

Canadian Dividend (iA)

As at March 31, 2026

Quarterly Analysis

KEY TAKEAWAYS

- Strength in Canadian financials and insurance drove returns but was partially offset by select technology and energy infrastructure weakness.
- We increased our domestic energy exposure and exited positions in health care, communication services, and transportation.
- Amid ongoing trade uncertainty and dispersed earnings results, the strategy continued to focus on dividend durability and balance-sheet quality.

PORTFOLIO MANAGER



Dan Rohinton
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PERFORMANCE ANALYSIS

Banks led a mixed quarter

The quarter produced mixed results as Canadian equities contended with shifting rate expectations and evolving trade headlines. Strength across Canadian financials was the dominant positive contributor, with life insurance names adding further support. These gains were partially offset by weakness in select technology holdings and pressure across pipeline and telecommunications exposures. The portfolio's tilt toward dividend-paying businesses with sound balance sheets helped steady returns during a period of uneven sentiment.

TOP 5 CONTRIBUTORS (% QTD)

Issuer	Return	Weight	Contribution
Suncor Energy	52.06	4.60	1.99
Canadian Natural Resources	47.43	4.99	1.99
Agnico Eagle Mines	21.34	6.39	1.07
Enbridge	16.31	4.69	0.73
TC Energy	16.34	3.23	0.49

TOP 5 DETRACTORS (% QTD)

Issuer	Return	Weight	Contribution
Microsoft	-22.02	1.87	-0.46
Constellation Software	-25.99	1.32	-0.44
LVMH Moët Hennessy Louis Vuitton	-28.29	0.95	-0.32
Brookfield Asset Management	-13.05	2.11	-0.29
Royal Bank of Canada	-3.23	8.56	-0.26

PERCENTILE RANKING (GROSS RETURNS)

Period	Percentile ranking	Nb of funds in category
1 year	69	97
3 years	20	89
5 years	43	78

Source: Morningstar ratings, Canadian Dividend & Income Equity

3-YEAR RISK-RETURN ANALYSIS

Indicator	Fund	Index*
Beta	0.80	1.00
Volatility	9.37	11.36
Information ratio	-0.54	-
Upside capture	83.45	-
Downside capture	70.75	-

FUND CHARACTERISTICS

Characteristic	Fund	Index*
Number of holdings	52	60
Dividend yield	2.73	2.62
Top 10 holdings weight	51%	-
1-year trailing turnover	70%	-

* S&P/TSX 60 Total Return



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PORTFOLIO ACTIVITY

Reinforcing domestic energy exposure

We made selective adjustments during the quarter to strengthen income durability and align exposure with our convictions. We increased our Canadian energy exposure with two large integrated producers whose capital discipline, shareholder returns, and free-cash-flow generation are supportive. We funded these additions by exiting a diversified health care conglomerate, a large communication services holding whose dividend prospects had become less compelling, and a Canadian transportation name. Activity was measured, with a view to reinforcing quality and income sustainability.

PORTFOLIO POSITIONING

Quality franchises and durable income

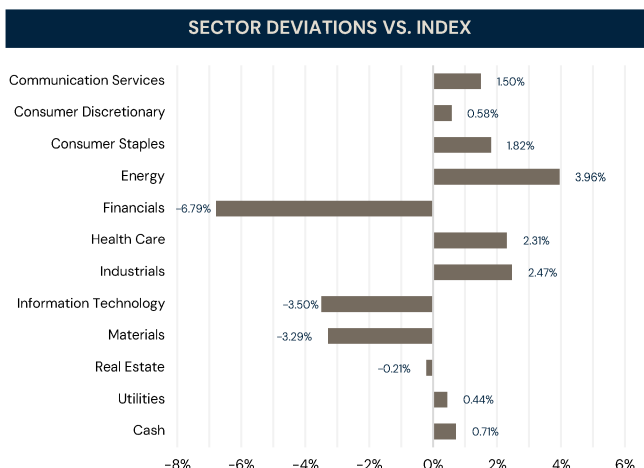
The portfolio remained anchored in leading Canadian franchises with competitive advantages, healthy payout coverage, and disciplined capital allocation. We balanced exposure across cyclicals in energy and materials with more rate-resilient businesses in utilities and telecommunications. Position sizing reflected our conviction, and we continued to favour management teams focused on long-term value creation. The portfolio is structured to compound steadily and retain flexibility to act opportunistically, should market dislocations emerge.

MARKET OUTLOOK

Navigating dispersion and trade uncertainty

Earnings dispersion is likely to remain a defining feature of the Canadian market, with results diverging across sectors and within them. Trade policy developments and their downstream effects on energy, manufacturing, and consumer sectors continue to be a source of uncertainty. Artificial intelligence remains a prominent theme globally, shaping capital spending and productivity expectations, even in markets with lighter direct exposure. We remain focused on dividend sustainability, balance-sheet strength, and valuation discipline, as we think this framework is well suited to navigate the road ahead.

SIGNIFICANT TRANSACTIONS (Q1 2026)	
Positions initiated	Sector
Canadian Natural Resources	Energy
Suncor Energy	Energy
Positions exited	Sector
Danaher	Health Care
Alphabet	Communication services
TFI International	Industrials



TOP 5 HOLDINGS*		
Holding	Sector	Weight (%)
Royal Bank of Canada	Financials	8.30
Agnico Eagle Mines	Materials	6.38
Canadian Natural Resources	Energy	6.10
TD Bank	Financials	6.00
Suncor Energy	Energy	5.62

*Excludes cash, cash equivalents, and derivatives

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