

IA Clarington Loomis U.S. All Cap Growth Fund

Manager commentary – Q4 2025

IA Clarington Loomis U.S. All Cap Growth Fund Series A returned -5.1% during the fourth quarter, compared to 1.1% for the S&P 500 Index (\$CAD).

The top three contributors to performance in the last quarter were Alphabet Inc., Regeneron Pharmaceuticals Inc., and Monster Beverage Corp.

Alphabet Inc. (GOOG) is a holding company wherein Google is its largest and most important. The global leader in online search and digital advertising, Google captures over 80% of global search volume. As such, GOOG provides better search results, resulting in higher customer conversion rate for advertisers and enabling Google to capture a leading share of search revenue. Google's large network of consumers, advertisers and publishers is a powerful business ecosystem, as third-party participants such as marketing affiliates and independent software vendors add value to the user experience. This robust ecosystem attracts increasing numbers of participants and thereby creates a virtuous cycle for a sustainable business model and long-term growth. A holding in the Fund since inception, Alphabet recently reported quarterly results exceeding market expectations in revenue, operating income and earnings per share. Quarterly revenue increased year over year 16% to US\$102 billion and EPS increased 35%. Google Services, the largest segment, generated US\$87 billion in revenue, with advertising contributing the majority. Search advertising grew 15% year-over-year, aided by new artificial intelligence (AI) features like AI overviews and AI Mode, which have seen widespread adoption. YouTube experienced 15% growth driven by improvements in direct response and brand advertising, while non-advertising revenues, including subscriptions, increased by 21%. Google Cloud's revenue was \$15 billion, up 34% from the prior year, and now represents 15% of Alphabet's total revenue. The Other Bets segment saw an 11% decline but remains a small fraction of overall revenues. Operating income increased 22% to US\$35 billion, while adjusted operating margins expanded to 34%. Free cash flow increased 37% to US\$24.5 billion, representing 24% of gross revenue, despite higher capital expenditures focused on AI investments. The company anticipates US\$92 billion in capital expenditures for 2025, an 8% increase from previous forecasts, highlighting its ambitions in artificial intelligence across its business lines. We believe market expectations underestimate Alphabet's long-term sustainable growth rate. As a result, we believe the company is selling at a significant discount to our estimate of intrinsic value and offers a compelling reward-to-risk opportunity.

Regeneron (REGN), founded in 1988, is a fully integrated biopharmaceutical company dedicated to discovering, developing, manufacturing and commercializing medicines for serious diseases. Its proprietary VelocImmune technology accelerates the creation of fully human monoclonal antibodies,

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reducing pre-clinical discovery and development time and costs. This advantage enables Regeneron to significantly outpace its competition in bringing new therapies to trial and ultimately to market. Regeneron is one of the leading innovators and commercial powerhouses in biopharma. The company currently markets nine therapies for eye diseases, atopic dermatitis, asthma, oncology, high LDL cholesterol, and a rare inflammatory condition, for which it is investigating additional indications. REGN also has over 40 fully human antibodies in clinical development. REGN shares responded positively following FDA approval of Eylea HD for treating retinal vein occlusion (RVO) and allowing more frequent four-week dosing for rare, specific cases. These approvals put Eylea HD on a par with both Roche's Vabysmo and the original Eylea. Although incremental improvements, recent share losses to Vabysmo indicate that a portion of the market was sensitive to these temporary deficiencies. Historically, Regeneron's leading revenue driver for back-of-the-eye diseases, Eylea, has faced intensified competition, most immediately from the 2022 approval of Roche's Vabysmo. However, we believe Eylea's proven efficacy and decade-long safety profile remain a very strong and difficult-to-replicate competitive advantages. Regeneron's next gen Eylea HD (8mg), approved in 2023, offers less-frequent dosing and superior clinical potential over competitors and biosimilars. Transitioning patients to Eylea HD is progressing and attracting patients inadequately managed by alternatives. Global sales of Dupixent, part of which are recognized by partner Sanofi, rose 27% versus the prior-year quarter to US\$4.86 billion, continuing to penetrate patient populations in its atopic dermatitis, allergic asthma and chronic rhinosinusitis, and Eosinophilic Esophagitis indications as well as chronic obstructive pulmonary disease (COPD). Libtayo, the company's PD-1 therapy for cutaneous squamous cell carcinoma (CSCC), basal cell carcinoma (BCC), and non-small cell lung cancer (NSCLC), grew 23.5% year-over-year. Although in its nascent stages relative to its potential with US\$365 million in quarterly sales, the therapy continued to penetrate global markets. We believe Regeneron's share price embeds a lack of appreciation for the company's multiple growth opportunities and the uniqueness of its business model. As a result, the company's shares trade at a significant discount to our estimate of intrinsic value and represent a compelling reward-to-risk opportunity.

