iA Global Asset Management

North American Equity

As at June 30, 2026

Quarterly Analysis

KEY TAKEAWAYS

- Canadian equities delivered positive returns during the quarter, with leadership shifting toward financials, health care, and technology.
- We positioned the portfolio for structural growth by adding high-conviction holdings and increasing our exposure to AI infrastructure and industrial technology themes.
- We remain constructive on long-term opportunities supported by AI adoption, infrastructure spending, and energy-security initiatives, while maintaining a focus on high-quality businesses.

PORTFOLIO MANAGERS

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PERFORMANCE ANALYSIS

Equities extend gains in the second quarter

Canadian and U.S. equities continued to advance in the second quarter. The S&P/TSX Composite Index gained 7.0%, while the S&P 500 Index also posted solid returns, supported by resilient economic data and strength in technology-related sectors. In Canada, performance was led by financials, health care, and industrials, while energy and materials lagged as commodity prices softened and investors rotated into non-resource sectors. During the quarter, the fund slightly underperformed its benchmark on the combined impact of security selection and asset allocation decisions.

PERCENTILE RANKING (GROSS RETURNS)

Period	Percentile ranking	Nb of funds in category
1 year	44	154
3 years	38	135
5 years	39	121

Source: Morningstar ratings, Canadian Focused Equity Funds

TOP 5 CONTRIBUTORS (%, QTD)

Issuer	Return	Weight	Contribution
Royal Bank of Canada	31.42	4.39	1.27
Toronto-Dominion Bank	33.72	3.68	1.12
Micron Technology	226.80	0.58	0.70
Bank of Montreal	34.04	2.09	0.65
Alphabet	26.41	2.00	0.49

3-YEAR RISK-RETURN ANALYSIS

Indicator	Fund	Index*
Beta	0.97	1.00
Volatility	9.92	10.06
Information ratio	-0.46	-
Upside capture	95.57	-
Downside capture	94.52	-

TOP 5 DETRACTORS (%, QTD)

Issuer	Return	Weight	Contribution
Agnico Eagle Mines	-21.53	1.89	-0.47
Canadian Natural Resources	-16.26	1.61	-0.30
Suncor Energy	-16.28	1.47	-0.27
Alamos Gold	-30.21	0.57	-0.20
Kinross Gold	-20.67	0.65	-0.15

FUND CHARACTERISTICS

Characteristic	Fund	Index*
Number of holdings	220	723
Dividend yield	1.93	1.91
Top 10 holdings weight	24 %	-
1-year trailing turnover	71 %	-

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

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PORTFOLIO ACTIVITY

Positioning for structural growth

During the quarter, we added exposure to companies participating in AI infrastructure, industrial technology, and energy markets, areas where we continue to identify attractive opportunities supported by long-term structural trends.

On the Canadian side, we added positions in SSR Mining, a high-quality gold producer with a strong balance sheet and an attractive valuation, and Athabasca Oil, reflecting our positive view on the Canadian energy sector. We also participated in the Apotex Health initial public offering, gaining exposure to a leading Canadian pharmaceutical company.

PORTFOLIO POSITIONING

Sector rotation and market resilience

The second quarter saw leadership shift to financials, health care, and technology, as energy and materials lagged. Despite ongoing trade policy uncertainty, markets in Canada and the United States remained resilient, supported by solid corporate earnings and continued investment in AI-related infrastructure.

We maintained a focus on high-quality businesses, increased our health care exposure with the addition of Apotex, and continued to allocate capital to our highest-conviction ideas. We also maintained exposure to energy and materials, where we still see selective opportunities despite commodity price volatility.

MARKET OUTLOOK

Structural tailwinds remain in place

Fiscal policy and trade negotiations are likely to remain key sources of market uncertainty through year-end. In our view, the primary risk to the Canadian economy isn't a fundamental breakdown in North American trade relationships, but rather the impact of uncertainty on business and consumer decision making. Against this backdrop, we continue to see compelling long-term opportunities in infrastructure, energy security, and critical minerals.

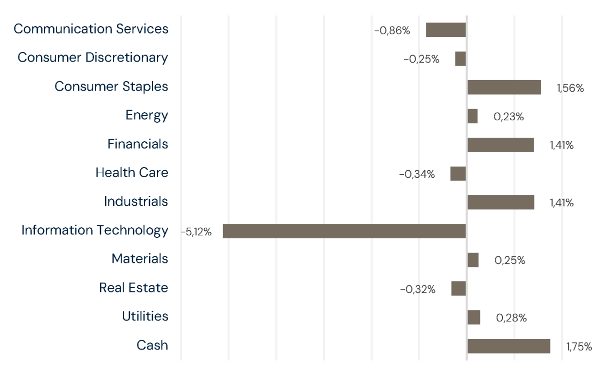
At the same time, AI-related investment remains robust as adoption accelerates, while reshoring trends, increased defence spending, and energy-security initiatives are expanding investment opportunities well beyond the mega-cap technology sector.

SIGNIFICANT TRANSACTIONS (Q2 2026)

Positions initiated	Sector
SSR Mining	Materials
Apotex Health	Health care
Athabasca Oil	Energy
Texas Instruments	Information Technology
Take-Two Interactive	Communication services

Positions exited	Sector
Danaher	Health care
Netflix	Communication services
Johnson & Johnson	Health care
Williams	Energy
PepsiCo	Consumer staples

SECTOR DEVIATIONS VERSUS INDEX



TOP 5 HOLDINGS*

Holding	Sector	Weight (%)
Royal Bank of Canada	Financials	5.01
Toronto-Dominion Bank	Financials	4.18
Shopify	Information technology	2.74
Bank of Montreal	Financials	2.40
Nvidia	Information technology	2.17

*Excludes cash, cash equivalents, and derivatives

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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.

Global Asset Management