iA Global Asset Management

Canadian Dividend (iA)

As at June 30, 2026

Quarterly Analysis

KEY TAKEAWAYS

- Financials and technology drove market gains, while energy and gold lagged amid softer oil prices and shifting interest rate expectations.
- We repositioned the portfolio modestly by trimming Canadian Natural Resources, upgrading quality with Microsoft, and adding to select opportunities in health care, gold, and utilities.
- With Canadian bank valuations elevated, we remained disciplined, focusing on dividend sustainability, balance-sheet strength, and selective opportunities as conditions evolved.

PORTFOLIO MANAGER

Dan Rohinton
Vice-President, Portfolio Manager, Global Dividend

PERFORMANCE ANALYSIS

Diversification helped during sector divergence

The index delivered a strong quarter, supported by financials and select technology names. Energy lagged as oil prices softened late in the quarter after the U.S.-Iran offramp, while gold also faced pressure amid U.S. dollar strength and pushed-out expectations for Federal Reserve easing. The quarter was positive for the portfolio, with the underweight position in gold helping offset the drag from an underweight in financials. In addition, select foreign holdings, used to complement sectors where the Canadian market offers fewer high-quality companies, contributed positively to performance.

PERCENTILE RANKING (GROSS RETURNS)

Period	Percentile ranking	Nb of funds in category
1 year	57	86
3 years	26	78
5 years	50	69

Source: Morningstar ratings, Canadian Dividend and Income Equity Funds

TOP 5 CONTRIBUTORS (%, QTD)

Issuer	Return	Weight	Contribution
Royal Bank of Canada	31.38	9.20	2.61
Toronto-Dominion Bank	33.67	6.72	2.01
Manulife Financial	21.04	4.49	0.88
Great-West Lifeco	39.73	2.33	0.81
Taiwan Semiconductor	44.50	1.99	0.79

3-YEAR RISK-RETURN ANALYSIS

Indicator	Fund	Index*
Beta	0.78	1.00
Volatility	8.66	10.59
Information ratio	-0.52	-
Upside capture	84.69	-
Downside capture	66.56	-

TOP 5 DETRACTORS (%, QTD)

Issuer	Return	Weight	Contribution
Agnico Eagle Mines	-22.37	5.79	-1.47
Canadian Natural Resources	-16.56	5.13	-0.84
Suncor Energy	-17.34	2.95	-0.68
Barrick Mining	-10.00	2.47	-0.38
Franco-Nevada	-15.10	2.20	-0.35

FUND CHARACTERISTICS

Characteristic	Fund	Index*
Number of holdings	51	60
Dividend yield	2.50	2.46
Top 10 holdings weight	49%	-
1-year trailing turnover	54%	-

* Index: S&P/TSX 60 Total Return

Global Asset Management

Canadian Dividend (iA)

As at June 30, 2026

Quarterly Analysis

PORTFOLIO ACTIVITY

Managing volatile markets with a balanced portfolio

Portfolio activity was modest during the quarter. We reduced our weighting in Canadian Natural Resources after the geopolitical off-ramp and upgraded the portfolio by shifting capital from Oracle to Microsoft. We also added Apotex Health, select gold names, and Capital Power.

PORTFOLIO POSITIONING

Optimizing risk and reward

The portfolio remains anchored in leading Canadian franchises with durable competitive advantages, disciplined capital allocation, and sustainable dividend policies. We balance cyclical exposure in energy and materials with stable, rate-resilient businesses in utilities and telecommunications. Position sizing reflects our convictions, with larger weights in companies demonstrating consistent cash flow generation and prudent capital management. We continue to favour businesses with pricing power and management teams focused on long-term value creation. Overall, the portfolio is well positioned to deliver steady compounding while maintaining the flexibility to capitalize on market dislocations.

MARKET OUTLOOK

Remaining selective for the second half

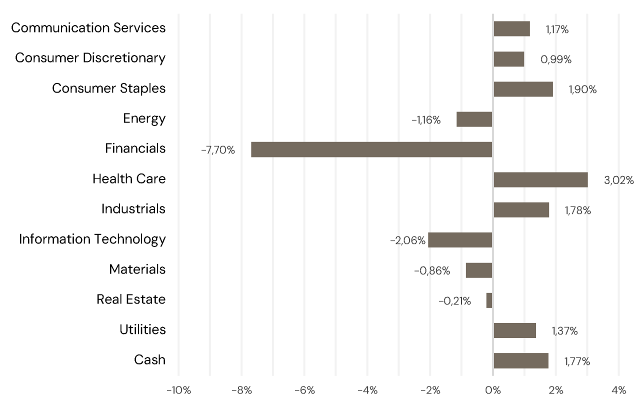
Our primary concern is still the elevated valuations of Canadian bank stocks. At the same time, we have become incrementally more constructive on gold equities after the recent shift in expectations for short-term interest rates. That said, our investment approach remains grounded in dividend sustainability, balance-sheet strength, and valuation discipline. We think this framework positions the portfolio to navigate uncertainty while capturing opportunities as market conditions evolve.

SIGNIFICANT TRANSACTIONS (Q2 2026)

Positions initiated	Sector
Apotex Health	Health care
Capital Power	Utilities

Positions exited	Sector
Oracle	Information technology
Danaher	Health care

SECTOR DEVIATIONS VERSUS INDEX



TOP 5 HOLDINGS*

Holding	Sector	Weight (%)
Royal Bank of Canada	Financials	9.77
Toronto-Dominion Bank	Financials	7.42
Agnico Eagle Mines	Materials	5.42
Enbridge	Energy	4.80
Manulife Financial	Financials	4.65

*Excludes cash, cash equivalents, and derivatives

Get ahead

iagam.ca

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.

iA Global Asset Management