

North American Equity (iA)

QUARTERLY ANALYSIS

As at June 30, 2025

KEY TAKEAWAYS

- The fund had good performance in the second quarter with strong security selection and a shift from U.S. equities to resilient Canadian equities.
- Important themes remained natural gas, gold, and the long-term growth of AI in the U.S. investment strategy.
- Global uncertainties persist, with renewed U.S. tariffs and Middle East tensions affecting energy markets.

PORTFOLIO MANAGER



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Vice President, Portfolio Manager,
North American Equities



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Senior Director, Portfolio Manager,
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PERFORMANCE ANALYSIS

As equity markets rise, Canada stands out

The fund had a good performance in the second quarter, mainly due to strong security selection.

Industrials was the top contributing sector, supported by positive contributions from Health Care, Communication Services, and Consumer Staples. Currency hedging of U.S. dollar exposure also added value during the period.

Despite ongoing market volatility since the start of the year, Canadian equities have shown notable resilience, underpinned by attractive relative valuations.

PERCENTILE RANKING (GROSS RETURNS)

Period	Percentile ranking	Nb of funds in category
1 year	30	144
3 years	23	131
5 years	38	118

Source : Morningstar ratings, Canadian Focused Equity

TOP 5 CONTRIBUTORS (% QTD)

Issuer	Return	Weight	Contribution
Nvidia	37.05	2.03	0.62
Microsoft	26.00	2.44	0.57
TD Bank	17.64	3.07	0.55
USD/CAD currency forward	-3.67	-3.83	0.54
Royal Bank of Canada	11.67	3.99	0.48

TOP 5 DETRACTORS (% QTD)

Issuer	Return	Weight	Contribution
Apple	-12.53	0.98	-0.21
UnitedHealth	-42.24	0.27	-0.20
Waste Connections	-9.19	0.99	-0.10
Suncor Energy	-7.52	1.17	-0.09
Fiserv	-20.23	0.15	-0.09

3-YEAR RISK-RETURN ANALYSIS

Indicator	Fund	Index*
Beta	0.97	1.00
Volatility	11.88	12.06
Information ratio	-0.10	-
Upside capture	97.28	-
Downside capture	94.82	-

FUND CHARACTERISTICS

Characteristic	Fund	Index*
Number of holdings	209	687
Dividend yield	2.24	2.28
Top 10 holdings weight	33%	-
1-year trailing turnover	122%	-

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

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PORTFOLIO ACTIVITY

Emphasizing Canada over the U.S.

We reduced our U.S. equity exposure in favour of Canadian holdings in the expectation of a more stable macroeconomic environment north of the border. After Liberation Day in April, we viewed the proposed tariffs as unsustainable and selectively increased portfolio risk by adding to positions such as Shopify and initiating a stake in Aritzia.

Throughout the period, we maintained exposure to natural gas producers and gold miners, which benefitted from strong commodity fundamentals and growing investor demand for safe-haven alternatives to the U.S. dollar.

PORTFOLIO POSITIONING

Canada's relative stability and U.S. AI thesis

We remain positive on commodities and think Canada is better positioned than the U.S., with a more stable political landscape, a healthier fiscal balance, and expectations of a favourable resolution to ongoing trade negotiations. In contrast, we are concerned that U.S. inflation may prove more persistent than market forecasts suggest, potentially leading to stagflation. In our view, the U.S. dollar and long-term Treasury yields will serve as early indicators if market turbulence intensifies.

Against this backdrop, artificial intelligence continues to be a core pillar of our U.S. investment strategy. Although the first half of the year saw a pullback in AI-related equities—exacerbated by the introduction of DeepSeek—valuations have since normalized, and we remain confident about the sector's long-term growth potential.

MARKET OUTLOOK

From tariffs to tensions

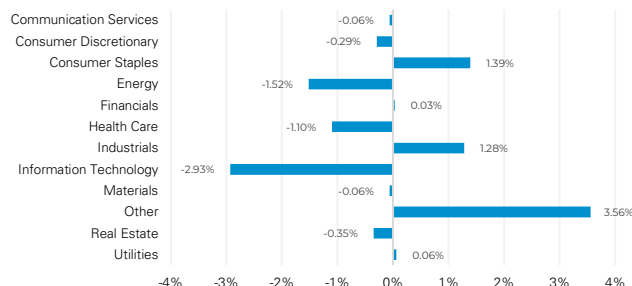
Tariff impacts are still working their way through the system, with U.S. tariffs on Chinese goods appearing to stabilize at about 55%, up from 30% earlier this year but down from a peak of 145%. This volatility is already pushing prices higher across several consumer categories, putting additional strain on household budgets.

At the same time, the ongoing conflict in the Middle East introduces renewed uncertainty over energy markets and global supply chains. Even though the current macroeconomic impact appears limited, the situation remains fluid and could deteriorate quickly. Apart from the risk of a broader regional or global conflict, rising energy prices remain the most significant external threat to the economy. We continue to monitor these developments closely and remain prepared to adjust the portfolio's positioning as conditions evolve.

SIGNIFICANT TRANSACTIONS (Q2 2025)

Positions initiated	Sector
Capital Power Corp.	Utilities
Dentalcorp Holdings Ltd.	Health Care
Advanced Micro Devices Inc.	Information Technology
DoorDash Inc.	Consumer Discretionary
Goldman Sachs Group Inc.	Financials
Positions exited	Sector
Equinox Gold Corp.	Materials
First Quantum Minerals Ltd.	Materials
Aecon Group Inc.	Industrials
Procter & Gamble Co.	Consumer Staples
Marsh McLennan Cos.	Financials

SECTOR DEVIATIONS VS. INDEX



TOP 5 HOLDINGS*

Holding	Sector	Weight (%)
Royal Bank of Canada	Financials	4.04
TD Bank	Financials	3.21
Shopify	Information Technology	2.87
Microsoft	Information Technology	2.44
Nvidia	Information Technology	2.40

*Excludes cash, cash equivalents, and derivatives

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

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