |
| Micron | Information Technology |
| Take-two interactive software | Communication Services |

SECTOR DEVIATIONS VS. INDEX



TOP 5 HOLDINGS

| Holding | Sector | Weight (%) |
|-----------|----------------------------|------------|
| Microsoft | Information Technology | 8.06 |
| NVIDIA | Information Technology | 6.23 |
| Alphabet | Telecommunication Services | 4.94 |
| Amazon | Consumer Discretionary | 4.72 |
| Apple | Information Technology | 3.94 |

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.