

IA Clarington Target Click 2030 Fund

Manager Commentary – Q1 2026

The last 12 months were eventful on the economic and geopolitical fronts. In 2025, global trade tensions led to widespread economic uncertainty. As these tensions gradually eased, the first quarter of 2026 was marked by further geopolitical developments, including the onset of the war in Iran, which produced the most lasting effect on the economy and financial markets. The blockade of the Strait of Hormuz by Iranian forces led to a substantial reduction in global oil supply, pushing the price of a barrel of Brent crude to US\$104 by the end of March, an increase of more than 90% since the beginning of 2026, which is expected to lead to higher inflation as many other commodities were also affected. The magnitude of the inflationary effect will ultimately depend on the duration of the blockade. As a result of rising inflation expectations, interest rates increased globally.

The U.S. Federal Reserve kept its policy rate unchanged during the first quarter of 2026, as inflation remained above target while the labor market showed signs of weakness, with job creation essentially flat at the start of the year. After slowing in the fourth quarter, U.S. growth rebounded strongly in the first quarter of 2026, driven in part by investment spending in artificial intelligence (AI). North American markets are less exposed to goods transiting through the Strait of Hormuz, and the United States is a net exporter of oil, suggesting the effect on U.S. growth may be limited.

In Canada, the labour market started 2026 on a weak footing, with job losses erasing gains recorded at the end of 2025. Inflation remained well controlled below 2% as of February 2026, although higher energy prices are expected to create renewed upward pressure. Canada's geographic position and the importance of its energy sector may help limit the negative effects of the shock on the domestic economy. In this context, the Bank of Canada is expected to remain on hold.

Global growth was strong at the start of 2026, particularly in Europe and emerging markets, reflecting synchronized interest-rate cuts by central banks in recent years. However, the war in Iran is likely to alter this outlook, with more severe consequences for net energy importers such as many European and Asian countries. In Europe, the Bank of England and the European Central Bank may need to raise rates, and a European recession could follow.

Regarding fixed income, the Canadian FTSE Universe Bond Index returned 0.8% for the 12-month period ending March 31, 2026, as interest rates generally rose during the period. The U.S. equity market, as represented by the S&P 500 Index, progressed by 17.8% in U.S.-dollar terms and 14.2% in Canadian-dollar terms for the 12-month period ending March 31, 2026. Canadian equities had a favourable period, with a 34.8% gain for the 12-month period ending March 31, 2026, led by the materials, energy and financials sectors. On the global front, the MSCI World Index and MSCI EAFE Index returned 15.2% and 17.6%, respectively, in Canadian-dollar terms, for the 12-month period ending March 31, 2026.

To honour its guarantees, the Fund holds a significant allocation in Ontario zero-coupon bonds maturing in 2030, with the remaining portion invested in IA Clarington Global Equity Exposure Fund and Canadian Treasury Bills.

The equity component, through its investment in the IA Clarington Global Equity Exposure Fund, contributed to performance over the period as the underlying fund posted positive returns for the 12-month period ending

IA Clarington Target Click 2030 Fund

March 31, 2026. However, given the equity component's small weight within the portfolio, the effect on overall Fund performance was limited.

The fixed-income component's returns were modest for the 12-month period ending March 31, 2026, as rising interest rates weighed on the zero-coupon bond holdings.

The Fund's investment in the IA Clarington Global Equity Exposure Fund was modestly reduced, and fixed-income holdings were increased as part of a natural shift in portfolio composition to better honour the Fund's guarantees for 2030. Canadian Treasury Bills were added to replace other short-term instruments that had reached maturity during the period, and Canadian Treasury Bills that reached maturity were eliminated.

| Fund and Benchmark Performance: as at March 31, 2026 | 1-year | 3-year | 5-year | 10-year |
|--|---------------|---------------|---------------|----------------|
| IA Clarington Target Click 2030 Fund – Series F | 1.0% | 2.8% | 0.3% | 2.0% |
| 20% MSCI World Index [^] (CAD) ¹ , 80% FTSE Canada All Government Bond Index | 3.1% | 5.7% | 2.6% | 3.6% |

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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 investment advisor.

¹Source: 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 FTSE Canada All Government Bond Index (80%) and MSCI World Index (CAD) (20%). The blended benchmark presented is intended to provide a more realistic representation of the general asset classes in which the Fund invests. The FTSE Canada All Government Bond Index consists of a selection of investment-grade Government of Canada fixed-income securities issued domestically in Canada. The FTSE Canada All Government Bond Index is comprised of Canadian investment grade bonds and has different portfolio duration characteristics. The MSCI World Index (CAD) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The MSCI World Index (CAD) consists of 23 developed market country indices. 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.

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.

IA Clarington Target Click 2030 Fund

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.

Each of the IA Clarington Target Click Funds (the "Funds") will pay, on the Fund's maturity date, the highest month-end net asset value per unit achieved during the life of the Fund. Industrial Alliance Insurance and Financial Services Inc. ("Industrial Alliance"), the parent company of the Manager of the Funds, has provided a guarantee to each of the Funds that it will pay any shortfall to the Fund if the net asset value of any Fund is less than its guaranteed value at maturity. Each Fund's maturity date will occur on June 30 of the year specified in the Fund's name. The guaranteed amount will benefit the investors who hold units of the Fund on that maturity date. If an investor were to redeem units of the Fund before the maturity date, the redemption will be based on the net asset value at the time of transaction. In some circumstances, the maturity date for a Fund may be accelerated, in which case the Fund will pay the greater of the net asset value on that accelerated maturity date and the net present value of the guaranteed amount, less any applicable redemption charges.

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.

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