

# **FIERA ATLAS GLOBAL COMPANIES STRATEGY**

## Quarterly Insights Report (USD)

Q4 2024

# FIERA ATLAS GLOBAL COMPANIES STRATEGY

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This document is a marketing communication.

### INVESTMENT OBJECTIVE

The Fiera Atlas Global Companies Strategy seeks to deliver a compound rate of return greater than 10% per annum, after fees and costs, over the long term (typically five to seven years). We expect the Strategy will exhibit lower risk of capital loss than broader global equity markets, over the long term. The Strategy invests in what we consider to be 25 to 35 global exceptional companies with strong wealth creation credentials.

### QUARTERLY COMMENTARY

In 1848, James Marshall's discovery of gold in Coloma sparked a population boom, marking the start of the Gold Rush. While miners worked tirelessly, the true wealth was amassed by merchants like Samuel Brannan and Levi Strauss. Strauss introduced durable work trousers reinforced with copper rivets, meeting miners' needs and creating a global brand. This story illustrates the value of looking beyond the obvious—a principle we apply in managing your portfolio. Similarly, today's equity markets are experiencing an "AI Gold Rush," with the so-called Magnificent 7 (Apple, Alphabet, Amazon, Meta, Microsoft, NVIDIA, Tesla) driving significant returns, contributing 8% of the MSCI ACWI's (17.9%) performance in the past year.

Despite challenging performance over the past 12 months, we remain confident in our philosophy of owning high-quality businesses with structural growth drivers. While share prices disappointed last year, the financial strength of your holdings and the portfolio's diverse growth opportunities position us well to navigate tougher market conditions. We expect a shift back to fundamental earnings progression as the primary driver of long-term alpha, with portfolio companies projected to deliver 15% earnings growth plus dividends over the next five years. This growth path, coupled with relatively inexpensive valuations, gives us confidence in the strategy's outlook.

#### Portfolio Transactions

This quarter, we made strategic additions and sales to optimize the portfolio. Notably, we added TSMC, recognizing its competitive advantages and diverse demand drivers. TSMC commands over 85% market share in advanced semiconductor node production and benefits from stable customer relationships and applications in high-performance computing, AI, industrial uses, and consumer electronics. This investment complements our existing position in Synopsys, a leader in design software for the semiconductor industry.

Sales included Moutai, the Chinese premium Baiju producer, following a rally driven by China's stimulus plan. The tougher consumer backdrop led us to reallocate capital. Similarly, Aspen Technology was sold to fund TSMC, as Aspen's valuation now reflects Emmerson's takeover terms.

#### Performance Review

The portfolio's performance improved in the second half of 2024 as broader market conditions became more favorable. While the Magnificent 7 remained a headwind, its impact was less pronounced, reducing the drag on performance to 200bps in H2 from 700bps for the full year. Strong earnings from Tradeweb, Aspen, Veeva, Fortinet, and Gartner offset underperformance from Edwards Lifesciences (sold) and challenges in Luxury (LVMH), Life Sciences (Sartorius) and Pet Care (Zoetis and Idexx) due to inventory adjustments and slower demand normalization.

In 2024, market returns were driven more by valuation than earnings, with the Magnificent 7 skewing headline figures. Stripping out these names, S&P 500 earnings growth was just 3.7% compared to a headline of 10.4%. The portfolio's relative derating, coupled with its superior growth and quality characteristics, leaves it well-positioned for future rewards.

Looking ahead, we see opportunities to capitalize on valuation anomalies created by the market's short-term focus. The portfolio is built to deliver long-term value, identifying and investing in the winners of the future. Now is an exciting time to be a stock picker.

