

IA Clarington Global Dividend Fund

Manager commentary – Q2 2024

Within the U.S. market, the information technology and communication services sectors outperformed the broader market as trades related to artificial intelligence (AI) continue to drive an outsized amount of returns, while all other sectors have generally lagged behind. This bifurcation of the market by sector highlights investors' high expectations on AI growth in a slowing economic environment. In Canada, the materials, consumer staples and utilities sectors outperformed the market, while other sectors trailed slightly. In Europe, the equities markets shakily exited the second quarter as elections in both the U.K. and France were set to take place in early July.

In the North American market, we believe the AI rally cannot continue for much longer, and a correction is around the corner. In Europe, the market breathed a sigh of relief as results favourable to equities came in for both the U.K. and France. In all markets, the overarching theme remains focused on inflation and rate policies, as in-line inflation numbers continue to be printed in the U.S., Canada and the eurozone. With this slowing economic activity underway, going forward we believe defensive sectors like utilities, health care and consumer staples will likely provide a better risk-reward profile.

During the quarter, the Fund's performance was boosted by overweight positions in the information technology sector as AI continued to dominate the market. Stock selection also contributed, to performance, largely as the result of strong quarterly earnings from Broadcom Inc. and Alphabet Inc., with both seeing meaningful growth in AI related segments.

Outside of the information technology sector, our selection in the health care sector through Elevance Health Inc. and UnitedHealth Group Inc., as well as in the consumer discretionary sector through Amazon.com Inc. and Aramark, all contributed to overall performance.

We have positioned the Fund to deliver capital growth over the long run through our investments in best-in-class businesses that drive innovation in growing industries. Simultaneously, we recognize that there is low visibility on the economy in the near term. Thus, our holdings are not only assessed for their ability to generate long-term returns, but also for their defensibility in case of an economic downturn.

Given these short-term uncertainties, we've identified trends such as software and the energy transition to have the largest risk-reward asymmetry, mitigating the impact of an AI correction and economic downturn, while also capable of providing meaningful returns.

IA Clarington Global Dividend Fund

Fund and benchmark performance as at June 30, 2024	1 year	Since inception (Feb 2023)
IA Clarington Global Dividend Fund – Series A	17.5%	14.5%
MSCI World Index (CAD) ¹	24.3%	21.3%

For definitions of technical terms in this piece, please 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 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, the MSCI World Index, is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The MSCI World Index consists of 23 developed market country 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.

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.

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

IA Clarington Global Dividend Fund

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

The iA Clarington Funds are managed by IA Clarington Investments Inc. iA Clarington and the iA Clarington logo, and 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).