

IA Clarington Loomis U.S. All Cap Growth Fund

Manager commentary – Q3 2024

IA Clarington Loomis U.S. All Cap Growth Fund Series A returned 3.3% in the third quarter, while the S&P 500 TR Index (CAD) returned 4.5%. On a one-year basis, the return was 37.0% for the Fund compared to 36.2% for the benchmark.

Over the last six-month period, the Fund's stock selection in the health care, consumer discretionary and information technology sectors contributed to performance, as did its allocation to the communication services sector. Individual contributors to performance included NVIDIA Corp., Tesla Inc. and Oracle Corp.

The Fund's stock selection in the industrials, financials, consumer staples and communication services sectors detracted from performance, as did its allocations to the information technology, consumer discretionary and health care sectors. Individual detractors from performance included The Boeing Company, The Walt Disney Company and Mobileye Global Inc.

Increased positions in the Fund included Amazon.com Inc., Boeing, Monster Beverage Corp., Shopify Inc., Starbucks Corp. and Tesla.

Decreased positions included Meta Platforms Inc. and NVIDIA, as both positions had reached the maximum allowable size in the Fund.

A position in Grail Inc. was sold during the period. This small position was received via spin-off of another holding in the fund, Illumina Inc.

The fund manager believes that markets are efficient over the long term, but innate behavioural biases, such as herding, overconfidence or loss aversion, may influence investment decisions in the short term and create asset-pricing anomalies. These pricing inefficiencies converge toward intrinsic value over time (the market price that reflects a company's true worth). Market efficiency is thereby dynamic, existing along a continuum between fully efficient and inefficient pricing. Therefore, the fund manager attempts to identify intrinsic value and exploit the long-term differential between this value and the market's current perception.

The fund manager's investment process is characterized by bottom-up fundamental research and a long-term investment time horizon. The nature of the process leads to a lower-turnover portfolio in which sector positioning is the result of stock selection. The Fund ended the period with overweight positions in the communication services, consumer discretionary and health care sectors, and underweight positions in the financials, industrials, information technology and consumer staples

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sectors. The Fund had no exposure to stocks in the energy, materials, utilities or real estate sectors. The fund manager remains committed to a long-term investment approach of investing in those few high-quality businesses with sustainable competitive advantages and profitable growth when they trade at a significant discount to their intrinsic value.

Ultimately, the job of the fund manager is to allocate capital to the most compelling reward-to-risk opportunities. Therefore, the more attractive the reward-to-risk opportunity, the larger the Fund's capital allocation and position weight is likely to be. At the end of the period, the Fund held 42 positions, with the top-10 positions representing 53.8% of total assets. Collectively, the portfolio traded at a 47.3% weighted average discount to the fund manager's estimate of intrinsic value.

Fund and benchmark performance, as at September 30, 2024	1-year	3-year	Since inception (Feb. 2021)
IA Clarington Loomis U.S. All Cap Growth Fund – Series A	37.0%	10.7%	11.5%
S&P 500 Index (CAD)	36.2%	14.3%	16.2%

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 the S&P 500 Index (CAD). 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 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 time periods of more than one year are historical annual compounded total returns while returns for time periods of one year or less are cumulative figures and are not annualized.

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