

# IA Clarington Loomis Global Multisector Bond Fund

## Manager Commentary – Q1 2026

Global fixed-income markets produced largely flat returns in the first three months of the 2026. Bonds performed well through January and February amid anticipation that the U.S. Federal Reserve and other major central banks would continue cutting interest rates in 2026. This backdrop changed considerably in early March, when the outbreak of conflict in the Middle East caused a spike in crude oil prices and raised concerns that other commodities could face shortages. Investors' concerns over increased inflation rose, and the markets began to factor in the likelihood that central banks would need to hold rates steady or tighten policy. Yields rose sharply in response, erasing earlier gains and offsetting the contribution from income.

Investment-grade corporate bonds posted a loss and underperformed U.S. Treasuries late in the period, coming under pressure from increased inflation expectations and the rise in government bond yields that followed the start of the conflict. Risk-off sentiment (market conditions in which higher-risk assets tend to perform poorly) fuelled an increase in yield spreads (the difference in yield between debt instruments with similar terms but different credit ratings). High-yield bonds (fixed-income securities with higher risk and higher yield than investment grade bonds) recorded a slightly negative return and underperformed the investment-grade market, although the contribution from income and strength in the energy sector largely offset these challenges.

During the 12-month period ending March 31 2026, exposure to non-U.S.-dollar-denominated securities contributed to the Fund's performance, with excess return largely generated by South African rand exposure. The fund manager utilized non-U.S.-dollar exposure as a source of diversification and carry (typically refers to the net benefit of holding an asset), focusing on yield over appreciation. Selection in convertible securities (fixed-income instruments that can, under predefined conditions, be converted into equity), specifically within the communication services sector, also contributed. Exposure to high-yield corporate credit was strong, supported by holdings in the communication services and energy sectors. Top individual contributors to performance included convertible bond EchoStar Corp. (3.875%, 11/30/2030) and corporate bond EchoStar Corp. (10.75%, 11/30/2029).

Defensive, reserve-like positions were slight detractors, as they did not keep pace with riskier asset classes. Exposure to bank loan securities also detracted, led by select automotive names.

The fund manager added exposure to the Malaysian ringgit, as Malaysia's ongoing investment upcycle could cushion downside growth risk. Fiscal consolidation (measures a government takes to influence the direction of the economy) continues as the government expands sales and service tax, and the overall debt level remains reasonable. The fund manager also increased non-U.S.-dollar exposure, selectively engaging where idiosyncratic developments are constructive. The fund manager sold some convertible securities into strength over the period.

Market volatility late in the period was increasingly shaped by geopolitical risk tied to the escalation of military conflict in the Middle East. The intensification of tensions drove a sharp rise in energy prices, lifted inflation expectations and reinforced concerns around global supply chains and regional stability. U.S. Treasury yields moved higher, reflecting heightened fiscal concerns and the risk that higher energy prices could reignite inflationary pressures.

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The fund manager believes the U.S. economy could remain in the expansion-to-late-cycle phase of the credit cycle, with the likelihood of slowing economic growth in the near term. Corporate fundamentals remain solid and earnings growth expectations are constructive. The fund manager is preserving liquidity, selectively adding credit risk and remaining prepared to redeploy capital should credit spreads widen. The fund manager believes long-term value has returned to fixed-income markets through a combination of discount-to-par pricing and attractive all-in yields, and remains selective across investment-grade and high-yield credit, bank loans, securitized assets and non-U.S.-dollar debt.

Fund and benchmark performance, as at March 31, 2026	1 Year	3 Year	5 Year	Since inception (Jul. 2020)
<b>IA Clarington Loomis Global Multisector Bond Fund - Series F</b>	4.0%	4.5%	0.7%	0.8%
<b>Bloomberg U.S. Aggregate Bond Index (CAD Hedged)</b>	2.5%	2.3%	-0.6%	-1.1%

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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 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 the historical performance of widely quoted market indices. The benchmark is the Bloomberg U.S. Aggregate Bond Index (CAD Hedged), a broad-based benchmark that measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market. The Index includes U.S. Treasuries, government-related and corporate securities, mortgage-backed securities, asset-backed securities and collateralized mortgage-backed securities, with foreign currency exposure hedged to the Canadian dollar. There are various important differences that may exist between the Fund and the stated indices that may affect the performance of each. The Fund has a multisector mandate and may invest in a broader range of fixed-income securities than those included in the benchmark, including non-investment-grade debt and securities issued by non-U.S. and emerging market issuers, which are not represented in the benchmark. The Fund's geographic, sector, credit quality exposure and interest rate sensitivity may differ from that of the benchmark. The Fund's currency exposure may also differ from the benchmark, and 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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