

IA Clarington Multi-Strategy Alternative Pool

Manager Commentary – Q1 2026

The last 12 months were eventful on the economic and geopolitical fronts. 2025 was marked by global trade tensions that led to broad economic uncertainty. As those tensions gradually eased, the first quarter of 2026 brought renewed geopolitical disruption. The conflict in the Middle East and the resulting energy shock had the most significant effect on the economy and financial markets during the period. The blockade of the Strait of Hormuz led to a substantial reduction in global oil supply, pushing crude oil prices sharply higher by the end of March. Rising energy prices contributed to higher inflation expectations and higher interest rates globally.

The U.S. Federal Reserve held its policy rate steady during the quarter, balancing above-target inflation against signs of weakness in the labour market. U.S. growth rebounded in the first quarter, supported in part by investment spending in artificial intelligence (AI), although the conflict in the Middle East is expected to act as a challenge to growth. North American markets are less exposed to goods transiting through the Strait of Hormuz, and the U.S. is a net exporter of oil, suggesting that the effect on U.S. growth may be limited.

In Canada, the labour market started the year on a weak footing, with job losses erasing the gains recorded at the end of 2025. Inflation remained well controlled as of February, although higher energy prices could create renewed upward pressure. Canada's geographic position and the importance of its energy sector may help limit the negative effect on the domestic economy, and the Bank of Canada was expected to hold its policy rate steady. Global growth was strong at the start of the year, particularly in Europe and emerging markets, although the Middle East conflict in Iran is likely to alter the outlook. The effect could be more severe for net energy importers, including many European and Asian countries.

The Fund is a multi-manager, fund-of-funds solution that sources alternative strategies to provide a diversified source of returns designed to complement a traditional equity and bond balanced portfolio. The fund manager optimized the Fund's allocations to produce a combined portfolio with the objective of achieving attractive absolute returns and low volatility, ensuring strategic diversification across managers, strategy types and asset classes.

During the 12-month period ending March 31 2026, the fund manager made a one-time adjustment to the strategic weights of the underlying funds. The allocation to the IA Clarington Global Macro Advantage Fund was reduced and reallocated to the PICTON Market Neutral Equity Alternative Fund, which shares similar characteristics and objectives. The fund manager also made tactical allocation adjustments during the fourth quarter, shifting exposure from the RP Alternative Global Bond Fund into the PICTON Long Short Income Alternative Fund, reflecting risk management in a credit environment where credit spreads (the difference in yield between debt instruments with similar terms, but different credit ratings) remained tight. The Fund also initiated allocations to two private underlying funds, the PG Partners Fund Access Fund and the Blue Owl

IA Clarington Multi-Strategy Alternative Pool

Credit Income Trust, following the receipt of exemptive relief earlier in the year, with investments deployed as of November 1.

During the 12-month period ending March 31 2026, top contributors to the Fund's performance included the PICTON Market Neutral Equity Alternative Fund, the PICTON Long Short Income Alternative Fund and the IA Clarington Global Macro Advantage Fund. The PICTON Market Neutral Equity Alternative Fund delivered against its intended design, providing an uncorrelated source of risk-adjusted returns despite a challenging environment for active management characterized by narrow market leadership, record index concentration and macroeconomic-driven correlation spikes. The PICTON Long Short Income Alternative Fund maintained a defensive stance through the period, relying on short positions and credit hedges to mitigate downside risks, while allocations to capital structure opportunities such as limited recourse capital notes, hybrid securities and synthetic risk transfers performed well and provided additional stability. Short selling is an investment strategy that aims to generate positive returns from falling prices.

The IA Clarington Global Macro Advantage Fund delivered returns with low correlation to both equity and bond markets, driven primarily by commodities positioning with additional support from currencies and fixed income. Gains were generated from positions in cocoa, feeder cattle and copper. In currencies, a long position in the Norwegian krone against the U.S. dollar contributed, while in fixed income, tactical trades in U.S. Treasuries and a short position in Japanese government bonds added to returns.

