iA Global Asset Management

Thematic Innovation (iA)

As at June 30, 2026

Quarterly Analysis

KEY TAKEAWAYS

- Technology and AI-linked holdings led performance on accelerating investment in data centres and robust demand across the AI value chain.
- We increased our exposure to cyclical and infrastructure opportunities while redeploying capital away from positions with deteriorating fundamentals.
- As AI spending continues to support long-term growth, we remain focused on high-conviction opportunities, disciplined portfolio construction, and evolving market leadership.

PORTFOLIO MANAGER

Maxime Houde CFA
Senior Director, Portfolio Manager,
Thematic Investing

PERFORMANCE ANALYSIS

Barbell for risk management

As concerns surrounding the Iran conflict faded, the market focus shifted back to growth and AI. Our thematic positioning helped drive strong performance during the quarter, with notable contributions from AI-related memory chip manufacturers, supported by rising memory prices and increased hyperscaler capex, as well as infrastructure companies benefiting from accelerating data centre expansion. Performance was driven by an overweight allocation to technology and strong security selection within the sector.

PERCENTILE RANKING (GROSS RETURNS)

Period	Percentile ranking	Nb of funds in category
1 year	16	302
3 years	10	265
5 years	29	237

Source: Morningstar ratings, U.S. Equity Funds

TOP 5 CONTRIBUTORS (%, QTD)

Issuer	Return	Weight	Contribution
Micron Technology	226.18	2.06	2.06
Alphabet	26.27	7.05	1.83
SanDisk	270.62	1.10	1.69
Nvidia	16.05	8.71	1.60
Seagate Technology	141.00	1.32	1.14

3-YEAR RISK-RETURN ANALYSIS

Indicator	Fund	Index*
Beta	1.19	1.00
Volatility	14.47	11.84
Information ratio	0.59	-
Upside capture	115.28	-
Downside capture	124.87	-

TOP 5 DETRACTORS (%, QTD)

Issuer	Return	Weight	Contribution
Exxon Mobil	-18.99	1.49	-0.29
HCA Healthcare	-16.10	0.74	-0.15
Cloudflare	-18.61	0.09	-0.14
CME Group	-17.08	0.51	-0.14
Figma	-21.73	0.19	-0.13

FUND CHARACTERISTICS

Characteristic	Fund	Index*
Number of holdings	123	503
Dividend yield	0.92	1.28
Top 10 holdings weight	39%	-
1-year trailing turnover	208%	-

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

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PORTFOLIO ACTIVITY

A shift toward cyclical sectors

We capitalized on attractive entry points to initiate or add to several high-conviction positions, including Bloom Energy, Boeing, Sterling Infrastructure, and Intel, reflecting our emphasis on AI-driven growth and domestic industrial investment. We also initiated positions in Union Pacific, supported by strong rail volumes and merger-related regulatory progress, as well as Bank of America and Bank of New York Mellon, which stand to benefit from a steeper yield curve and a more favourable regulatory backdrop. We exited Netflix amid weakening engagement trends and Royal Caribbean Cruises after Mexico's unexpected denial of key approvals created a near-term headwind for the business.

PORTFOLIO POSITIONING

AI continues to be a central focus

From a portfolio construction standpoint, we entered the year with our barbell strategy firmly in place. We maintained 5–15% exposure to small- and mid-cap innovators positioned to benefit from the next wave of AI adoption, while anchoring the portfolio in dominant, high-quality compounders. Late in 2025, we also began rotating into more cyclical opportunities in the anticipation that lower interest rates, deregulation, and resilient consumer spending would create a favourable backdrop. We added exposure to industrials, energy infrastructure, and select financials, reflecting our convictions regarding the reshoring of critical supply chains and the investment required to expand power generation capacity for AI data centres.

MARKET OUTLOOK

Opportunities in mid caps and cyclicals

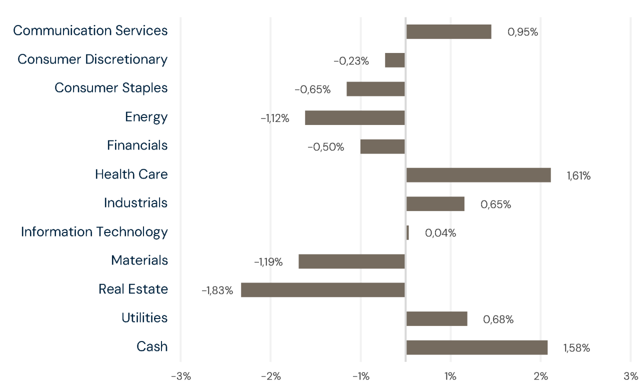
As we move into the second half of 2026, the macro backdrop has shifted meaningfully from our January expectations, and we have adjusted our positioning accordingly. The AI investment cycle remains the most compelling opportunity in our view. Hyperscalers' capital spending commitments, now approaching $700 billion for 2026, continue to create a multiyear tailwind for companies supporting AI infrastructure, such as power generation, grid modernization, semiconductors, cooling technologies, and networking equipment. Moreover, the persistent supply constraints reported by major cloud providers suggest demand continues to outpace capacity, reducing the risk of a sharp pullback in spending. We remain focused on identifying the most attractive opportunities across the AI value chain while closely monitoring cyclical demand trends in areas such as memory and we will reposition the portfolio as these themes evolve.

SIGNIFICANT TRANSACTIONS (Q2 2026)

Positions initiated	Sector
Take-Two Interactive	Communication services
Intel	Information technology
Union Pacific	Industrials
Boeing	Industrials

Positions exited	Sector
Netflix	Communication services
Chevron	Energy
Lowe's	Consumer discretionary
KLA	Information technology

SECTOR DEVIATIONS VERSUS INDEX



TOP 5 HOLDINGS*

Holding	Sector	Weight (%)
Nvidia	Information technology	7.88
Alphabet	Communication services	5.89
Microsoft	Information technology	4.88
Amazon	Consumer discretionary	4.66
Apple	Information technology	4.43

*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.

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