

IA Clarington Strategic Equity Income Fund

Manager Commentary – Q1 2026

Inflation moderated over the past year while economic growth remained quite resilient. However, tariffs and events in Iran created a significant degree of uncertainty, resulting in elevated volatility across financial markets.

Equities trended higher over the period, led by the energy and materials sectors. These sectors performed well as prices of underlying commodities rose as a result of broader macroeconomic themes.

During the 12-month period ending March 31 2026, the Fund's exposures to the financials and energy sectors were the largest contributors to performance. The largest individual contributor was Toronto-Dominion Bank as stronger-than-expected results, an announced restructuring expected to result in ongoing cost savings and share buybacks drove outperformance of shares. Royal Bank of Canada was also a significant contributor as shares rose to an all-time high after quarterly results showed record performance in the company's capital markets group and better-than-expected provisions for credit losses.

The Fund's exposure to the information technology sector was the largest detractor from performance. The largest individual detractor was Waste Connections Inc. as the company experienced issues with its Chiquita Canyon landfill that required it to incur additional remediation expenses. CGI Inc. also detracted from performance as shares underperformed following concerns that U.S. government cost-saving initiatives and macroeconomic uncertainty could weigh on near-term growth rates.

New positions included Barrick Mining Corp., Bank of Nova Scotia and Waste Management Inc.

Increased positions included Agnico Eagle Mines Ltd., Toronto-Dominion Bank and Johnson & Johnson.

Eliminated positions included Uber Technologies Inc., Thermo Fisher Scientific Inc. and Alphabet Inc.

Decreased positions included Visa Inc., Waste Connections and Wells Fargo & Co.

The fund manager expects economic growth to slow over the coming quarters as trade tensions, tariffs and events in Iran will likely create challenges and remain the primary focus of financial markets over the short term.

The Fund continues to hold an overweight exposure to defensive businesses with higher yields given their perceived attractive valuations and relative yields.

Fund and Benchmark Performance as at: March 31, 2026	1-year	3-year	5-year	10-year
IA Clarington Strategic Equity Income Fund – Series F	21.3%	14.1%	10.8%	9.0%
S&P/TSX Composite Dividend Index	32.9%	20.1%	16.0%	12.4%

Get ahead

IA Clarington Strategic Equity Income Fund

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 and speak with your investment advisor.

Series F securities are available only to investors participating in fee-based advisory programs through their dealer. No sales charges apply when investing in Series F. iA Clarington does not pay ongoing trailing commissions to dealers for Series F and therefore are not embedded in the Management Expense Ratio (MER). Instead, investors pay an explicit dealer advisor fee for investment advice and related services. Any differences in performance between fund series are primarily due to differences in fees and expenses, as described in the fund's prospectus.

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 Dividend Index aims to provide a broad-based benchmark of Canadian dividend-paying stocks. The index includes all stocks in the S&P/TSX Composite with positive annual dividend yields as of the latest rebalancing of the S&P/TSX Composite. 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 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.

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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 presented herein may not encompass all risks associated with mutual funds. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

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