IA Clarington Loomis Global Equity Opportunities Fund

Manager commentary – Q1 2025

Global equity markets posted double-digit returns over the 12-month period despite negative sentiment in the first quarter of 2025. The financials, utilities and communication services sectors registered the strongest results, while the materials, health care and energy sectors underperformed the broader market.

The Fund's exposure to the consumer staples sector was the largest contributor to performance over the period, followed by its exposures to the materials and financials sectors. The Fund's lack of exposure to the real estate sector also contributed. Individual contributors included NVIDIA Corp., which outperformed as the second year of the accelerated computing buildout has been a considerable driver for the business. S&P Global Inc. performed well as global debt issuance rebounded, aiding the ratings business. Taiwan Semiconductor Manufacturing Co. Ltd.'s dominant position in the manufacturing of advanced semiconductors was supported by secular forces, and the business continues to successfully address customer needs.

The Fund's exposure to the consumer discretionary sector was the largest detractor from performance, followed by its exposures to the health care and communication services sectors. The Fund's exposures to the industrials and information technology sectors also detracted. Individual detractors included Airbnb Inc., which underperformed as its valuation fell meaningfully, reflecting concerns about consumer spending on travel. ASML Holding NV was weaker amid concerns around China, customer concentration and end markets not focused on artificial intelligence. LVMH Moet Hennessy Louis Vuitton SE was weaker amid market concerns over slowing consumer demand, particularly in China.

New positions included CGI Inc., a Quebec-based global information technology service provider offering expertise in consulting, systems integration, application maintenance and business process outsourcing. CGI has a client-centric operating model and a strong track record of delivering work on time and on budget. Builders FirstSource Inc. is the largest supplier of building products, prefabricated components and services to professional builders in the U.S. The company offers a one-stop-shop solution for its customers with its extensive product and services portfolio. Hilton Worldwide Holdings Inc. is a global hospitality company with 22 brands across hotels, resorts and timeshares. Hilton operates an asset-light, fee-based business model and has a popular loyalty program.

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

Eliminated positions included Vinci SA, Veralto Corp. and IQVIA Holdings Inc., which were sold to fund more attractive opportunities elsewhere. Nike Inc. did not seem likely to achieve the fund manager's forecast of intrinsic value growth (free cash flow growth). Texas Instruments Inc. was sold owing to concerns about its ability to grow intrinsic value, particularly regarding its elevated inventory strategy, large capacity investments and ability to regain lost market share. Accenture PLC was sold owing to concerns about the company's intrinsic value growth given its lower revenue growth.

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The global macroeconomic backdrop could prove to be more challenging in the near term as markets digest the details from the April 2 U.S. administration tariff announcement. The magnitude of the tariffs announced exceeded the market's expectations. The range of U.S. import tariffs will likely be negative for global growth, and the U.S. now faces an increased risk of recession.

Prior to the implementation of widespread tariffs, the global disinflationary trend had been stalling, with services and shelter inflation remaining elevated. The price of goods may also remain higher.

Rising global risks and the threat of weaker global growth has increased market expectations for additional interest-rate reductions, which could affect the U.S. dollar's valuation. The combination of cuts to the government and "tax hikes" on consumers and businesses through tariffs is likely to produce tighter fiscal policy and looser monetary policy.

The fund manager believes that investing in companies with multiple drivers of performance where the risks can be quantified can help the Fund deliver long-term outperformance. As such, the fund manager's focus remains on investing in quality companies with high-quality management and robust balance sheets. Recent developments should be catalysts for volatility, which could provide opportunities to build positions in sound companies at more attractive valuations.

Fund and benchmark performance, as at March 31, 2025	1 year	3 years	5 years	Since inception (Nov. 2019)
IA Clarington Loomis Global Equity Opportunities Fund – Series A	6.7%	10.6%	12.5%	10.1%
MSCI AC World Index (CAD)[1]	14.0%	12.1%	15.4%	11.8%

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

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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.