



Canadian Dividend (iA)

As at December 31, 2025

Quarterly Analysis

KEY TAKEAWAYS

- Strong performances from Canadian banks and materials were offset by weakness in information technology.
- We focused on Canadian franchises with strong balance sheets and resilient cash flows, trimmed cyclicals, exited a semiconductor company, and reinforced income durability.
- In the late-cycle phase amid sticky inflation, we stayed valuation-aware, dividend-focused, and flexible for volatility.

PORTFOLIO MANAGER



Dan Rohinton

Vice-President, Portfolio Manager,
Global Dividend

PERFORMANCE ANALYSIS

Resilience amid uncertainty

The quarter produced mixed results as Canadian equities navigated shifting rate expectations and trade policy headlines. Strength in the major banks and continued momentum in senior gold miners provided positive contributions. These gains were partially offset by pressure in select technology and asset management names whose valuations adjusted. Our emphasis on dividend sustainability and balance-sheet quality helped temper volatility, with the portfolio benefitting from its tilt toward stable cash-flow generators amid uncertain conditions.

| TOP 5 CONTRIBUTORS (% QTD) | | | |
|----------------------------|--------|--------|--------------|
| Issuer | Return | Weight | Contribution |
| Royal Bank of Canada | 14.91 | 8.44 | 1.22 |
| TD Bank | 17.31 | 5.80 | 0.96 |
| Manulife Financial | 15.96 | 4.34 | 0.65 |
| Great-West Lifeco | 20.93 | 2.07 | 0.40 |
| National Bank of Canada | 17.54 | 2.03 | 0.33 |

| TOP 5 DETRACTORS (% QTD) | | | |
|-----------------------------|--------|--------|--------------|
| Issuer | Return | Weight | Contribution |
| Oracle | -31.62 | 0.96 | -0.37 |
| Enbridge | -5.16 | 4.75 | -0.26 |
| Telus | -15.58 | 1.43 | -0.26 |
| Brookfield Asset Management | -8.16 | 2.83 | -0.25 |
| Constellation Software | -12.58 | 1.79 | -0.25 |

| PERCENTILE RANKING (GROSS RETURNS) | | |
|------------------------------------|--------------------|-------------------------|
| Period | Percentile ranking | Nb of funds in category |
| 1 year | 65 | 98 |
| 3 years | 15 | 87 |
| 5 years | 55 | 79 |

Source: Morningstar ratings, Canadian Dividend & Income Equity

| 3-YEAR RISK-RETURN ANALYSIS | | |
|-----------------------------|-------|--------|
| Indicator | Fund | Index* |
| Beta | 0.76 | 1.00 |
| Volatility | 9.06 | 11.43 |
| Information ratio | -0.71 | - |
| Upside capture | 81.19 | - |
| Downside capture | 71.23 | - |

| FUND CHARACTERISTICS | | |
|--------------------------|------|--------|
| Characteristic | Fund | Index* |
| Number of holdings | 62 | 60 |
| Dividend yield | 2.73 | 2.65 |
| Top 10 holdings weight | 47% | - |
| 1-year trailing turnover | 85% | - |

* Index: S&P/TSX 60 Total Return



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PORTFOLIO ACTIVITY

Managing volatile markets with a balanced portfolio

We made targeted adjustments to enhance income durability and manage concentration risk. We added to core bank positions as valuations remained attractive and dividend visibility improved. We initiated a position in a Canadian grocer to diversify income sources, and we trimmed our asset management exposure after a strong performance. We exited a social media platform whose dividend prospects were limited. Activity was measured, with the aim of reinforcing quality while maintaining flexibility for opportunities ahead.

PORTFOLIO POSITIONING

Optimizing risk and reward

The portfolio remains anchored in leading Canadian franchises with durable competitive advantages, disciplined capital allocation, and healthy dividend coverage. We balance cyclical exposure in energy and materials with stable, rate-resilient businesses in utilities and telecommunications. Position sizing reflects conviction, with larger weights in names demonstrating consistent cash-flow generation and prudent payout policies. We continue to favour companies with pricing power and management teams focused on long-term value creation. The portfolio is positioned to compound steadily while retaining flexibility to act on dislocations.

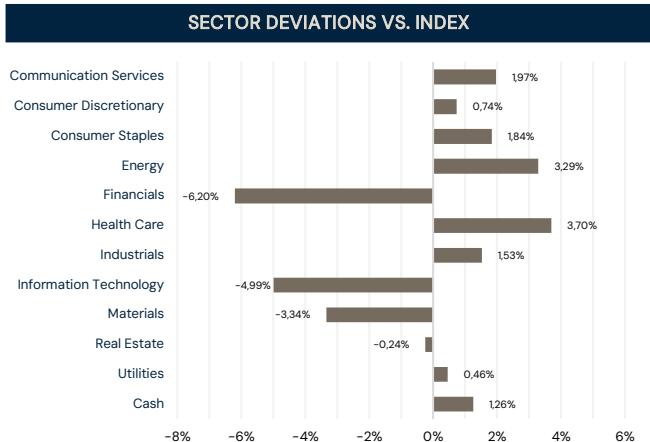
MARKET OUTLOOK

Optimizing for policy shifts in an economy under pressure

As we enter 2026, the Canadian market faces familiar crosscurrents. Domestic growth remains subdued under elevated real rates, while trade policy developments and energy market dynamics continue to drive sector dispersion. The Bank of Canada's path forward will depend on inflation progress and external demand signals. We expect periodic volatility as markets digest evolving policy and corporate earnings trends. Our approach remains focused on dividend sustainability, balance-sheet strength, and valuation discipline. We think this framework positions the portfolio to navigate uncertainty while capturing opportunities as conditions evolve.

| SIGNIFICANT TRANSACTIONS (Q4 2025) | |
|------------------------------------|------------------------|
| Positions initiated | Sector |
| Microsoft | Information Technology |
| Metro | Consumer Staples |

| Positions exited | Sector |
|------------------|------------------------|
| Meta | Communication Services |
| OR Royalties | Materials |



| TOP 5 HOLDINGS* | | |
|----------------------|--------------------|------------|
| Holding | Sector | Weight (%) |
| Royal Bank of Canada | Financial Services | 9.07 |
| TD Bank | Financial Services | 6.27 |
| Agnico Eagle Mines | Materials | 4.88 |
| Enbridge | Energy | 4.60 |
| Manulife Financial | Financial Services | 4.49 |

*Excludes cash, cash equivalents, and derivatives

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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