

IA Clarington Canadian Dividend Fund

Manager commentary – Q4 2025

Over the period, 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.

As we enter 2026, the Canadian market faces familiar crosscurrents. Domestic growth remains subdued under elevated real interest 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.

The quarter produced mixed results as Canadian equities navigated shifting interest-rate expectations and trade policy headlines. Strength in the major banks and continued momentum in senior gold miners provided positive contributions to our Fund. 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.

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

IA Clarington Canadian Dividend Fund

| Fund and benchmark performance as at December 31, 2025 | 1-year | 3-year | 5-year | 10-year |
|---|--------|--------|--------|---------|
| IA Clarington Canadian Dividend Fund – Series A | 17.1% | 14.4% | 11.8% | 8.9% |
| 15% S&P 500 Index (CAD), 85% S&P/TSX Composite Dividend Index | 26.0% | 19.8% | 16.6% | 13.0% |

For definitions of technical terms, visit iaclarington.com/glossary or speak with your investment advisor.

The performance data comparison presented is intended to illustrate the Fund's historical performance as compared with historical performance of widely quoted market indices. There are various important differences that may exist between the Fund and the stated indices that may affect the performance of each. The Fund's benchmark is a blend of 15% S&P 500 Index (CAD), and 85% S&P/TSX Composite Index. The blended benchmark presented is intended to provide a more realistic representation of the general asset classes in which the Fund invests. The S&P 500 Index (CAD) includes 500 leading companies in leading industries of the U.S. economy and is widely regarded as the best single gauge of the U.S. equities market. The S&P/TSX Composite Index which is the premier indicator of market activity for Canadian equity markets, with 95% coverage of Canadian-based, TSX-listed companies. The index includes common stock and income trust units and is designed to offer the representation of a broad benchmark index while maintaining the liquidity characteristics of narrower indices. The Fund's market capitalization, geographic, and sector exposure may differ from that of the benchmark. The Fund's currency risk exposure may be different than that of the benchmark. The Fund may hold cash while the benchmark does not. It is not possible to invest directly in market indices. The performance comparison is for illustrative purposes only and does not imply future performance.

Indicated mutual fund rates of return include changes in share or unit value and reinvestment of all dividends or distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Returns for more than one year are historical annual compounded total returns while returns for one year or less are cumulative figures and are not annualized.

A mutual fund's "yield" refers to income generated by securities held in the fund's portfolio and does not represent the return of or level of income paid out by the fund.

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