

NORTH AMERICAN EQUITY

MONTHLY COMMENTARY

February 28, 2021



To limit the damage of the pandemic on the economy, governments have been very active in putting measures in place to support consumers and businesses. In the United States, a third round of measures is expected to be adopted by the United States Congress in the coming days. Combined with a high savings rate, these measures should provide a strong boost to consumption at a time when vaccine distribution is accelerating.

The recovery in economic activity combined with OPEC's commitment to limiting oil production have caused global oil inventories to decline rapidly in recent months. In fact, the price of WTI has risen to its pre-pandemic level. Energy companies stand to benefit greatly from this price increase. This is a sector that has been neglected by investors since 2014 and continues to offer an affordable level of valuation despite the good performance achieved so far this year.

Vaccine distribution around the world is in full swing and our barbell strategy for U.S. equities has been working well so far. On the one hand, we invest in dominant companies that have seen their competitive advantages

reinforced by COVID, that can benefit from the acceleration of structural innovative forces and that benefit from a positive exposure to the gradual reopening of economies. Deere is a position that fits that description at this time, its growth driven by sales in the precision agriculture segment. On the other hand, we invest in innovation enablers, our favourite themes moving from "byte manipulation" (software, social media, etc.) to "atom manipulation" (robotics, automation, AI, smart energy and genomics). An example here would be Vontier, with its exposure to the electric vehicle charging industry.

In Canada, despite the recent downturn in the tech sector caused by rising interest rates, companies such as Lightspeed and Dye & Durham offer growth opportunities far superior to more mature companies in this sector. Despite the recent downturn, the software industry continues to have a high "active weight" on the Canadian side.

Currently, around 10% of the fund is invested in the following themes: renewable energy, battery technology, electric vehicles, precision agriculture and the smart grid. These themes are well supported by both technological advances and political will. Within the fund, we continue to invest in Converge Technologies in the

information technology sector. Converge Technologies continues to benefit from a strong tailwind following the COVID-19 pandemic, which accelerated the shift from private to public cloud computing, which has become necessary due to working from home. We believe that we are in the initial

phase of this change and remain constructive on the long-term potential of Converge Technologies. In addition to this tailwind, we also like the acquisition strategy that Converge uses to generate easy synergies.



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- Principal Portfolio Manager, North American Equities
- Joined iAIM in 1998
- More than 25 years of investment experience
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Main funds managed by the team

✓	Canadian Equity Growth
✓	Real Estate Income
✓	Global True Conviction
✓	Canadian Equity Growth Hybrid 75/25
✓	Global True Conviction Hybrid 75/25
✓	IA Clarington Canadian Leaders Class

iAIM snapshot

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- Major player in the asset management industry
- Manages \$97 billion in general portfolios and segregated and mutual funds
- A team of 184 people, including 108 investment professionals (including 44 CFA charterholders)
- Composed of experienced managers who emphasize fundamental analysis, identification of value and long-term investing

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