Monster Beverage (MNST) is a leading marketer and distributor of energy drinks in the U.S. and internationally. Patiently built using non-traditional, grass-roots marketing, Monster's iconic brand is a competitive advantage so difficult to replicate that even Pepsi and Coca-Cola were unable to make meaningful inroads in the profitable and growing energy drink market, despite over a decade of effort and investments. By outsourcing capital-intensive components of the value chain such as manufacturing and distribution, Monster generates attractive returns on invested capital. In 2014, Monster entered a partnership with Coca-Cola in which Coca-Cola purchased a 16.7% stake in the company, and Monster became its exclusive energy drink partner. The partnership gave Monster exclusive access to Coca-Cola's unmatched global distribution system, accelerating its pace of expansion outside of the U.S., and extending its benefits of scale. The global energy drink industry is effectively a duopoly, creating strong

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competitive advantages for Monster and Red Bull, which command a combined share of approximately 75% to 80% of the U.S. market, and an estimated 50% of the US\$50 billion global energy drink market. Monster reported above consensus quarterly financial results for sales and profitability. With global net sales up 17% year-over-year, the company surpassed US\$2 billion in quarterly revenue for the second consecutive quarter, and expanded both gross and operating margins. Reign and Bang sales in the U.S. declined slightly as consumers shifted from performance energy offerings to lower-sugar variants such as the company's Ultra line. The company's Ultra brand is now the third-largest standalone energy drink brand behind Red Bull and the original Monster brand, and the company has begun to manage the brand separately, including dedicated cooler, advertising, floor and shelf space. We believe energy drinks are here to stay and their continued penetration around the world is the primary long-term business driver for the company. We believe Monster's large presence in North America and its expansion into international markets leave it well positioned to benefit from this long-term secular growth driver. As the company continues to scale its business in international markets, we expect it will be able to increase cash flow growth, expand margins, and improve its return on invested capital. With its shares selling at a significant discount to our estimate of intrinsic value, we believe Monster offers a compelling reward-to-risk opportunity.

The three largest detractors from performance in the quarter were Oracle Corp., Netflix Inc., and Doximity Inc.

Oracle (ORCL) is a leader in enterprise software with strong market positions in database, infrastructure and application software, and cloud-based software and services. We believe Oracle's competitive advantages include a skilled direct sales team, founder-driven management who relentlessly reinvests to deliver a differentiated product suite, and a large client base with high switching costs where it consistently achieves strong renewal and retention rates around the mid-90% range. A holding in the Fund since inception, ORCL reported fundamentally solid quarterly results. Overall revenue increase of 14% was in line with guidance, but about 1% below consensus estimates. ORCL's cloud revenue (now 50% of total revenue) grew 33% compared with the prior year growth of 24%, in line with consensus but at the lower end of management guidance. Within cloud revenue, Cloud Infrastructure contributed 51%, increasing 68% to US\$3.9 billion, a year-over-year acceleration from 55% growth. Results were also fueled by strong gains in GPU-related revenue (177%), cloud database (30%) and autonomous database (43%). The Application Cloud segment, making up 49% of cloud revenue, grew 11% to US\$3.9 billion, with sub-segments like Fusion ERP (17%), NetSuite (13%), Fusion SCM (18%), HCM (14%) and strategic back-office applications (16%) outpacing the overall segment. Maintenance support revenue grew 1% to US\$5 billion, while on-premise and license revenue declined 21% as Oracle shifted more business to the cloud. Remaining performance obligation (RPO) bookings soared 433% year-over-year to US\$523 billion, boosted by large contracts with Meta and Nvidia. Given Oracle's high degree of recurring revenue,

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attractive operating margins and high cash flow returns on invested capital, we believe the company can support higher levels of indebtedness, and we expect the backlog to become more diversified over time. There is no change to our structural investment thesis for the company and ORCL shares are up 18% for the year. Oracle's adjusted EBIT rose 7% to US\$6.2 billion, with margins at 44%, down 144 basis points (bps) and below estimates. Operating cash flow grew 10% to US\$22.3 billion, but capital expenditures surged 230% to US\$35 billion, causing negative free cash flow of US\$13 billion as cloud investment intensified. We believe Oracle is positioned for continued growth from rising data needs and ongoing transition to cloud-based solutions. In our view, Oracle's stock price embeds free cash flow growth assumptions that are well below our long-term forecast. As a result, we believe its shares are selling at a significant discount to our estimate of intrinsic value and offer a compelling reward-to-risk opportunity.

