IA Clarington Loomis Global Allocation Class

Manager commentary – Q3 2025

IA Clarington Loomis Global Allocation Class Series T8 returned 5.3% during the third quarter compared to 6.1% for its blended benchmark, 40% Bloomberg Global Aggregate Bond Index (CAD Hedged), 60% MSCI AC World Index (CAD).

In early April, the U.S. president announced widespread tariffs. Risk assets declined on expectations of rising inflation and slower economic growth, but within a week, tariff implementation had been paused. Markets quickly stabilized and volatility remained subdued until mid-June amid a favourable environment of modest growth and low inflation. While conflict in the Middle East briefly roiled markets late in the period, matters were quickly resolved.

Incoming data showed slow-but-steady growth globally, raising hopes for a potential "Goldilocks" scenario of continued economic expansion and interest-rate cuts. The European Central Bank, Bank of England and Swiss National Bank were among those that cut rates in the second quarter, and the U.S. Federal Reserve (the Fed) was expected to resume its policy easing later in the year.

These conditions proved highly supportive for fixed-income markets, which produced positive total returns for developed-market government debt and strong performance from U.S. investment-grade corporate bonds, U.S. high-yield bonds and emerging markets. Yield spreads tightened as investors regained their appetite for risk.

The Fed reduced interest rates by 25 basis points at its September meeting. Subsequent comments by Fed Chair Jerome Powell indicated that the central bank was becoming less concerned about inflation and more focused on maintaining labour market stability. Investors saw this as a sign that the Fed was likely to continue easing policy, and bid up asset prices across the board.

Developed market government bonds lagged U.S. counterparts in local-currency terms over the six-month period. European bond markets were pressured by fiscal concerns, with France, Germany and the U.K. posting losses. Japan faced challenges from rising inflation and reduced bond purchases by its central bank. Meanwhile, emerging markets debt produced robust total returns and outpaced the U.S. credit sectors on the strength of improving economic conditions and investors' elevated appetite for risk.

The MSCI All Country World Index (C$) ended the six-month period just over 16.0%, with the majority of sectors posting positive results. The information technology and communication services sectors meaningfully outperformed the market. The industrials, consumer discretionary, materials and financials sectors also registered double-digit results, while the health care, energy and consumer staples sectors posted negative returns.

Over the same period, the Fund posted a positive return but underperformed the blended benchmark, largely owing to its majority equity component, which underperformed the MSCI All Country World Index. The Fund's fixed-income components outperformed the Bloomberg Global Aggregate Bond Index.

In equities, the Fund's underweight allocations to the energy and consumer staples sector were the largest contributors to performance. The Fund's lack of exposure to the real estate and utilities sectors also contributed. Individual contributors included NVIDIA Corp., which has been both a direct beneficiary and a direct enabler of the impressive improvements in artificial intelligence (AI) capabilities. Taiwan Semiconductor Manufacturing Co. Ltd. continued to capitalize on its near-monopolistic status in advanced semiconductor manufacturing, aided by the AI boom. Alphabet Inc. unveiled a variety of AI-enabled features and updates to its Gemini model, which helped alleviate concerns that it was falling behind in AI.

In fixed income, the Fund's exposure to credit-sensitive sectors contributed to performance. Credit spreads (the difference in yield between debt instruments with similar terms, but different credit ratings) tightened, leading to strong performances. The Fund's yield-curve and duration (interest-rate sensitivity) positioning also contributed. Individual contributors included the Fund's spread sector allocation, particularly its risk-adjusted overweight allocations to communication services, consumer cyclical and energy companies. The Fund benefited from its security selections in communication services, consumer non-cyclical and consumer cyclical companies. Local-market positioning in the U.S. dollar, Japanese yen and Brazilian real pay markets also contributed.

In equities, the Fund's security selection in the consumer discretionary sector was the largest detractor from performance. The Fund's security selection in the health care, financials, information technology and industrials sectors also detracted. Individual detractors included UnitedHealth Group Inc. largely owing to lower earnings guidance, an announcement that the CEO had stepped down and rising costs of providing medical care. Roper Technologies Inc. underperformed owing to challenges related to AI-enabled competition. London Stock Exchange Group lagged amid concerns about price competition from existing peers and potential AI-enabled competition.

In fixed income, the Fund's currency allocation, net of hedging, was the largest detractor from performance, particularly its allocations to the U.S. dollar, Japanese yen and Brazilian real. Although the

Fund's yield curve and duration positioning overall contributed to performance, its local-market positioning in the euro, Chinese renminbi and Indonesian rupiah pay markets detracted.
The Fund's asset allocation remained stable, with its target allocations at 68% global equity, 16% U.S. fixed income and 16% non-U.S. fixed income.

