IA Clarington Multi-Strategy Alternative Pool

Third Quarter, 2026

Portfolio Management Team



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Key Reasons To Invest

- With a focus on absolute returns, the Fund seeks to deliver consistent performance through all market cycles, while minimizing volatility, downside risk and correlation to traditional asset classes, making it a strong complement to a balanced portfolio.
- Diversified across a variety of investment strategies, managers and investment types, the Fund provides strategic allocation as well as risk oversight in a single solution.
- The Fund aims to generate returns from complementary asset classes and is managed by proven specialists chosen for their expertise in each area.

Investment Goal

The Fund's objective is to generate positive total returns over the long term by investing primarily in a diversified portfolio of alternative mutual funds and/or ETFs. The Reference Funds are expected to utilize alternative strategies and will use leverage. This leverage will be created generally through the use of cash borrowing, short sales and derivatives. The Fund's leverage will not exceed 300% of its net asset value.

Fund Performance

	Q3 2026	1 Year	Since inception
IA Clarington Multi-Strategy Alternative Pool - Series F	-0.5%	4.0%	4.6%
22.5% Bloomberg Global Aggregate Corporate Index (CAD Hedged), 22.5% ICE BofA Global High Yield Constrained Index (CAD Hedged), 55% FTSE Canada 91-Day T-Bill Index	-1.0%	0.7%	2.4%

Data as at September 30, 2026. Inception date is November 21, 2024.

Market Environment

The quarter was marked by persistent inflationary pressure, renewed central-bank divergence and continued geopolitical disruptions in energy markets, creating substantial dispersion across countries and asset classes.

Equity markets ended the quarter on a softer note. The S&P/TSX Composite Index declined in September, giving back part of the gains from the second quarter, when it set successive record highs through July and August. In the third quarter, sharply higher bond yields weighed on the banks, pipelines and other interest-rate-sensitive heavyweights that anchor the index. U.S. benchmarks were more resilient, with a persistent bid under technology related to artificial intelligence

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(AI), while housing-linked, consumer discretionary and other oil- and rate-sensitive groups corrected further. Oil remained volatile at elevated levels on Middle East tensions and tight refined-product markets.

Fixed-income markets came under pressure as resilient economic data, persistent inflation concerns largely fueled by elevated energy prices, and a more hawkish policy outlook drove government bond yields materially higher. The selloff intensified in September, with government yield curves "bear flattening" as markets priced in a more aggressive tightening cycle. Credit spreads were comparatively resilient, supported by healthy corporate fundamentals and strong yield-based demand, but rising interest-rate volatility increasingly weighed on conditions, and heavy issuance and concerns around AI-related financing created pockets of weakness. Overall, duration was the primary headwind across fixed-income markets, while credit performance became more challenged toward quarter-end, particularly in lower-quality segments of the high-yield market.

Performance Commentary

For the three-month period ending September 30, 2026, the Fund generated a modest negative return. IA Clarington Global Macro Advantage Fund was the largest contributor to performance, while an allocation to private issues made a minor positive contribution. These gains were more than offset by weakness in RP Alternative Global Bond Fund, PICTON Market Neutral Equity Alternative Fund and PICTON Long Short Income Alternative Fund.

For IA Clarington Global Macro Advantage Fund, performance was broad-based across foreign exchange, commodity and equity indices, with foreign exchange being the largest source of gains. Currency positioning benefited from a long position in the Norwegian krone, supported by attractive carry, a relatively hawkish domestic policy backdrop and favourable energy-linked terms of trade, as well as short positions in the Swiss franc and Swedish krona. These gains were partly offset by losses from the New Zealand dollar and short positions in the Canadian dollar and British pound. In commodities, refined products were again important contributors. Long positions in heating oil, gasoline and distillates benefited from refinery outages, export disruptions and low inventories, which created an attractive relative-value opportunity as refined-product markets remained tighter than relatively well-supplied crude markets. A short position in live cattle also contributed positively, while short positions in sugar and corn detracted as both of these markets rallied despite expectations for improving supply conditions. Equity-index positioning also contributed positively, led by a long position in Polish equities, which benefited from resilient domestic activity and demand from emerging markets. This was partially offset by a long Nikkei position as Japanese equities experienced volatility amid higher domestic yields, policy normalization and shifting expectations for the yen.

