Fiera Apex US Equity Core Strategy

As of June 30, 2026

Market Environment[1]

The second quarter marked a dramatic reversal from the risk-off environment that defined the start of the year. Investor sentiment improved as economic growth remained resilient, corporate earnings exceeded expectations, and enthusiasm surrounding artificial intelligence reaccelerated. At the same time, investors shrugged off perceived headwinds such as geopolitical risks, oil volatility, and the hawkish shift from the Federal Reserve. As a result, U.S. equities delivered one of the strongest quarters since the post-pandemic recovery in 2020. The S&P 500 advanced 15.20%, the Nasdaq Composite gained 21.60%, and the Russell 2000 rose approximately 21.49% during the quarter.

Style leadership shifted during the quarter as growth stocks rebounded following two consecutive quarters of value outperformance. In the large cap space, the Russell 1000 Growth Index gained 16.74%, outpacing the 13.87% return from the Russell 1000 Value Index. Performance was even stronger further down the market-cap spectrum, with the Russell 2500 Growth and Russell 2000 Growth indices advancing 24.02% and 25.71%, respectively.

Information Technology (IT) has remained the headline sector for the year, with semiconductor stocks among the strongest performers as investors continue to focus on the buildout and benefits of AI. However, performance within IT has narrowed as investors weigh the long-term opportunity against the near-term cost of elevated capital spending. This trend triggered a powerful momentum rally, where investors pivoted away from mega-cap technology giants and rewarded companies providing the infrastructure essential for the next phase of the AI buildout.

Performance[1]

Against this backdrop, the Fiera Apex US Equity Core strategy returning 8.46% (net of fees) underperformed the S&P 500, which returned 15.20% during the quarter. Overall, stock selection was the predominant driver of underperformance though sector allocation also had a negative impact.

From a sector perspective, positive stock selection in the materials, energy, and communication service sectors was unable to offset weakness predominantly stemming from the health care, information technology (IT), and consumer discretionary sectors. An underweight position in IT further weighed on comparative returns while an underweight to utilities provided some offset.

At the stock level, a position in semiconductor equipment company Applied Materials was the top contributor to relative returns. Shares of Applied Materials advanced following strong performance across its core semiconductor systems, particularly in leading-edge foundry-logic and high-bandwidth memory where it maintains a dominant leadership position. Performance was further boosted by expanding margins and management's expectation for sustained growth in semiconductor equipment demand. Datadog, the cloud monitoring and security software provider, also contributed positively following stronger-than-expected financial results and improving revenue guidance. Results were driven by continued customer adoption of the company's observability and security platform, as well as growing demand for cloud infrastructure monitoring and artificial intelligence-related workloads. Performance was further supported by management's positive outlook and investor confidence in Datadog's ability to expand its product footprint across existing customers.

1. Source: FactSet, as of June 30, 2026. Please refer to Index Definitions at the end of this document.

In contrast, lack of exposure to Micron Technology and Advanced Micro Devices (AMD) were the largest relative detractors during the quarter. Shares of Micron Technology, a leading provider of memory and storage solutions, advanced as accelerating demand for AI infrastructure drove strong pricing and demand for high-bandwidth memory products. AMD also advanced as it emerged as a key driver of the AI infrastructure buildout, with its stock rising on the back of record data center revenue and accelerating demand for its high-performance accelerators.

	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
US Equity Core (Net)	7.16	14.08	9.94	13.68
S&P 500	22.32	20.61	13.41	15.51

All figures are expressed in US dollars. Past performance is not indicative of future results. Inherent in any investment is the potential for loss. Net performance is shown after the deduction of expenses and management fees. Actual investment advisory fees incurred by clients may vary. Performance results include the reinvestment of dividends and interest. Dividends received from ADRs are included net of foreign withholding taxes. **Return may increase or decrease as a result of currency fluctuations.**

Outlook[1]

Current earnings expectations remain elevated. And consensus forecasts call for strong earnings momentum with analysts' bottom-up numbers going up in Q2. The beneficiaries from AI spending have produced almost 85% of the market's return this year. Almost half of S&P 500's earnings growth is from the beneficiary cohort and just four stocks – NVDA, Micron, Broadcom and SanDisk- will account for slightly more than two thirds of that growth. It is apparent that there is a crowding of AI beneficiaries and any change in trajectory growth prospects will have an outsized effect on the market.

Over the past several years, equity performance has been dominated by momentum stocks, particularly companies tied to artificial intelligence and the buildout of AI infrastructure. Investor conviction in AI's transformative potential, frequently compared to the advent of the Internet, remains strong. Any change in the spending intentions of the 5 hyperscalers will be a big driver of sentiment and shifts in sector level returns for the market. As capital expenditures accelerate, the resulting erosion in free cash flow margins among hyperscalers has begun to weigh on their equity prices. However, the market is optimistic about the expected boost to profitability (increased margins!) due to AI. This is certainly not a slam-dunk. While possible, there is not much room for error. Historically, a surge in capital spending in any one sector has not ended well. The outcomes are not clear, not apparent until the party is over. The dominance of retail and high frequency trading volume suggests exuberance (maybe irrational!).

By anchoring portfolio construction around durable, hard-to-disrupt, secular growth themes and companies that possess Quality and Growth attributes, we believe we are well positioned to navigate changing market conditions. We are maintaining a diverse stance in our portfolio from a security, industry and sector standpoint.

1. Source: FactSet, as of June 30, 2026.
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Composite Description: The US Equity Core Composite was created on January 1, 2016, and includes all portfolios invested in U.S. equities (including ADR's) with strong dividend growth characteristics, with minimum market capitalization of $1 Billion.

Index Definitions: Please note that it is not possible to invest directly in an index.

The **S&P 500** is a stock market index made up of approximately 500 US large cap stocks. It is often used as a common benchmark for US stock funds. The index comprises a collection of stocks of 500 leading companies and captures 80% coverage of available market capitalization. Index results assume the re-investment of all dividends and capital gains. The **Russell 1000 Growth Index** is constructed to provide a comprehensive and unbiased barometer of the large-cap growth market. Based on ongoing empirical research of investment manager behavior, the methodology used to determine growth probability approximates the aggregate large-cap growth manager's opportunity set. The **Russell 1000 Value Index** measures the performance of the large-cap value segment of the US equity universe. It is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics. The **Russell 2000 Growth Index** is constructed to provide a comprehensive and unbiased barometer of the small -cap growth market. Based on ongoing empirical research of investment manager behavior, the methodology used to determine growth probability approximates the aggregate small-cap growth manager's opportunity set. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect growth characteristics. The **Russell 2500 Growth Index** offers investors access to the small to mid-cap growth segment of the U.S. equity universe. The Russell 2500 Growth Index is constructed to provide a comprehensive and unbiased barometer of the small to mid-cap growth market. Based on ongoing empirical research of investment manager behavior, the methodology used to determine growth probability approximates the aggregate small to mid-cap growth manager's opportunity set. The Russell 2500 Growth Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect growth characteristics. The **Nasdaq Composite Index** is a market capitalization-weighted index of more than 2,500 stocks listed on the Nasdaq stock exchange. It is a broad index that is heavily weighted toward the important technology sector.