

IA Clarington Dividend Growth Class

Manager commentary – Q4 2024

In the fourth quarter, the S&P/TSX Composite Index showed a modest gain of 3.76%, given mixed macroeconomic conditions and monetary pressures. The energy sector faced challenges in the latter half of the quarter owing to lower expectations for global demand. Technology companies followed global trends, with those related to artificial intelligence (AI) and semiconductors gaining some traction. A few key players have driven growth within the industrials sector, highlighting the importance of strategic selection within this sector. Our portfolio has benefited from positive security selection, particularly in the materials, information technology and industrials sectors, contributing to the Fund's performance during the quarter.

The macroeconomic landscape remains uncertain given inflation trends, central bank policies and the result of the U.S. election. We aim to closely monitor related policy developments and currency fluctuations as those could have significant impacts on Canadian energy and materials sectors. We believe that a nuanced approach, attentive to policy shifts and sector vulnerabilities, will be essential for stock selection in the upcoming market landscape.

The performance of IA Clarington Dividend Growth Class was largely driven by a select number of holdings within a few different sectors. Notably, Brookfield Asset Management Inc., Agnico Eagle Mines Ltd., GFL Environmental Inc. and Waste Connections Inc. were key contributors, benefiting from sector tailwinds. Our strategic and selective approach significantly contributed to these returns. However, The Toronto-Dominion Bank, UnitedHealth Group Inc. and Canadian Natural Resources Ltd. lagged as a result of various idiosyncrasies.

We have positioned the Fund to achieve long-term capital growth potential by focusing on the core Canadian sectors. Given our views on the energy demand necessary to support AI usage, we believe there are significant opportunities for energy companies to benefit from the AI rally. We are adopting a defensive posture in our portfolio, confident that it is well positioned to navigate upcoming uncertainties.

Fund and benchmark performance as at December 31, 2024	1 year	3 year	5 year	10 year
IA Clarington Dividend Growth Class – Series T6	20.1%	6.5%	7.8%	6.7%
15% S&P 500 Index (CAD), 85% S&P/TSX Composite Index	23.8%	9.4%	12.0%	9.7%

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

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 is a blend of 15% S&P 500 Index (CAD), and 85% S&P/TSX Composite Index. The blended benchmark presented is intended to provide a more realistic representation of the general asset classes in which the Fund invests. 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 S&P/TSX Composite Index which 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 representation of a broad benchmark index while maintaining the liquidity characteristics of narrower indices. 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. Effective February 7, 2014, IA Clarington Dividend Growth Fund merged into the Fund. Effective December 30, 2014, the investment objectives and strategies of the Fund were changed.

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 are historical annual compounded total returns.

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.

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. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

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