

IA Clarington Loomis Global Allocation Fund

Manager Commentary – Q1 2026

After a difficult start to the second quarter of 2025, most asset categories recovered to finish with positive total returns. Higher-than-expected U.S. tariffs levied in early April disrupted financial markets, as expectations of rising inflation and slower economic growth prompted a sell-off in risk assets. The downturn proved short-lived as tariffs were paused within a week. Markets stabilized and volatility remained subdued through mid-June amid modest growth and low inflation. While conflict in the Middle East briefly affected markets late in the quarter, a quick resolution limited the overall effect.

Financial assets produced strong, broad-based returns in the third quarter of 2025 as concerns about U.S. trade policy faded. A dovish shift in U.S. Federal Reserve (the Fed) policy provided an additional boost, with the Fed reducing interest rates by a quarter point at its September meeting, its first easing since December 2024.

Most segments of the world financial markets moved higher in the fourth quarter of 2025. More stimulative central bank policies, continued global economic growth and robust corporate earnings supported risk appetites. The Fed enacted two quarter-point interest-rate cuts and announced the end of its multi-year effort to reduce the size of its balance sheet. Investment-grade credit spreads (the yield difference between an investment-grade corporate bond and a government bond of similar maturity) were range-bound to slightly wider during the quarter but ended the year tighter overall.

Performance was uneven in the first quarter of 2026. Persistent optimism about growth and central bank policy outweighed concerns about private credit and questions about the effects of artificial intelligence (AI) on certain sectors during the first two months. This changed in early March following the outbreak of conflict in the Middle East, which led to a spike in crude oil prices and raised concerns about possible commodity shortages, prompting investors to consider scenarios such as a potential energy crisis, rising inflation and slowing growth.

The Fund posted a positive return for the 12-month period. Although the Fund's equity component underperformed the MSCI All Country World Index, the fixed-income component significantly outperformed the Bloomberg Global Aggregate Index.

In equities, security selection in the communication services sector was the largest contributor to the Fund's performance over the past 12 months. The information technology, industrials and consumer staples sectors also contributed. Taiwan Semiconductor Manufacturing Co. Ltd. was the largest individual equity contributor as the global AI buildout accelerated. NVIDIA Corp. also contributed, as the company remains central to the AI buildout. ASML Holding NV contributed given its unique position as the sole provider of extreme ultraviolet lithography equipment.

In fixed income, exposure to credit-sensitive sectors contributed to performance as spreads tightened over the period. Yield curve and duration positioning also contributed, particularly local-market positioning in the U.S. dollar, Japanese yen and Canadian-dollar-pay markets. Sector allocation contributed, with risk-adjusted overweight positions in the communication services, energy and bank loan sectors benefiting performance. Security selections in the consumer non-cyclical, consumer cyclical and sovereign sectors also contributed.

The financials sector was the largest detractor from the Fund's equity performance. The health care, materials and energy sectors also detracted. UnitedHealth Group Inc. was the largest individual equity

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detractor amid an earnings guidance cut, a change in leadership and the reinstatement of guidance at levels well below original expectations. Roper Technologies Inc. detracted following a reduction in its organic growth outlook. S&P Global Inc. detracted amid concerns about financial data providers in an evolving AI landscape.

In fixed income, underweight allocations to the agency mortgage-backed securities and global treasuries sectors, along with an overweight allocation to sovereign securities, modestly detracted over the period. Duration positioning in the Chinese renminbi and euro-pay markets also detracted.

The fund manager added new equity holdings in KLA Corp., Progressive Corp., Booking Holdings Inc., Expedia Group Inc., Constellation Software Inc., Tyler Technologies Inc. and Chipotle Mexican Grill Inc. The fund manager eliminated equity holdings in Allison Transmission Holdings Inc., Diamondback Energy Inc., Adobe Inc., Builders FirstSource Inc. and Chipotle Mexican Grill Inc.

In fixed income, the fund manager added positions in Warner Bros. Discovery Inc. with maturities ranging from 2030 to 2042 and Venture Global Plaquemines LNG LLC with maturities ranging from 2033 to 2036. The fund manager increased the Fund's positions in Australian government bonds and DISH DBS Corp. The fund manager reduced the Fund's position in Carnival Corp. and eliminated positions in Uber Technologies Inc. and Rocket Mortgage LLC to raise reserves and increase portfolio liquidity.

The fund manager believes that U.S. government debt burdens are large but manageable, and that domestic fiscal policy risks should not drive long-term interest rates higher in the near term, although the conflict in the Middle East and associated costs add risk to this view. The fund manager also believes the conflict in one of the world's largest oil-producing regions may exacerbate inflation risks, with particularly significant effects for net energy importers in Europe and Asia. Despite these issues, the fund manager remains confident that the global expansion can persist given that many countries entered the energy shock with positive economic growth.

The fund manager believes the Fed may resume cutting interest rates, although the timing is uncertain. Rate cuts previously anticipated by the summer of 2026 may be pushed later in the year. Market expectations suggest the European Central Bank and Bank of England are more likely to raise rates than enact cuts over the coming 12 months. The Bank of Japan also appears on track to tighten policy.

The fund manager remains focused on investing in high-quality businesses with strong management teams, robust balance sheets and the ability to compound value over the long term.

Fund and benchmark performance, as at March 31, 2026	1-year	3-year	5-year	10-year
IA Clarington Loomis Global Allocation Fund – Series F	10.1%	13.0%	7.3%	9.4%
40% Bloomberg Global Aggregate Bond Index (CAD Hedged), 60% MSCI AC World Index (CAD) ¹	10.4%	11.6%	7.0%	7.9%

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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 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 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. IA Clarington Loomis Global Allocation Fund was formerly IA Clarington Global Allocation Fund.

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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