The PG Partners Fund Access Fund detracted from the Fund's performance amid continued market volatility, as select direct assets faced challenges that resulted in negative valuation adjustments. Assets exited via public listing were affected by broader public market volatility. Real estate holdings also faced challenges as a result of the effects of earlier rapid interest-rate increases and broad valuation resets. However, private assets continued to create value in the portfolio, and the fund continued to deploy into new opportunities.

Elsewhere, the RP Alternative Global Bond Fund delivered positive returns, supported by active duration management and selective credit exposure. Duration was increased as yields became more attractive, resulting in a modest late-period mark-to-market headwind, while high-quality credit and idiosyncratic opportunities contributed positively. Overall, the portfolio remained defensively positioned with a focus on capital preservation. The Blue Owl Credit Income Trust continued to perform as designed, generating current income with a focus on risk management. Portfolio company fundamentals improved over 2025, non-accruals remained low, and overall credit performance remained stable, reflecting exposure to large, recession-resistant businesses.

The global economy has shown resilience, although the conflict in the Middle East has increased uncertainty for both economic and market outlooks. The most significant direct effect is on the price of oil, which could lead to higher inflation and higher interest rates. Fiscal pressures and persistent inflation uncertainty have reduced the reliability of traditional diversification, particularly the historical negative correlation between

IA Clarington Multi-Strategy Alternative Pool

equities and bonds. Against this backdrop, the fund manager believes alternatives could play an increasingly important role in portfolio construction. Strategies with the ability to dynamically manage duration, credit exposure and macroeconomic risks may offer diversification benefits that traditional allocations struggle to deliver, supporting more resilient outcomes across a wider range of market environments.

Fund and Benchmark Performance as at: March 31, 2026	1 year	Since inception (Nov. 2024)
IA Clarington Multi-Strategy Alternative Pool - Series F	3.7%	4.3%
22.5% Bloomberg Global Aggregate Corporate Index (CAD Hedged), 22.5% ICE BofA Global High Yield Constrained Index (CAD Hedged), 55% FTSE Canada 91-Day T-Bill Index	3.1%	3.1%

Get ahead

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

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 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 Bloomberg Global Aggregate Corporate Index (CAD Hedged) (22.5%), ICE BofA Global High Yield Constrained Index (CAD Hedged) (22.5%), and FTSE Canada 91-Day T-Bill Index (55%). The blended benchmark presented is intended to

iA Clarington Multi-Strategy Alternative Pool

provide a more realistic representation of the general asset classes in which the Fund invests. The Bloomberg Global Aggregate Bond Index (CAD-Hedged) covers the most liquid portion of the global investment grade fixed-rate bond market, including government, credit and collateralized securities, hedged to the Canadian dollar. The ICE BofA Global High Yield Constrained Index (CAD-Hedged) is a market value-weighted index, hedged to the Canadian dollar that tracks the performance of USD, CAD, GBP and EUR denominated below investment grade corporate debt publicly issued in the major domestic or Eurobond markets with issuer exposure capped at 2%. The FTSE Canada 91-Day T-Bill Index is designed to track the performance of Government of Canada 3-month Treasury Bills. The index is designed to reflect the performance of a portfolio that only owns the current on the run T-Bill, switching into the new T-Bill at each auction. 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.

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. Future looking statements are not guarantees of future performance and involve risks and uncertainties. Actual results and outcomes may differ materially from those expressed or implied. Opinions are subject to change without notice as market conditions or other factors evolve.

Commissions, trailing commissions, management fees, brokerage fees and expenses all may be associated with mutual fund investments, including investments in exchange-traded series of mutual funds. The information presented herein may not encompass all risks associated with mutual funds. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently, and past performance may not be repeated. Trademarks displayed herein that are not owned by Industrial Alliance Insurance and Financial Services Inc. are the property of and trademarked by the corresponding company and are used for illustrative purposes only.

The iA Clarington Funds are managed by iA Clarington Investments Inc. iA Clarington and the iA Clarington logo, iA Wealth and the iA Wealth logo, and iA Global Asset Management and the iA Global Asset Management logo are trademarks of Industrial Alliance Insurance and Financial Services Inc. and are used under license. iA Global Asset Management Inc. (iAGAM) is a subsidiary of Industrial Alliance Investment Management Inc. (iAIM).