IA Clarington Strategic Corporate Bond Fund

Third Quarter, 2026

Portfolio Management Team



Dan Bastasic
CFA, MBA
iA Global Asset Management Inc.

Key Reasons To Invest

- Historically, high-yield corporate bonds have generated returns similar to equities, but with lower volatility.
- Fixed-income diversification through high-yield debt securities, which may have lower interest-rate sensitivity than investment-grade bonds.
- Rigorous and active investment process that focuses on safety of income and incorporates the manager's macro outlook.

Investment Goal

The Fund's objective is to provide income and the potential for long-term capital growth by investing primarily in fixed-income securities with an emphasis on corporate and other higher-yielding fixed-income securities.

Fund Performance

	Q3 2026	1 Year	3 Year	5 Year	10 Year	15 Year
IA Clarington Strategic Corporate Bond Fund - Series F	-0.6%	3.0%	6.8%	3.7%	4.1%	4.8%
FTSE Canada Corporate Bond Index	-2.1%	0.4%	6.4%	2.0%	2.7%	3.4%

Source: iA Clarington, as at September 30, 2026.

Market Environment

Most fixed-income markets generated negative returns during the past quarter as increased interest-rate volatility and higher long-term government bond yields weighed on performance. Higher-yielding corporate bonds generally outperformed investment-grade and government bonds as underlying economic and corporate fundamentals remained resilient despite rising yields. We expect credit spreads to remain relatively contained as the impact of higher interest rates is offset by strong economic growth, low default rates and yield levels that remain competitive relative to historical equity returns.

We expect economic growth to remain healthy through the year and into next year, particularly in the U.S., supported by strong employment conditions, stable consumer spending and better-than-expected corporate earnings growth. At the same time, productivity gains associated with ongoing technological investment and increased capital spending have helped support both business confidence and growth expectations.

One of the most significant developments during the quarter was the continued increase in long-term government bond yields. In our opinion, a large portion of this move reflects stronger-than-expected economic activity, inflation that remains modestly above central bank targets, and elevated borrowing requirements from both governments and corporations. While higher yields have created short-term pressure on fixed-income returns, we believe they have also improved prospective forward returns and created opportunities to selectively increase exposure to higher-quality opportunities at more attractive valuations.

Credit spreads widened modestly during the quarter as investors adjusted to an environment of higher interest rates. Despite this volatility, corporate fundamentals remain supportive, default rates remain below historical averages, corporate balance sheets are generally healthy and access to capital remains largely available across most sectors of the market. These conditions continue to support our constructive outlook for corporate credit over the medium term.

Performance Commentary

Increased interest-rate volatility and higher long-term government bond yields were the primary drivers of weaker returns over the period. Our Fund was not immune to these movements; however, the portfolio continued to benefit from its emphasis on corporate credit and relatively limited exposure to the most interest-rate-sensitive segments of the bond market. Given our emphasis on higher-quality issuers and a "barbelled" investment approach that maintained relatively low duration, the Fund experienced approximately one-third of the downside of the broader bond market during the quarter.

The Fund's top contributors to performance in the third quarter included Doman Building Materials 7.50% of 2029 and Trulieve Cannabis 10.5% of 2030. Doman is a distributor of building materials with a network across North America. The company is well positioned to grow cash flow through small acquisitions and an expected cyclical upturn in housing activity. Trulieve became the first U.S.-based cannabis company to be listed on the NYSE as re-scheduling efforts continued to progress. Increased access to capital and improving investor sentiment supported performance during the quarter.

The largest detractors from performance during the quarter included our allocation to U.S. Treasuries and Government of Canada bonds. Both positions were negatively impacted by their sensitivity to higher rates during the past quarter. While both positions remain sensitive to changes in interest rates, we believe current yield levels already reflect a significant amount of economic optimism and expect yields to gradually decline over time.

Portfolio Positioning and Outlook

During the quarter, we modestly increased our allocation to investment-grade bonds and government securities as yields approached the highest levels in nearly two decades. At current yields, we believe investors are being appropriately compensated for risk while simultaneously gaining an additional layer of downside protection should economic growth weaken unexpectedly or geopolitical events negatively affect financial markets. Similar to our positioning earlier in the year, we view portions of these allocations as a relatively inexpensive hedge against unforeseen macroeconomic developments.

Our overall credit positioning remains centered in the BB rating category, where we continue to identify attractive risk-adjusted opportunities. While cash balances increased modestly during the quarter as a result of bond maturities and calls, we expect to redeploy capital opportunistically as new issuance and secondary-market opportunities emerge. Since we continue to believe the Canadian dollar remains undervalued relative to the U.S. dollar over the longer term, we remain largely hedged against foreign currency exposure within the Fund.

We would be remiss if we did not point out some of the risks that may contribute to future market volatility. Our largest concern remains the possibility that long-term bond yields remain elevated for longer than currently expected. While stronger growth generally supports corporate credit markets, persistently higher interest rates could eventually slow economic activity and place pressure on more interest-rate-sensitive borrowers. Although this is not our base case, we continue to position the portfolio with higher-than-normal cash levels and maintain below-benchmark duration to help mitigate the impact of a prolonged higher-rate environment.

