

# IA Clarington Strategic Equity Income Fund

## Manager commentary – Q3 2025

Although tariffs have created pockets of weakness in certain industries over the past couple of quarters, economic growth has been quite strong and inflation has remained contained.

Equities trended higher over the period, led by the materials sector, which benefited from the rising prices of precious metals, and the information technology sector, which continued to benefit from growing investments into artificial intelligence infrastructure.

For the six-month period ending September 30, 2025, the Fund's exposures to the financials and industrials sectors were the largest contributors to performance during the period. The largest individual contributor was Atkinsrealis Group Inc., as the company's outperformance was driven by strong revenue and backlog growth in its nuclear business. The Toronto-Dominion Bank (TD Bank) delivered stronger-than-expected results after it announced restructuring that was expected to result in ongoing cost savings and share repurchases.

The largest individual detractor from performance was Waste Connections Inc. owing to issues with the Chiquita Canyon landfill that required the company to incur additional remediation expenses. The second-largest detractor was CGI Inc. as shares underperformed following concerns that the U.S. government's cost-saving initiatives, as well as persistent macroeconomic uncertainty, could weigh on near-term growth rates.

New positions in the Fund included Alimentation Couche-Tard Inc. and NVIDIA Corp.

Increased positions included Magna International Inc., TD Bank and Agnico Eagle Mines Ltd.

Decreased positions included Uber Technologies Inc., Visa Inc. and Alphabet Inc.

Eliminated positions included Thermo Fisher Scientific Inc., Constellation Software Inc. and BCE Inc.

The fund manager expects moderate economic growth over the coming quarters as trade tensions and tariffs should be offset by the prospect for continued interest-rate cuts.

The Fund continues to hold overweight exposures to defensive businesses with higher yields, given their perceived attractive valuation and relative yields available to investors.

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Fund and Benchmark Performance as at: September 30, 2025	1-year	3-year	5-year	10-year
<b>IA Clarington Strategic Equity Income Fund – Series Y</b>	13.6%	13.2%	11.7%	7.8%
<b>S&amp;P/TSX Composite Dividend Index</b>	24.0%	19.0%	17.2%	12.1%

Non-traditional fixed income asset classes may carry higher risk, but generally provide higher yield than traditional fixed income asset classes. 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. For definitions of technical terms in this piece, please visit [iaclarington.com/glossary](http://iaclarington.com/glossary) and speak with your financial 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 S&P/TSX Composite Index 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 invests in dividend paying stocks while the benchmark is comprised of companies which may not necessarily pay a dividend. The Fund may have exposure to equities domiciled both in Canada and outside of Canada while the benchmark only has exposure to equities domiciled in Canada. The Fund may have currency risk exposure while the benchmark has none. 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 are historical annual compounded total returns.

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Commissions, trailing commissions, management fees, brokerage fees and expenses all may be associated with mutual fund investments, including investments in exchange-traded series of mutual funds. The information

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