IA Clarington Global Dividend Fund

Manager Commentary – Q2 2026

Similar to recent quarters, the second quarter of 2026 was dominated by the conflict in Iran, as fighting continued to begin the quarter. A ceasefire was announced in early April, followed by several weeks of negotiations and culminating in a peace agreement by mid-June.

The Strait of Hormuz remained largely closed for most of the quarter, leading to a significant drawdown in global oil inventories. However, oil prices began to decline soon after the ceasefire announcement and dropped sharply once the peace deal was confirmed, moving from around US$100 on April 1 to US$70 by June 30. Rising energy prices pushed inflation higher, although the sharp decline in oil prices in June should help bring inflation down in the coming months.

Several central banks raised interest rates during the quarter, including the European Central Bank, the Bank of Japan, and the Reserve Bank of Australia, each by 25 basis points. In Canada, GDP declined in the first quarter, but available indicators suggest a rebound in the second quarter, while the labour market has stabilized and the risk of recession remains low. Equity markets delivered strong performance during the quarter, supported by the gradual resolution of the Iran conflict, while artificial intelligence (AI) remained the dominant market theme and continued to act as a major tailwind for global equities. For the quarter as a whole, the S&P 500 Index gained 14.1%, compared to 5.8% for the S&P/TSX Composite Index, while European markets also rebounded. The NASDAQ Composite and emerging markets led the rally, lifted largely by AI-related momentum.

The Fund's performance was driven primarily by strong stock selection in the health care and consumer discretionary sectors. Although the information technology sector generated solid absolute returns, stock selection within the sector detracted from relative performance. We maintained a disciplined approach, focusing on businesses with durable competitive advantages and consistent cash generation, rather than reacting to short-term market narratives.

We made several portfolio adjustments during the quarter as market conditions evolved. In the consumer discretionary sector, we exited a restaurant holding in favour of a homebuilder and increased our exposure to select European-facing companies. We reduced our allocation to the energy sector and, within the financials sector, trimmed exchange holdings while adding to a European bank. In the industrials and information technology sectors, we increased our exposure to companies benefiting from the growth of AI, including a power turbine manufacturer and a semiconductor equipment company, both of which occupy critical positions within the AI value chain.

We continue to emphasize high-quality businesses with pricing power, recurring revenue streams and strong balance sheets. The portfolio remains tilted toward companies benefiting from long-term trends in technology and automation, while maintaining exposure to essential services that provide stability. We favour management teams with disciplined capital allocation and a clear focus on long-term value creation. 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.

The outlook for the second half of 2026 remains constructive, supported by earnings growth and continued AI- related capital spending. That said, market leadership is still concentrated in a narrow group of AI beneficiaries, making earnings reports and hyperscaler (large cloud service providers) capex commentary

particularly important. We remain selective and valuation conscious, focusing on companies with strong balance sheets, durable cash flows and attractive reinvestment opportunities. We think this disciplined approach positions the portfolio well to deliver consistent long-term returns across a range of market environments.

Fund and Benchmark Performance as at: June 30, 2026	Q2 2026	1-year	3-year	Since Inception (Feb 2023)
IA Clarington Global Dividend Fund - Series F	11.4%	14.7%	15.4%	14.6%
MSCI World Index (CAD)	15.6%	26.2%	22.0%	21.1%

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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, the MSCI World Index, 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 consists of 23 developed market country indices. The Fund holds securities of companies which meet the fund manager's socially responsible investment principles, while the holdings in the benchmark may not align with these principles. 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.

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.

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