

IA Clarington Dividend Growth Class

Manager commentary – Q2 2025

The Canadian equity market experienced another volatile quarter, largely influenced by external trade tensions and a mixed macroeconomic backdrop. Investor sentiment remained cautious, leading to varied performance across different sectors of the economy. While the financials sector showed resilience, other sectors more sensitive to global growth expectations faced headwinds. This environment underscored the importance of diligent security selection, as returns were often stock-specific rather than sector-wide.

The landscape for Canadian equities remains complex. Central bank policies and ongoing geopolitical developments will continue to shape investor sentiment and market direction. We anticipate that volatility may persist in the near term, making a selective and disciplined investment approach essential. We believe focusing on high-quality companies with strong balance sheets and durable business models is the most prudent way to navigate the path forward.

Over the quarter, the Fund's performance was largely driven by our holdings in the financials sector, with key Canadian banks being notable contributors. Strength in select information technology holdings also boosted returns. This was partially offset by headwinds faced by certain holdings in the energy and health care sectors. Our selective approach was critical in navigating the varied results across the market.

We remain focused on achieving long-term capital growth while carefully managing risk in the current environment. Given the uncertain market outlook, we have adopted a more defensive posture in the portfolio. We trimmed exposure to certain cyclical industrial and materials names while increasing the Fund's allocation to highly liquid, short-term instruments. We believe this prudent positioning will help preserve capital while allowing us to capitalize on compelling opportunities as they arise.

Fund and benchmark performance as at June 30, 2025	1 year	3 year	5 year	10 year
IA Clarington Dividend Growth Class – Series T6	18.6%	10.4%	12.2%	7.5%
15% S&P 500 Index (CAD), 85% S&P/TSX Composite Dividend Index	22.9%	15.8%	16.3%	10.9%

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

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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. Effective February 7, 2014, IA Clarington Dividend Growth Fund merged into the Fund. Effective December 30, 2014, the investment objectives and strategies of the Fund were changed.

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 time periods of more than one year are historical annual compounded total returns while returns for time periods of one year or less are cumulative figures and are not annualized. Where applicable, compound growth charts are used only to illustrate the effects of a compound growth rate and are not intended to reflect future values or returns of a fund. 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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IA Clarington Dividend Growth Class

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