IA Clarington U.S. Dividend Growth Fund

Manager Commentary – Q2 2026

The U.S. equity market advanced in the second quarter, although the path remained uneven as investors weighed geopolitical developments, interest-rate expectations and the outlook for economic growth. Resilient corporate results and continued investment tied to artificial intelligence (AI) supported sentiment, particularly across parts of the information technology sector. At the same time, shifting expectations around inflation and monetary policy contributed to periods of volatility and meaningful differences in performance across sectors and investment styles.

We expect markets to remain choppy as investors balance a resilient earnings backdrop against shifting policy, interest-rate and geopolitical considerations. AI is likely to remain an important market theme, but we believe attention will increasingly turn toward the profitability and cash-flow implications of elevated investment. Within the large cloud platforms, the durability of cash flows and the ability to translate spending into attractive long-term returns should become increasingly important as expectations evolve.

The portfolio delivered a positive return over the quarter but lagged its benchmark. Relative performance was primarily affected by positioning and security selection within the information technology sector, where market leadership remained concentrated in several AI-oriented companies. Results were also affected by positioning across selected cyclical and defensive areas. This was partly offset by stronger security selection in the health care, consumer discretionary and consumer staples sectors, which provided a measure of balance during a quarter marked by significant differences in sector performance.

Portfolio activity was modest during the quarter and largely focused on incremental quality optimization rather than material changes in positioning. Position sizes reflect our highest-conviction ideas, and we believe the Fund remains well positioned to capitalize on opportunities should market volatility create attractive entry points. We continued to balance participation in long-term growth themes with an emphasis on business durability, valuation discipline and downside resilience. Our approach remains centred on companies with strong competitive positions, healthy balance sheets and the capacity to generate sustainable cash flows across a range of market conditions. We believe this provides a sound foundation while preserving flexibility as opportunities develop.

Fund and Benchmark Performance as at: June 30, 2026	Q2 2026	1-year	3-year	5-year	10-year
IA Clarington U.S. Dividend Growth Fund - Series F	12.0%	13.2%	16.9%	13.3%	11.4%
S&P 500 Index (CAD)	17.1%	27.2%	23.4%	16.5%	16.5%

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

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IA Clarington U.S. Dividend Growth Fund

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 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 invests in dividend paying stocks while the benchmark is comprised of companies, which may not necessarily pay a dividend. 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.

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.

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.

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