

IA Clarington Global Risk-Managed Income Portfolio

Manager commentary – Q2 2024

Interest rates rose slightly during the quarter, with the U.S. 10-year yield increasing by approximately 20 basis points, leading to mostly flat returns for sovereign bond indices. Corporate bond spreads did not move much, staying at multi-year lows. Global equity markets continued to move higher, led by the U.S. market. Globally, the S&P/TSX Composite Index and the MSCI EAFE Index underperformed on a relative basis. Within equities, growth sectors such as information technology outperformed value sectors, such as utilities, on a relative basis. The Canadian dollar depreciated against the U.S. dollar by approximately 1%. On the commodities front, gold prices rose by 4.3% and copper prices by 9.6%, while oil prices declined by 2.0%.

We maintain a moderately positive view on equities and on the outlook for corporate earnings. Regarding fixed income, we hold a relatively “dovish” view of future Bank of Canada interest-rate moves, in the context of a slowing economy and a constrained household sector. We remain optimistic about the U.S. economy and continue to believe that the U.S. Federal Reserve (Fed) will not lower interest rates as much as is currently priced into the yield curve. A relatively weak Consumer Price Index print in May indicated that disinflation is proceeding in a way that is relatively encouraging for the Fed and supports government bonds.

During the quarter, the Fund’s top contributors included IA Clarington Dividend Growth Class and IA Clarington U.S. Dividend Growth Fund. The Fund has a perpetual option strategy in place, offering downside protection during large market drawdowns. This structural defensive positioning on equities detracted from performance.

Top detractors from performance included IA Clarington Strategic Equity Income Fund, IA Clarington Floating Rate Income Fund and IA Clarington Core Plus Bond Fund.

The Fund will structurally remain cautious on equities, with its main tool in achieving this positioning remaining to be its option collar position on the S&P 500 Index. The Fund also holds an overweight position in fixed income, which the fund manager believes should benefit from attractive yields offered within many areas of the fixed-income market.

Fund and benchmark performance, as at June 30, 2024	1 year	Since inception (Jan. 2022)
IA Clarington Global Risk-Managed Income Portfolio— Series A	9.3%	2.1%

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15% S&P 500 Index (CAD), 15% Bloomberg Global Aggregate Bond Index (CAD Hedged), 15% S&P/TSX Composite Index, 10% MSCI AC World Index (CAD)¹, 25% FTSE Canada Universe Bond Index, 20% FTSE Canada 91 Day T-Bill Index.	10.7%	4.1%
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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, visit iaclarington.com/glossary and speak with your investment advisor.

¹Source: 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.

The Fund's strategy is to invest in other investment funds. 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 15% S&P 500 Index (CAD), 15% Bloomberg Global Aggregate Bond Index (CAD Hedged), 15% S&P/TSX Composite Index, 10% MSCI AC World Index (CAD), 25% FTSE Canada Universe Bond Index and 20% FTSE Canada 91 Day T-Bill Index. The blended benchmark presented is intended to provide a more realistic representation of the general asset classes in which the Fund invests. 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 27 emerging market country indexes. 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 representation of a broad benchmark index while maintaining the liquidity characteristics of narrower indices. 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 FTSE Canada Universe Bond Index is comprised of Canadian investment grade bonds and has significantly different portfolio duration characteristics. 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 Bond Index (CAD Hedged) 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

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Asian-Pacific Aggregate, and the Canadian Aggregate Indices. The Global Aggregate Index also includes Eurodollar, Euro-Yen, and 144A Index-eligible securities, and debt from five local currency markets not tracked by the regional aggregate benchmarks (CLP, COP, MXN, PEN, and ILS). A component of the Multiverse Index, the Global Aggregate Index was created in 2000, with index history backfilled to January 1, 1990. The Fund may have different currency risk exposure than the benchmark. FTSE Canada 91 Day T-Bill Index consists of a benchmarks that tracks the performance of Government of Canada Treasury Bills, with 3-month T-Bills. The index is designed to reflect the performance of a portfolio that only owns a single security, the current on the run T-Bill for the relevant term, switching into the new T-Bill at each auction. 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 are historical annual compounded total returns.

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