Looking ahead, we continue to expect economic growth to moderate but remain positive through the balance of 2026. Combined with gradually moderating inflation and attractive starting yields, we believe the environment remains favourable for active corporate bond investors. While periods of volatility are likely as markets adjust to changing interest-rate expectations, current yield levels provide a compelling starting point for future return potential and continue to create attractive opportunities across both investment-grade and high-yield corporate credit markets.

Asset Mix[1] (%)

Equity	**0.7**
Other	0.7
Fixed Income	**90.8**
Canadian High Yield Corporate Bonds	47.6
U.S. High Yield Corporate Bonds	17.2
Canadian Investment Grade Corporate Bonds	10.2
Foreign High Yield Corporate Bonds	4.3
U.S. Government Bonds	3.3
Investment Fund(s) - Fixed Income	3.1
Canadian Government Bonds	2.8
U.S. Investment Grade Corporate Bonds	1.6
Convertible Bonds	0.7
Cash and Other	**8.5**
Treasury Bills	4.7
Cash and Other Net Assets	3.8

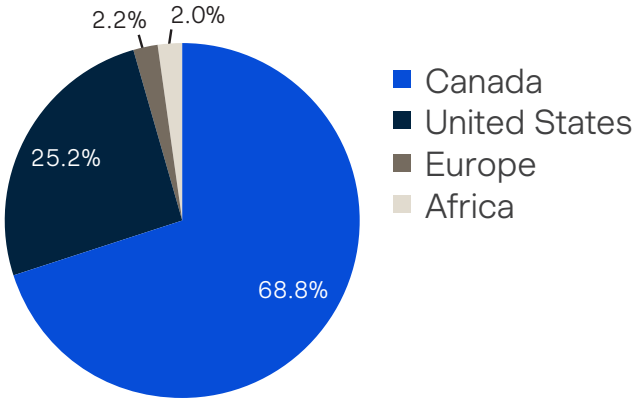
Top Fixed Income Holdings[2] (%)

Government of United States, 4.125%, 2036-02-15	3.3
Government of Canada, 3.250%, 2035-06-01	2.8
Doman Building Materials Group Ltd., 7.500%, 2029-09-17	2.6
Government of Canada, Treasury Bill, 2.346%, 2026-12-02	2.4
iShares iBoxx $ High Yield Corporate Bond ETF	2.3
KeHE Distributors LLC / KeHE Finance Corp. / NextWave Distribution Inc., 7.125%, 2033-04-30	2.0
Enbridge Inc., 5.292%, 2026-10-27	1.5
Trulieve Cannabis Corp., 10.500%, 2030-12-17	1.4
Cascades Inc / Cascades USA Inc., 6.750%, 2030-07-15	1.4
Government of Canada, Treasury Bill, 2.353%, 2026-11-18	1.4

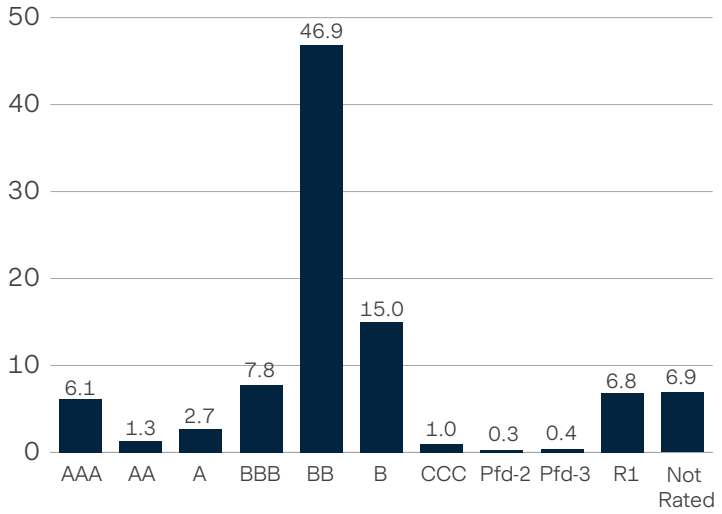
Top Issuers[2] (%)

Government of Canada	7.5
Government of United States	3.3
Doman Building Materials Group Ltd.	2.6
Chemtrade Logistics Inc.	2.1
Enbridge Inc.	2.1
KeHE Distributors LLC / KeHE Finance Corp. / NextWave Distribution Inc.	2.0
NFI Group Inc.	2.0
NRG Energy Inc.	1.9
Sleep Country Canada Inc.	1.9
goeasy Ltd.	1.8

Geographic Allocation



Credit Risk[3] (%)



Portfolio Characteristics

Portfolio Yield	Average Coupon	Modified Duration	Average Term	Average Credit Quality
6.2%	6.5%	3.4 yrs	9.7 yrs	BB

Total Number of Investments[4]

Fixed Income	125
Equity	5

iA Clarington, as of September 30, 2026.

For definitions of technical terms in this piece, please visit iaclarington.com/glossary and speak with your investment advisor.

[1]The term "Investment Fund(s)", where applicable, refers to investment funds that are not managed by iA Clarington or an affiliate of iA Clarington. 2Cash and Other Net Assets are excluded. 3Credit quality of debt instruments of the Fund through direct holdings and/or underlying funds. Credit ratings obtained from DBRS, Standard & Poor's or Moody's. DBRS rating or equivalent is presented. 4Excludes Cash and Other Net Assets and applicable investment funds not managed by IA Clarington Investments Inc.

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.

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.

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.

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).

(W26-1484) 10/26