

IA Clarington Strategic Corporate Bond Fund

Manager commentary – Q1 2025

Inflation moderated considerably over the past year, while economic growth remained quite resilient. However, tariffs have created a significant degree of uncertainty in recent months, resulting in volatility across financial markets.

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

For the 12-month period ending March 31, 2025, the Fund's allocations to the energy sector and consumer cyclical companies contributed most significantly to performance. Individual contributors included KeHE Distributors Holdings LLC (9%, 15/02/2029) and NOVA Chemicals Corp. (9%, 15/02/2030), as their performance was driven primarily by the attractive coupons of these securities, as well as by capital appreciation in an environment with declining yields.

Individual detractors included Corus Entertainment Inc. (5%, 11/05/2028) and (6%, 28/02/2030), as Warner Bros. Discovery Inc. decided not to renew its programming and trademark agreements with the company, resulting in lower advertising revenue.

Over the period, new positions included U.S. Treasury (4.625%, 15/02/2035), Chemtrade Logistics Income Fund (6.375%, 28/08/2029) and Archer Norge AS (9.5%, 25/02/2030).

Increased positions included TransDigm Group Inc. (6.75%, 15/08/2028), Manulife Financial Corp. (3.375%, 19/06/2081) and Trulieve Cannabis Corp. (8%, 06/10/2026).

Decreased positions included iShares iBoxx High Yield Corporate Bond ETF, Bombardier Inc. (7.125%, 15/06/2026) and Corus Entertainment (5%, 11/05/2028).

Eliminated positions included Russel Metals Inc. (5.75%, 27/10/2025), Uber Technologies Inc. (8%, 01/11/2026) and Garda World Security Corporation (9.5%, 01/11/2027).

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

IA Clarington Strategic Corporate Bond Fund

The fund manager has increased the Fund's overall bond exposure to take advantage of attractive yields, while also positioning the portfolio against the risk of slower economic growth.

Fund and Benchmark Performance as at: March 31, 2025	1-year	3-year	5-year	10-year
IA Clarington Strategic Corporate Bond Fund – Series A	5.8%	3.3%	5.2%	2.9%
FTSE Canada Corporate Bond Index	8.8%	4.4%	3.2%	2.9%

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 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 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

IA Clarington Strategic Corporate Bond Fund

pertain to the future represent the portfolio manager's current view regarding future events. Actual future events may differ.

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.

Trademarks displayed herein that are not owned by Industrial Alliance Insurance and Financial Services Inc. are the property of and trademarked by the corresponding company and are used for illustrative purposes only.

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).