

IA Clarington Strategic Corporate Bond 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.

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

The Fund's allocations to the energy and consumer cyclicals sectors contributed most to performance. The largest individual contributor was Sunoco LP (6%, 23/06/2028) as this security was created following the acquisition of Parkland Corp. and subsequently received a credit rating upgrade. Keyera Corp. (6.875%, 13/06/2079) also contributed to performance as this security underwent a consent solicitation which removed its automatic conversion provision into preferred shares upon a bankruptcy event.

During the 12-month period ending March 31 2026, the largest individual security detractor was goeasy Ltd. (6%, 15/05/2030) as issues emerged across the company's loan portfolio which caused its net charge-offs to rise. A position in goeasy Ltd. (6.875%, 15/02/2031) also detracted from performance for the same reason.

New positions included Government of Canada (3.25%, 01/06/2035), U.S. Treasury (4.125%, 15/02/2036) and Cascades Inc. (6.75%, 15/07/2030).

Increased positions included Brookfield Residential Properties Inc. (6.25%, 15/09/2027), Sleep Country Canada Holdings Inc. (6.625%, 28/11/2032) and Ivanhoe Mines Ltd. (7.875%, 23/01/2030).

Eliminated positions included U.S. Treasury (4.625%, 15/02/2035), Trulieve Cannabis Corp. (8%, 06/10/2026) and Doman Building Materials Group Ltd. (5.25%, 15/05/2026).

Decreased positions included goeasy Ltd. (6.875%, 15/05/2030) and Heavy Metal Equipment & Rentals (7.25%, 26/02/2030).

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.

IA Clarington Strategic Corporate Bond Fund

Fund and Benchmark Performance as at: March 31, 2026	1-year	3-year	5-year	10-year
IA Clarington Strategic Corporate Bond Fund – Series F	5.2%	6.4%	4.1%	5.1%
FTSE Canada Corporate Bond Index	2.8%	5.7%	2.2%	3.1%

Get ahead

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 FTSE Canada Corporate Bond Index is based on the Corporate sector of the FTSE Canada Universe Bond Index. The Corporate sector is further divided into sub-sectors based on major industry groups: Financial, Communication, Industrial, Energy, Infrastructure, Real estate, and Securitization. The Fund 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 bonds domiciled both in Canada and outside of Canada while the benchmark only has exposure to 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. 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.

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. Future-looking statements are not guarantees of future performance and involve risks and uncertainties. Actual results may differ. Opinions may change as market conditions or other factors evolve.

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.

The iA Clarington Funds are managed by iA Clarington Investments Inc. iA Clarington and the iA Clarington logo, iA Wealth and the iA Wealth logo, and iA Global Asset Management and the iA Global Asset Management logo, are trademarks of Industrial Alliance Insurance and Financial Services Inc. and are used under license. iA Global Asset Management Inc. (iAGAM) is a subsidiary of Industrial Alliance Investment Management Inc. (iAIM).