

# IA Clarington Global Balanced Plus Portfolio

## Manager Commentary – Q1 2026

The 12-month period ended March 31, 2026, was eventful on economic and geopolitical fronts. Global trade tensions in 2025 created economic uncertainty, although markets stabilized as these tensions gradually eased. The first quarter of 2026 was marked by significant geopolitical developments. Conflict in the Middle East and the resulting disruption to global energy supply had the most significant effect on the economy and financial markets. The disruption to oil transit through the Strait of Hormuz led to a substantial increase in energy prices, creating renewed inflationary pressure globally. Interest rates increased as inflation expectations rose, while the U.S. Federal Reserve (the Fed) kept its policy rate unchanged, balancing above-target inflation against a softening labour market. U.S. growth rebounded in the first quarter, supported in part by investment spending in artificial intelligence (AI).

In Canada, the labour market started the year on a weak footing, although inflation remained well controlled. Higher energy prices may create renewed upward pressure on prices, but Canada's geographic position and the importance of its energy sector should help limit negative effects. The Bank of Canada is expected to remain on hold. Global growth was strong at the start of the year, particularly in Europe and emerging markets, although the conflict in the Middle East is likely to alter this outlook, with more severe effects for net energy importers. In Europe, the Bank of England and the European Central Bank may be forced to raise rates.

Canadian fixed income, as represented by the FTSE Canada Universe Bond Index, returned 0.8% over the 12-month period as interest rates generally rose. The U.S. equity market, as represented by the S&P 500 Index, returned 17.8% in U.S.-dollar terms and 14.2% in Canadian-dollar terms. Canadian equities returned 34.8% over the period. The MSCI World Index and MSCI EAFE Index returned 15.3% and 17.6%, respectively, in Canadian-dollar terms.

The Fund is composed of four underlying funds: IA Clarington Strategic Corporate Bond Fund, IA Clarington Loomis Global Multisector Bond Fund, IA Clarington Strategic Income Fund and IA Clarington Loomis Global Allocation Fund. By design, the Fund has a static target allocation among its underlying funds, which is rebalanced monthly.

While all underlying funds posted positive returns for the 12-month period, the IA Clarington Loomis Global Allocation Fund and the IA Clarington Strategic Income Fund underperformed the benchmark.

For the IA Clarington Loomis Global Allocation Fund, security selection in the communication services sector was the largest contributor to equity performance over the period. The information technology, industrials and consumer staples sectors also contributed. Within fixed income, exposure to credit-sensitive sectors contributed as spreads tightened, and yield curve and duration positioning also contributed. The financials sector was the largest detractor from equity performance, followed by the health care, materials and energy sectors. In fixed income, underweight allocations to the agency mortgage-backed securities and global treasuries sectors modestly detracted, as did duration positioning in the Chinese renminbi and euro-pay markets.

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For the IA Clarington Strategic Income Fund, in the equity component, the financial and energy sectors were the largest contributors to performance. Toronto-Dominion Bank was the largest individual equity contributor, driven by stronger-than-expected results, an announced restructuring expected to produce ongoing cost savings and share repurchases. In fixed income, Keyera Corp. (6.875%, 13/06/2079) was the largest individual contributor following a consent solicitation that removed an automatic conversion provision. Exposure to the information technology sector was the largest detractor from equity performance. Waste Connections Inc. was the largest individual equity detractor, as the company incurred additional remediation expenses related to its Chiquita Canyon landfill. In fixed income, goeasy Ltd. (6%, 15/05/2030) detracted as issues across its loan portfolio caused net charge-offs to rise.

According to the underlying fund manager for the IA Clarington Loomis Global Allocation Fund, domestic fiscal policy risks are well known and should not drive long-term interest rates higher in the near term, although the conflict in the Middle East and associated costs add risk to this view. The underlying fund manager also believes the conflict in one of the world's largest oil-producing regions may exacerbate inflation risks, with particularly significant effects for net energy importers in Europe and Asia. Despite these issues, the underlying fund manager remains confident that the global expansion can persist given that many countries entered the energy shock with positive economic growth. The underlying fund manager believes the Fed may resume cutting interest rates, although the timing is uncertain.

According to the underlying fund manager for the IA Clarington Strategic Income Fund, economic growth may slow over the coming quarters as trade tensions and the conflict in the Middle East are likely to be a primary focus for financial markets over the short term. The underlying fund manager continues to hold higher-than-benchmark exposure to defensive businesses with attractive yields.

The Fund provides diversification by asset class and investment style, with the aim of delivering a smoother return profile through different market environments.

## Fund and Benchmark Performance as at March 31, 2026

## 1-year

## Since inception (Jun. 2024)

IA Clarington Global Balanced Plus Portfolio - Series F	10.4%	9.5%
20% FTSE Canada Universe Bond Index, 20% Bloomberg Global Aggregate Bond Index (CAD Hedged), 30% S&P/TSX Composite Index, 30% MSCI AC World Index (CAD) <sup>1</sup>	15.2%	14.1%

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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](https://iaclarington.com/glossary) and speak with your investment advisor.

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<sup>1</sup>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.

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 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 Universe Bond Index (20%), Bloomberg Global Aggregate Bond Index (Currency Hedged) (20%), S&P/TSX Composite Index (30%) and MSCI AC World Index (CAD) (30%). 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 Universe Bond Index consists of a broadly diversified selection of investment-grade Government of Canada, provincial, corporate and municipal bonds issued domestically in Canada. The Bloomberg Global Aggregate Index is a flagship measure of global investment grade debt from twenty-eight local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers. There are four regional aggregate benchmarks that largely comprise the Global Aggregate Index: the US Aggregate, the Pan European Aggregate, the Asian-Pacific Aggregate, and the Canadian Aggregate Indices. The S&P/TSX Composite Index is the premier indicator of market activity for Canadian equity markets, with 95% coverage of Canadian based, TSX-listed companies. The index includes common stock and income trust units and is designed to offer the IA Clarington Global Balanced Plus Portfolio representation of a broad benchmark index while maintaining the liquidity characteristics of narrower indices. 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, 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 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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