

IA Clarington Tactical Income Class

Manager commentary – Q3 2025

The Fund invests substantially all of its assets in units of IA Clarington Strategic Income Fund (“the Reference Fund”). Its performance therefore largely reflects the performance of that fund. All reference made to “the Fund” hereinafter reflects a discussion of the portfolio holdings and characteristics of the Reference Fund.

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.

High-yield bonds outperformed investment-grade bonds as economic growth and expectations for interest-rate cuts have supported the outlook for this segment of the bond market. Investment-grade bonds also performed well on expectations for interest-rate cuts and moderating inflation.

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

The Fund benefited from its exposures to both equities and fixed income during the six-month period ending September 30, 2025.

For the equity component, the Fund’s exposure to the financials and industrials sectors were the largest contributors to performance. The largest individual security contributor was Royal Bank of Canada. The company’s shares rose to an all-time high as quarterly results showed record performance in its capital markets group and better-than-expected provisions for credit losses.

For the fixed-income component, the Fund’s exposures to consumer cyclical and energy companies were the largest contributors to performance. The largest individual security contributor was Doman Building Materials Group Ltd. (7.5%, 17/09/2029). The company produced better-than-expected financial results following the announcement of U.S.-imposed tariffs, which resulted in strong price appreciation.

For the equity component, the Fund’s exposure to the materials sector was the largest detractor from performance. The largest individual detractor was Waste Connections Inc. owing to issues with the Chiquita Canyon landfill that required the company to incur additional remediation expenses.

For the fixed-income component, the Fund’s exposure to government securities was the largest detractor from performance. The largest individual security detractor was U.S. Treasury bill (4.125%,

IA Clarington Tactical Income Class

15/11/2032). The underperformance of this security was primarily the result of its denomination in U.S. dollars, which depreciated against the Canadian dollar.

During the period, the Fund's equity exposure decreased by 2.0%, its fixed-income exposure decreased by 2.8%, and its cash and equivalents increased by 4.8% owing to the corresponding reduction in its equity and fixed-income exposures.

New positions in the Fund included Republic Services Inc., Barrick Mining Corp., Government of Canada bond (3.25%, 01/06/2035) and Canadian Treasury bill (0%, 17/12/2025).

Increased positions included Microsoft Corp., Johnson & Johnson and Sleep Country Canada Holdings Inc. (6.625%, 28/11/2032).

Decreased positions included Alphabet Inc., Uber Technologies Inc., U.S. Treasury bond (4.125%, 15/11/2032) and iShares iBoxx \$ Investment Grade Corporate Bond ETF.

Eliminated positions included Broadcom Inc., Superior Plus Corp., Canadian Treasury bill (0%, 18/06/2025) and U.S. Treasury bond (4.625%, 15/02/2035).

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.

The fund manager has trimmed exposure to government bonds as yields declined in order to capitalize on the price appreciation of these securities. This capital has been redeployed into higher-yielding opportunities with relatively more attractive risk/return profiles given expectations for continued economic growth.

Fund and Benchmark Performance as at: September 30, 2025	1-year	3-year	5-year	10-year
IA Clarington Tactical Income Class – Series T6	9.0%	9.1%	7.4%	5.4%
40% FTSE Canada Universe Bond Index, 60% S&P/TSX Composite Index	17.8%	14.5%	9.8%	8.0%

IA Clarington Tactical Income Class

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 financial advisor.

The performance data comparison presented is intended to illustrate the historical performance of the IA Clarington Tactical Income Class as compared with historical performance of widely quoted market indices. As this fund invests substantially in its Reference Fund (IA Clarington Strategic Income Fund), the differences discussed are those of the Reference Fund. There are various important differences that may exist between the Fund and the stated indices that may affect the performance of each. The benchmark is a blend of 40% FTSE Canada Universe Bond Index and 60% 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 FTSE Canada Universe Bond Index is comprised of Canadian investment grade bonds and has significantly different portfolio duration characteristics. The FTSE Canada Universe Bond Index consists of a broadly diversified selection of investment-grade Government of Canada, provincial, corporate and municipal bonds issued domestically in Canada. 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's fixed income component can invest in both investment grade and high yield bonds while the benchmark has exposure only to investment grade bonds. The Fund may have exposure to equities and bonds domiciled both in Canada and outside of Canada while the benchmark only has exposure to equities and bonds 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. Overall, the Fund's bond and equity exposure can differ, because the Fund does not use a fixed ratio similar to the benchmark. It is not possible to invest directly in market indices. The performance comparison is for illustrative purposes only and does not imply future performance. On December 30, 2014, the portfolio manager, investment objective and strategies of the Fund changed. These changes may have affected the Fund's 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.

The information provided should not be acted upon without obtaining legal, tax, and investment advice from a licensed professional. Statements by the portfolio manager or sub-advisor represent their professional opinion and do not necessarily reflect the views of IA Clarington. Specific securities discussed are for illustrative purposes only and should not be considered a recommendation to buy or sell. Mutual funds may purchase and sell securities at any time and securities held by a fund may increase or decrease in value. Past investment performance may not be repeated. Unless otherwise stated, the source for information provided is the portfolio manager. Statements that pertain to the future represent the portfolio manager's current view regarding future events. Actual future events may differ.

IA Clarington Tactical Income Class

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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