Blue Owl Credit Income Trust delivered strong performance during the period despite ongoing market volatility. Income remained the primary driver of returns, supported by strong credit quality and a constructive interest-rate environment. Portfolio companies continued to generate organic revenue and growth in EBITDA, supported by healthy borrower fundamentals. The portfolio remained highly diversified and defensively positioned, with an emphasis on senior secured lending to predominantly large, market-leading businesses.

With regard to Partners Fund Access Fund, while performance was impacted by a small number of asset-specific valuation adjustments, the broader portfolio was mostly stable. Adjustments were concentrated in Emeria and Ammega, reflecting weaker operating performance and subdued operating and trading conditions, respectively. The Fund also received proceeds from a dividend recapitalization of Rosen Group. Together with expected proceeds from the exits of Zabka and at North, these developments demonstrate that the Fund's mature investments continue to support liquidity and fund new opportunities, including the recently signed investment in AVK, a supplier of power solutions for data centres and AI infrastructure.

RP Alternative Global Bond Fund's performance was challenged by rising interest rates, reflecting the portfolio's meaningful front-end duration exposure. Credit returns were also modestly negative as wider spreads resulted in mark-to-market losses, partially offset by active trading and attractive carry from elevated corporate bond yields. Health care and industrial holdings contributed positively, supported by strong performance from select new issues, while TMT-related debt was a net detractor overall, as heavy issuance across AI-related and media issuers created technical pressure across global credit markets. The portfolio's top credit contributor was a data-centre debt position backed by a BlackRock-led joint venture with Meta as the tenant, where the team capitalized on attractive new-issue pricing and subsequent tightening of spreads. A diversified hedging overlay detracted during the quarter but provided downside protection as credit spreads widened toward quarter-end. The portfolio maintained an above-average duration stance, with exposures concentrated

in the 2-year Canadian and 5-year U.S. Treasury segments, where the team sees attractive carry, real yields and elevated terminal-rate expectations. Credit risk remained measured, with net leverage of approximately 0.9x and 94% of holdings rated investment grade. The portfolio maintained an up-in-quality bias and a diversified hedging overlay, reflecting the team's increasingly valuation-sensitive stance. Overall, the portfolio continues to emphasize relative-value and issuer-specific opportunities over adding broad credit beta.

For PICTON Market Neutral Equity Alternative Fund, returns were negative during the quarter as the positioning unwind in July and August compressed long-short spreads across sectors. Net market exposure remained close to zero throughout, while September marked a resumption of spread-driven alpha as the unwind dissipated. From a sector perspective, financials was the largest detractor during the quarter. Materials also detracted as the portfolio's quality-biased longs trailed a gold-led rally, while industrials longs were caught in the unwind and energy and health care shorts rallied against the portfolio. Information technology was the largest net contributor, driven by short-side selection. In response to the volatility, the managers added to high-conviction longs sold on flows, added to shorts that rallied on covering, increased quality attributes and brought aggregate AI exposure to roughly neutral. Looking ahead, the managers continue to view the set-up for equity beta with caution, noting that valuations offer little cushion. The dislocation continues to create opportunities in businesses with little connection to AI that were caught in the unwind, while the team is adding quality attributes, including lower leverage, stronger balance sheets and businesses that buy back shares rather than issue them. On the short side, the managers are pressing into positions that rallied during the unwind without any improvement in fundamentals. The team is managing the AI theme in aggregate, holding exposure roughly neutral while favouring select businesses that can monetize AI adoption without joining the capital-spending cycle.