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### ANNUALISED PERFORMANCE (%)

As of 31 December 2024 - USD

	QTD	YTD	1Yr	2Yrs	3Yrs	4Yrs	5Yrs	7Yrs	Since Inception <sup>1</sup>
Fiera Atlas Global Companies (Gross %)	-4.2	1.4	1.4	12.3	-2.6	3.0	9.8	12.1	14.7
Fiera Atlas Global Companies (Net %)	-4.4	0.7	0.7	11.4	-3.3	2.2	8.9	11.3	13.9
MSCI ACWI-ND	-1.0	17.5	17.5	19.8	5.4	8.6	10.1	9.2	10.4
Excess Returns (Gross %)	-3.2	-16.1	-16.1	-7.6	-8.0	-5.6	-0.3	2.9	4.4
Excess Returns (Net %)	-3.4	-16.8	-16.8	-8.4	-8.7	-6.3	-1.1	2.1	3.5

### CALENDAR PERFORMANCE (%)

As of 31 December 2024 - USD

	QTD	2024	2023	2022	2021	2020	2019	2018	2017 <sup>2</sup>
Fiera Atlas Global Companies (Gross %)	-4.2	1.4	24.3	-26.6	21.8	41.5	35.5	3.1	30.2
Fiera Atlas Global Companies (Net %)	-4.4	0.7	23.4	-27.2	20.9	40.4	34.6	2.4	29.5
MSCI ACWI-ND	-1.0	17.5	22.2	-18.4	18.5	16.3	26.6	-9.4	16.0
Excess Returns (Gross %)	-3.2	-16.1	2.1	-8.3	3.2	25.2	9.0	12.6	14.3
Excess Returns (Net %)	-3.4	-16.8	1.1	-8.8	2.3	24.2	8.0	11.8	13.5

### RISK/RETURN ANALYSIS

Fiera Atlas Global Companies Strategy vs. MSCI ACWI-ND

Since inception performance in USD % (30 March 2017 – 31 December 2024)

	Fiera Atlas Global Companies (Gross)	Fiera Atlas Global Companies (Net)	MSCI ACWI-ND <sup>3</sup>
Annualised Returns (%)	14.7	13.9	10.4
Upside Market Capture (%)	120.9	118.5	100
Downside Market Capture (%)	102.8	103.8	100
Sharpe Ratio	0.7	0.6	0.5
Sortino Ratio	1.1	1.0	0.8
Max Drawdown (%)	33.0	33.3	25.6

Gross returns shown for the Atlas Global Companies Strategy Composite are before the deduction of fees, are before tax and assume all distributions are reinvested. The net returns are after the deduction of fees, after tax and assume all distributions are reinvested. Past performance is not a reliable indicator of future performance. Inherent in any investment is the risk of loss.

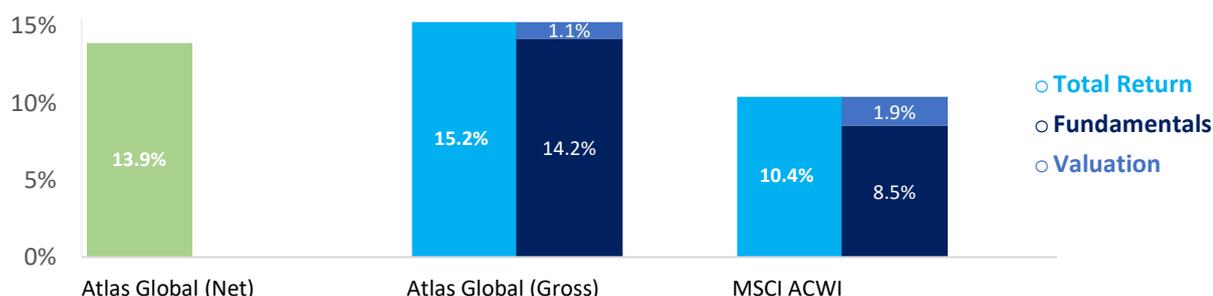
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1. Annualized and since inception March 30, 2017. 2. Performance from inception March 30, 2017. 3. The strategy is benchmarked to MSCI ACWI for risk and performance purposes.

### FUNDAMENTAL PERFORMANCE

Return decomposition by fundamentals

March 2017 – December 2024 – USD annualised



The fundamental growth of the Atlas Global Companies Strategy is based on a representative account, where we are seeking to show how the underlying fundamentals (being earnings and dividends) of the Strategy's share portfolio have performed over the same period. Similarly, Fundamental Return for the MSCI ACWI-ND seeks to show how the underlying fundamentals of each company included in the MSCI ACWI-ND has performed over the same time period. There is no guarantee that expected returns will be achieved.