New equity positions included KLA Corp., a global leader in process control and yield management solutions used in semiconductor manufacturing and related industries. The company rates highly across the fund manager's quality metrics.

New fixed-income positions included new-issue shares of Venture Global Plaquemines LNG LLC bonds with maturities ranging from 2033 to 2036. Venture Global is a rapidly growing U.S. producer and exporter of liquefied natural gas.

The fund manager increased and decreased equity positions within the Fund based on valuations and risk/reward profiles.

Increased fixed-income positions included secondary shares of 2026 DISH DBS Corp. bonds. DISH DBS is a wholly owned subsidiary of DISH Network LLC and plays an important role in the company's financial operations, particularly by facilitating the company's debt and financing strategy management.
Decreased fixed-income positions included Glencore plc, which was trimmed to raise reserves and build liquidity and flexibility into the Fund.

Eliminated equity positions included Allison Transmission Holdings Inc., a provider of medium and heavy-duty automatic transmissions, as the fund manager became less confident in the company's capital allocation priorities.

Eliminated fixed-income positions include Uber Technologies Inc., which was sold to raise reserves and build liquidity and flexibility into the Fund.

The U.S. consumer sector remains healthy, with higher-income consumers—who account for the bulk of spending—benefiting from the wealth effect caused by rising equity prices and increasing home values. Lower-income consumers are under some financial pressure amid a weaker labour market, but commentary from the largest U.S. financial institutions suggests that credit and debit card spending trends are intact.

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Corporate profits remain robust, and strong earnings could continue. The U.S. market has shown fundamental leadership in terms of profitability, while bottom-up consensus earnings estimates for emerging markets, Europe and Japan imply strong year-over-year growth rates for 2026.
Global central banks are attuned to the risk of overly restrictive policies. However, elevated debt levels and rising interest burdens could diminish confidence. Inflation may rise as tariff increases are passed through to consumers. While U.S. inflation could remain above the Fed's 2.0% target, the fund manager believes the Fed may look past "one-time" price increases on certain imported goods.

The starting point for valuations on risk assets may be the most glaring risk investors face. Credit spreads are near multi-year tight levels, and U.S. equity price-to-earnings multiples are above their five-year averages. Forward-looking total return prospects are modestly positive. Market corrections could provide opportunities as long as the fundamental backdrop is not disrupted.

Fund and benchmark performance, as at September 30, 2025	1 year	3 year	5 year	10 year
IA Clarington Loomis Global Allocation Class – Series T8	7.7%	15.6%	6.2%	7.4%
40% Bloomberg Global Aggregate Bond Index (CAD Hedged), 60% MSCI AC World Index (CAD)[1]	12.8%	15.6%	8.4%	8.0%

Non-traditional fixed income asset classes may carry higher risk, but generally provide higher yield than traditional fixed income asset classes. For definitions of technical terms in this piece, please visit iaclarington.com/glossary and speak with your financial advisor.

[1]Source: MSCI Inc. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed, or produced by MSCI. 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 benchmark is a blend of Bloomberg Global Aggregate Bond Index (Currency Hedged) (40%) and MSCI AC World Index (CAD) (60%). 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 Index is a flagship measure of global investment grade debt from twenty-eight local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers. There are four regional aggregate benchmarks that largely comprise the Global Aggregate Index: the US Aggregate, the Pan-European Aggregate, the Asian-Pacific Aggregate, and the Canadian Aggregate Indices. The MSCI AC World Index (CAD) is a free float-adjusted market capitalization weighted index that is designed to

measure the equity market performance of developed and emerging markets. The MSCI AC World Index (CAD) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 50 country indexes comprising 23 developed and 24 emerging market country indexes. The Fund's market capitalization, geographic, sector and credit quality exposure may differ from that of the benchmark. The Fund's currency risk exposure may be different than that of the benchmark. The Fund may hold cash while the benchmark does not. Overall, the Fund's bond and equity exposure can differ, because the Fund does not use a fixed ratio similar to the benchmark. It is not possible to invest directly in market indices. The performance comparison is for illustrative purposes only and does not imply future performance. Effective December 30, 2014, the portfolio manager of the Fund was changed from Aston Hill Asset Management Inc. to Industrial Alliance Investment Management Inc. and the investment objectives and strategies of the Fund were changed. IA Clarington Loomis Global Allocation Class was formerly IA Clarington Global Allocation Class.

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. 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.

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