

Thematic Innovation (iA)

QUARTERLY ANALYSIS

As at June 30, 2025

KEY TAKEAWAYS

- The fund benefited from increased exposure to AI and tech during April's market downturn.
- A barbell strategy balanced dominant firms with innovative AI and automation leaders.
- Selective cyclical additions complemented a defensive tilt to capture short-term opportunities.

PORTFOLIO MANAGER



Maxime Houde cfa

Director, Portfolio Manager,
Thematic Investing

PERFORMANCE ANALYSIS

Several sources of value added

The fund had strong performance in the second quarter of 2025. A key driver was the tactical decision to increase risk and exposure to growth and AI-related equities during the April market downturn— positioning that proved beneficial because technology and AI led the market recovery.

Overall, performance was supported by an overweight in growth sectors, such as Technology and Communication Services. Stock selection also contributed positively, particularly in Technology and AI-related names, as well as Industrials, with exposure to enterprise software and data-center capital expenditures.

PERCENTILE RANKING (GROSS RETURNS)

Period	Percentile ranking	Nb of funds in category
1 year	12	281
3 years	19	248
5 years	38	218

Source: Morningstar ratings, U.S. Equity

TOP 5 CONTRIBUTORS (% QTD)

Issuer	Return	Weight	Contribution
Nvidia	37.22	7.64	2.61
Microsoft	25.99	8.03	1.96
Broadcom	55.07	3.18	1.68
Meta Platforms	21.54	4.62	1.06
Robinhood Markets	107.87	0.81	0.73

TOP 5 DETRACTORS (% QTD)

Issuer	Return	Weight	Contribution
UnitedHealth Group	-42.24	0.97	-0.74
Apple	-12.55	3.64	-0.63
Fiserv	-20.22	0.51	-0.30
Thermo Fisher Scientific	-22.67	0.76	-0.23
Exxon Mobil	-13.59	1.34	-0.22

3-YEAR RISK-RETURN ANALYSIS

Indicator	Fund	Index*
Beta	1.02	1.00
Volatility	14.12	13.26
Information ratio	0.37	-
Upside capture	106.73	-
Downside capture	105.52	-

FUND CHARACTERISTICS

Characteristic	Fund	Index*
Number of holdings	94	504
Dividend yield	0.97	1.47
Top 10 holdings weight	45%	-
1-year trailing turnover	244%	-

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

Thematic Innovation (iA)

PORTFOLIO ACTIVITY

Playing defensive with growth

We invested in Roblox at the beginning of the quarter because we saw an acceleration of the ecosystem flywheel driven by AI and automation. We initiated positions in Lumentum and Advanced Micro Devices as pick-and-shovel plays on the continued buildout of AI data-center infrastructure.

We still like Spotify but exited our position at the end of the quarter because its valuation was getting rich and we saw limited upside at the current price.

We also increased our exposure to all major hyperscalers, adding to positions in Microsoft, Google, and Amazon, and initiating a position in Oracle. We think this layer of the technology stack is best positioned to capture most of the value created by AI advances.

PORTFOLIO POSITIONING

Barbell approach with exposure to thematic innovators and dominant firms

The fund is positioned to deliver long-term capital growth with exposure to U.S. companies that have dominant market positions and are poised to benefit from innovation trends.

Recent progress in tariff negotiations and the Budget Reconciliation bill are encouraging, although uncertainty remains. Our strategic shift toward companies with pricing power has proven effective. We continue to maintain a defensive stance while selectively adding exposure to cyclical names.

We are still optimistic about long-term AI and automation themes, with a focus on identifying the structural winners of tomorrow.

MARKET OUTLOOK

We see opportunities in large-cap players that have pricing power and low tariff risks

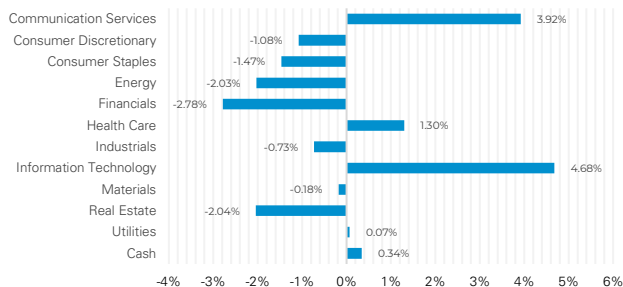
As we enter the third quarter of 2025, we expect greater clarity on Trump's policy direction and the subsectors likely to benefit. The consumer remains resilient, and the labour market shows no signs of weakness. We think peak uncertainty is behind us, with coming data expected to guide market direction. So far, the hard data has held up, and the next quarter or two should provide further confirmation. With the Budget Reconciliation bill about to be passed, we expect more visibility on tax cuts and a potential boost to consumer sentiment. Even though AI efficiency remains this year's dominant structural theme, we also see improving sentiment supporting higher valuations for well-positioned companies.

Despite a defensive tilt in the first half of 2025, we see selective opportunities emerging in cyclical sectors, such as Industrials and Financials. Staying true to our barbell strategy, we continue to hold established leaders while selectively adding companies that have strong operational track records but are currently undervalued owing to top-line uncertainty. This agile approach allows us to capture long-term tailwinds while participating in near-term mispricing.

SIGNIFICANT TRANSACTIONS (Q4 2024)

Positions initiated	Sector
Roblox	Communication Services
DoorDash	Consumer Discretionary
Lumentum	Information Technology
Seagate Technology	Information Technology
Advanced Micro Devices	Information Technology
Positions exited	Sector
Sap	Information Technology
HubSpot	Information Technology
Spotify	Communication Services
Booking Holdings	Consumer Discretionary
Colgate-Palmolive	Consumer Staples

SECTOR DEVIATIONS VS. INDEX



TOP 5 HOLDINGS

Holding	Sector	Weight (%)
Nvidia	Information Technology	9.35
Microsoft	Information Technology	8.39
Amazon	Consumer Discretionary	5.29
Meta Platforms	Communication Services	5.14
Alphabet	Communications Services	4.55

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

The information and opinions contained in this report were prepared by iA Global Asset Management ("iAGAM"). The opinions, estimates and projections contained in this report are those of iAGAM as of the date of this report and are subject to change without notice. iAGAM endeavours to ensure that the contents have been compiled or derived from sources that we believe to be reliable and contain information and opinions that are accurate and complete. However, iAGAM makes no representations or warranty, express or implied, in respect thereof, takes no responsibility for any errors and omissions contained herein and accepts no liability whatsoever for any loss arising from any use of, or reliance on, this report or its contents. There is no representation, warranty, or other assurance that any projections contained in this report will be realized. There is no representation, warranty, or other assurance that any projections contained in this report will be realized. The pro forma and estimated financial information contained in this report, if any, is based on certain assumptions and analysis of information available at the time that this information was prepared, which assumptions and analysis may or may not be correct. This report is not to be construed as an offer or solicitation to buy or sell any security. The reader should not rely solely on this report in evaluating whether or not to buy or sell securities of the subject company. The reader should consider whether it is suitable for your particular circumstances and talk to your financial advisor. iA Global Asset Management, iAGAM and the iA Global Asset Management logo are trademarks of Industrial Alliance Insurance and Financial Services Inc. and are used under license. iA Global Asset Management and iAGAM are tradenames under which Industrial Alliance Investment Management Inc. and its subsidiary iA Global Asset Management Inc. operate.