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### PORTFOLIO CHARACTERISTICS

		Fiera Atlas Global Companies (Net)	MSCI ACWI
Profitability	Return on Invested Capital	12.8%	5.8%
	Gross Margin (LTM)	62.7%	49.9%
	Operating Margin (LTM %)	31.0%	25.5%
Growth	Sustainable Growth Rate	11.5%	10.1%
	Estimated Revenue Growth next 2 years (%)	10.3%	11.3%
	Revenues LTM 3Y CAGR	10.9%	9.7%
	Earnings before interest and taxes 3Y CAGR	12.6%	12.4%
Risk	Interest Coverage (LTM)	18.6x	7.3x
	Debt / Capital (LTM)	0.3x	0.4x
Valuation	Enterprise Value / EBIT (+1Y)	24.3x	16.7x
	Enterprise Value / EBIT (+2Y)	21.7x	15.0x
Liquidity	USD Market Cap (actual)	232,892 M	753,808M

### TOP 10 PORTFOLIO HOLDINGS

As of 31 December 2024

Tradeweb Markets	Financials	6.3%
Visa	Financials	5.5%
Gartner	Information Technology	5.2%
Fortinet	Information Technology	4.5%
Synopsys	Information Technology	4.4%
Amazon.com	Consumer Discretionary	4.3%
Heico	Industrials	4.1%
OBIC	Information Technology	4.0%
Diploma	Industrials	4.0%
Zoetis	Healthcare	3.8%

### REGIONAL ALLOCATION

As of 31 December 2024

North America	67.1%
Europe ex-UK	15.6%
Japan	6.8%
UK	5.9%
Emerging Markets	3.8%
Asia-Pacific ex-Japan	0.0%
<b>Total</b>	<b>100.0%</b>

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### ATTRIBUTION (Q4 2024)

Top contributors	% Average Weight	Total Return %	Contribution to Return %
Fortinet	4.1	21.8	0.7
Visa	5.1	15.2	0.7
Tradeweb Markets	6.1	5.9	0.3
Amazon.com	3.9	17.7	0.6
West Pharmaceutical Services	2.0	9.2	0.2
Amphenol	2.9	6.8	0.2
Aspen Technology	2.2	5.1	0.1
ANSYS	2.5	5.9	0.1
Veeva Systems	3.5	0.2	0.0
RELX	2.0	-3.4	-0.1

Bottom contributors	% Average Weight	Total Return %	Contribution to Return %
Zoetis	4.1	-16.4	-0.7
OBIC	4.2	-15.4	-0.7
Thermo Fisher Scientific	3.7	-15.8	-0.6
IDEXX Laboratories	2.8	-18.2	-0.6
Adobe	3.5	-14.1	-0.5
Keyence	3.0	-14.0	-0.4
Diploma	4.0	-10.5	-0.4
LVMH	2.6	-13.6	-0.4
Assa Abloy	3.3	-11.6	-0.4
HEICO	4.3	-8.7	-0.4

Strategy details, including holdings and exposure data, as well as other characteristics, are as of the date noted and subject to change. Specific holdings identified are not representative of all holdings and it should not be assumed that the holdings identified were or will be profitable.

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Every investment is subject to various risks and such risks should be carefully considered by prospective investors before they make any investment decision. No investment strategy or risk management technique can guarantee returns or eliminate risk in every market environment. Each investor should read all related constituting documents and/or consult their own advisors as to legal, tax, accounting, regulatory, and related matters prior to making an investment.

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**Equity risk:** value of stock may decline rapidly and can remain low indefinitely. **Market risk:** the market value of a security may move up or down based upon a change in market or economic conditions. **Liquidity risk:** the strategy may be unable to find a buyer for its investments when it seeks to sell them. **General risk:** any investment that has the possibility for profits also has the possibility of losses, including loss of principal. **ESG and Sustainability risk** may result in a material negative impact on the value of an investment and performance of the portfolio. **Geographic concentration risk** may result in performance being more strongly affected by any conditions affecting those countries or regions in which the portfolio's assets are

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For further risks we refer to the relevant fund prospectus.

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<https://www.fieracapital.com/en/registrations-and-exemptions>

Version STRENG003



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