Regarding PICTON Long Short Income Alternative Fund, the event-driven sleeve was the primary detractor during the broad sell-off late in the quarter. Offsetting this somewhat, short positions were the primary contributor as markets repriced, with credit hedges also adding value, while the patient capital sleeve held up well, declining only modestly. With government yields rising rapidly and several rate hikes already priced in, the managers believe it is more important to hedge against wider credit spreads than further increases in government yields. Accordingly, they layered in additional credit hedges through October and November and remained active in rotating the portfolio. This included covering select short positions that had declined by 4%-6%, and resetting into shorts that were down only 1%-2%, while rotating out of holdings that had performed well and redeploying proceeds into more attractive opportunities yielding 8% or more.

Portfolio Positioning and Outlook

The Fund is a multi-manager, fund-of-funds solution that sources alternative strategies to provide a diversified source of returns designed to complement a traditional equity and bond balanced portfolio. We optimized the Fund's allocations to produce a combined portfolio with the objective of achieving attractive absolute returns and low volatility, ensuring strategic diversification across managers, strategy types and asset classes.

The Fund reduced its allocation to private assets during the quarter, increasing its underweight position relative to its long-term target allocation of approximately 8%. While underlying private asset fundamentals and performance remain broadly stable relative to recent quarters, we adopted a cautious and patient approach given ongoing liquidity challenges and uneven investor demand across private markets. As such, we are prioritizing liquidity, with a view to potentially reallocating to private assets at a later time, under different conditions.

We also maintained an underweight allocation to RP Alternative Global Bond Fund relative to PICTON Long Short Income Alternative Fund. While both strategies seek to generate returns through long and short credit positions, RP's approach has historically been particularly effective during periods of significant credit-market dislocation and recovery. With credit spreads remaining near historically tight levels, we viewed the current opportunity set as less conducive to that environment and maintained a higher allocation to PICTON, which has historically exhibited a more defensive profile.

Looking ahead, the global environment continues to feature substantial dispersion in growth, inflation and monetary policy. Energy-market disruptions are interacting with tight refining capacity, while central banks are responding differently to persistent inflation and uneven activity. As these divergences play out across regions and asset classes, we believe active alternative strategies are well positioned to capitalize on a broader set of opportunities and sources of return that may be less dependent on the direction of traditional equity and bond markets.

Current Weightings

PICTON Market Neutral Equity Alternative Fund, Class O2	29.8%
PICTON Long Short Income Alternative Fund, Class O2	27.1%
IA Clarington Global Macro Advantage Fund, Series I	21.9%
RP Alternative Global Bond Fund, Class O	17.2%
PG Partners Fund Access Fund	1.9%
Blue Owl Credit Income Trust, Class F	1.2%
Cash and Equivalents	0.5%

Data as at September 30, 2026. Excludes Other Assets less Liabilities.

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 indices. 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 Bloomberg Global Aggregate Corporate Index (CAD Hedged) (22.5%), ICE BofA Global High Yield Constrained Index (CAD Hedged) (22.5%), and FTSE Canada 91-Day T-Bill Index (55%). The blended benchmark presented is intended to provide a more realistic representation of the general asset classes in which the Fund invests. The Bloomberg Global Aggregate Bond Index (CAD-Hedged) covers the most liquid portion of the global investment grade fixed-rate bond market, including government, credit and collateralized securities, hedged to the Canadian dollar. The ICE BofA Global High Yield Constrained Index (CAD-Hedged) is a market value-weighted index, hedged to the Canadian dollar that tracks the performance of below-investment-grade corporate debt denominated in U.S. dollars, Canadian dollars, the British pound and the euro, publicly issued in the major domestic or Eurobond markets with issuer exposure capped at 2%. The FTSE Canada 91-Day T-Bill Index is designed to track the performance of Government of Canada 3-month Treasury Bills. The index is designed to reflect the performance of a portfolio that only owns the current on-the-run T-Bill, switching into the new T-Bill at each auction. 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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