IA Clarington Global Equity Plus Portfolio

Manager Commentary – Q2 2026

Over the second quarter of 2026, the S&P 500 Index (C$) gained 17.1%, compared to 7.0% for the S&P/TSX Composite Index. European markets also rebounded, with the MSCI Europe Index (C$) rising 12.8%. However, the NASDAQ Composite Index (C$) and the MSCI Emerging Markets Index (C$) led the rally with returns of 23.6% and 26.1%, respectively, driven largely by momentum related to artificial intelligence (AI).

Globally, interest rates moved slightly higher, while corporate bond spreads tightened and remain tight from a historical perspective, leading to a modest positive return of 0.9% for the Bloomberg Global Aggregate Total Return Index (CAD Hedged).

The U.S. dollar strengthened significantly toward the end of the quarter, reflecting changing expectations for U.S. Federal Reserve policy, with markets now pricing in interest-rate hikes. Overall, the U.S. dollar appreciated by 2.4% against the Canadian dollar, as the interest-rate differential widened. Relative to its U.S. counterpart, the Canadian dollar has fallen to its lowest level since early 2025.

The Fund is composed of three equally weighted underlying funds: IA Clarington QV Global Equity Fund, IA Clarington Global Dividend Fund and IA Clarington Loomis Global Equity Opportunities Fund. By design, the Fund has a static target allocation, which is rebalanced monthly. Over the period, all three underlying funds underperformed the benchmark.

For IA Clarington QV Global Equity Fund, relative underperformance in the quarter was driven by its sector underweight position in information technology and overweight position in consumer staples and energy. This was somewhat offset by strong security selection within the health care and industrials sectors. As at June 30, 2026, the underlying fund held 45 positions across nine sectors, with a cash balance of approximately 2.6%. During the quarter, the underlying fund increased its sector weighting within communication services, consumer discretionary and health care, and decreased weightings across industrials, information technology, materials and energy. The underlying fund initiated positions in Hims and Hers Health Inc. (HIMS) and Microsoft Corp., re-initiated on Lennox International Inc. (LII), and exited Tokyo Electron Ltd. and Merck & Co. Inc.

With geopolitical tensions in the Middle East, persistently high U.S. inflation and interest rates, a narrow AI-led market rally, and ongoing trade and political uncertainty creating a mixed outlook for investors, the fund manager continues to favour a mix of reasonably valued, durable franchises and discounted cyclicals, compared to the singular AI-driven investment theme driving a large portion of today's market returns.

For IA Clarington Global Dividend Fund, 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. The underlying fund maintained a disciplined approach, focusing on businesses with durable competitive advantages and consistent cash generation, rather than reacting to short-term market narratives.

The manager made several portfolio adjustments during the quarter as market conditions evolved. In the consumer discretionary sector, the manager exited a restaurant holding in favour of a homebuilder and increased exposure to select European-facing companies. The manager reduced the underlying fund's allocation to the energy sector and, within the financials sector, trimmed exchange holdings while adding to a

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European bank. In the industrials and information technology sectors, the manager increased 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.

The manager continues 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.

For IA Clarington Loomis Global Equity Opportunities Fund, security selection in the information technology sector was the largest detractor from relative results; the financials and consumer discretionary sectors also detracted on a relative basis. Not having exposure to the energy sector was the largest contributor to relative performance, along with the industrials, communication services and health care sectors. The three largest contributors to performance were Taiwan Semiconductor Manufacturing Co. Ltd. (TSMC), KLA Corp. and ASML Holding NV. The three largest detractors from performance were Broadcom Inc., S&P Global Inc. and Tyler Technologies Inc.

Over the period, the manager initiated a position in Broadcom, reflecting confidence in its strong competitive position in AI-related semiconductors, attractive long-term growth prospects and disciplined capital allocation. The manager exited Expedia given concerns about management stability and the potential for strategic changes following key executive departures, while selling CGI because of weakening conviction in its ability to drive organic revenue growth and compound intrinsic value over the long term. The manager redeployed capital into higher-conviction opportunities and remain focused on investing in high-quality businesses with strong management teams, robust balance sheets and sustainable long-term value creation.

IA Clarington Global Equity Plus Portfolio provides exposure to complementary investment styles with the aim of delivering a smoother return profile through different market environments.

Fund and Benchmark Performance as at June 30, 2026	Q2 2026	1-year	Since inception (Jun. 2024)
IA Clarington Global Equity Plus Portfolio - Series F	11.9%	20.3%	14.9%
MSCI AC World Index (CAD)[1]	16.8%	28.6%	21.4%

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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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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 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 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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