Netflix (NFLX), founded in 1997, leads global subscription video on demand (SVOD) with 300+ million subscribers out of what we estimate is a total addressable market of one billion households outside of China. With subscribers in over 190 countries, with a global audience in excess of 700 million, Netflix captures nearly 40% of global subscribers and about 50% of industry revenue among top providers. The company generates nearly 60% of revenue from outside North America. The company's business model is anchored in direct-to-consumer subscriptions, which provide a recurring revenue stream, and is increasingly supported by advertising, following the introduction of ad-supported pricing plans in late 2022. NFLX's competitive positioning is reinforced by several durable advantages: brand strength, global scale, high barriers to entry from decades of content investment, and proprietary insights drawn from user engagement data. Its US\$120 billion investment in quality content, numerous Emmy wins, and a content library exceeding 14,000 hours – about twice that of its five largest competitors combined – reinforce its leadership and barriers to competition. Our investment thesis for Netflix is not predicated on a successful acquisition of Warner Brothers. We believe the combination would add positively to the company's scale and pricing power over time if consummated. Netflix, a portfolio holding since early 2022, posted strong quarterly results that exceeded consensus for revenue, margins, free cash flow, and EPS. Quarterly revenue reached US\$11.1 billion, up 17% in constant currency, thanks to subscription and ad growth, price increases in key markets, and the launch of its own ad tech platform. Netflix's financials are attractive and improving. Operating income rose 45% year-over-year on margins of 34% that expanded by 700 bps over the prior-year quarter. Free cash flow jumped 87% to US\$2.3 billion compared with the prior-year quarter with long-term debt to equity of 66%, declining from over 200% in 2019. With the secular shift from linear TV to streaming, we believe Netflix is positioned to increase its share, supporting low-double-digit revenue growth over our investment horizon. We expect longer-term operating margins to rise to the mid-30% range, with operating profits and free cash flow outpacing revenue growth in the mid-teens. We believe current market expectations embed meaningfully lower assumptions. As a result, we believe the shares trade at a significant discount to our estimate of intrinsic value and offer a compelling reward-to-risk opportunity.

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Doximity (DOCS) is a cloud-based platform for U.S. medical professionals, founded in 2010. It now serves over two million members, including about 800,000 physicians across all specialties. Doximity offers tools for collaboration, secure patient care coordination, virtual visits, personalized news, research and career management. Free for healthcare providers, Doximity generates revenue mainly through targeted marketing access to pharmaceutical companies and healthcare systems. We believe Doximity's strong and sustainable competitive advantages include the power of its network, "physicians-first" focus, and trusted brand. It connects over 80% of U.S. physicians (up from 25% in 2013) and 90% of graduating U.S. medical students. Members average more than 50 professional connections, driving engagement, referrals and knowledge sharing. Growing membership and usage strengthen its network effect, in turn driving higher membership and greater "stickiness" among users. Doximity reported strong quarterly results, outperforming consensus expectations for revenue, operating income and EPS. Revenue for the quarter increased 23% year-over-year, while adjusted-EBITDA margins expanded to 59.8% from 55.7%. However, the company's share price reacted negatively to full-year fiscal 2026 guidance, which indicated that revenue growth would slow to the high single digits in the second half of the year. We view this cautious outlook as a reflection of management's conservatism rather than any change to our investment thesis. Engagement among medical professionals continues to hit record levels, with unique active users growing year-over-year across quarterly, monthly and daily timeframes. Features like the personalized newsfeed and workflow tools achieved record usage, and engagement with Doximity's suite of AI products increased fivefold compared to the previous year. We believe these trends underscore the platform's growing utility and its potential for further monetization. The primary growth driver for Doximity is the shift from traditional to digital marketing in healthcare. Currently, less than 30% of healthcare advertising is digital, versus greater than 80% in industries such as computing and media and entertainment. Given the superior Return on Investment (ROI) of digital advertising and increasing restrictions on in-person access to medical professionals, we anticipate that digital marketing will grow substantially, potentially reaching 50% of total healthcare advertising spend. We believe Doximity is well positioned to capture a greater share of this opportunity, potentially growing its portion of the digital market from about 5% to more than 25% over our investment time horizon. We believe Doximity can achieve mid-teens annual revenue growth, benefit from operating leverage as it continues to scale, and that operating profits and free cash flow will grow faster than revenue. We believe the current share price does not fully reflect these prospects and is thereby selling at a significant discount to our estimate of its intrinsic value, offering a compelling reward-to-risk opportunity.

We believe that markets are efficient over the long term, but innate behavioural biases like herding, overconfidence or loss aversion can influence investment decisions in the short term and create asset pricing anomalies. These pricing inefficiencies converge toward intrinsic value over time. Market efficiency is thereby dynamic, existing along a continuum between fully efficient and inefficient pricing.

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Therefore, we attempt to identify intrinsic value and exploit the long-term differential between this value and the market's current perception.

Ultimately, our job is to allocate capital to the most compelling reward-to-risk opportunities. Therefore, the more attractive the reward-to-risk opportunity, the larger the Fund's capital allocation and position weight. At the end of the period, the Fund held 43 positions, with the top 10 representing 60.4% of total assets.

Fund and benchmark performance, as at December 31, 2025	1 year	3 year	Since inception (Feb. 2021)
IA Clarington Loomis U.S. All Cap Growth Fund – Series A	6.2%	27.9%	13.0%
S&P 500 Index (CAD)	12.4%	23.5%	16.6%

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

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 Fund's benchmark is the S&P 500 Index (CAD). The S&P 500 Index (CAD) includes 500 leading companies in leading industries of the U.S. economy and is widely regarded as the best single gauge of the U.S. equities market. 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 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.

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