

IA Clarington Loomis International Growth Fund

Manager commentary – Q4 2024

Over the long term, we believe that markets are efficient. Near term, however, we believe innate behavioural biases, such as herding, overconfidence or loss aversion, may influence investment decisions and create asset pricing anomalies. These pricing inefficiencies converge toward intrinsic value over time. Market efficiency is thereby dynamic, existing along a continuum between fully efficient and inefficient pricing. Therefore, we attempt to identify intrinsic value and exploit the long-term differential between this value and the market's current perception. We look to invest in those few high-quality businesses with sustainable competitive advantages and profitable growth when they trade at a significant discount to intrinsic value.

Stock selection in the consumer discretionary, financials and health care sectors, as well as our allocations to the information technology sector, contributed to relative performance. Stock selection in the information technology, consumer staples, industrials and communication services sectors, as well as our allocations to the financials, healthcare, and consumer staples sectors detracted from relative performance.

Below we highlight a few fund holdings: Tesla Inc., Shopify Inc., Trip.com Group Ltd., Novo Nordisk AS, Wisetech Global Ltd. and MercadoLibre Inc.

Founded in 2003, Tesla is a global leader in the design, manufacturing, and sales of high-performance fully electric (battery) vehicles (EVs). With a mission that includes accelerating the world's transition to sustainable energy, no other brand is more-closely associated with EVs, and the company has become the dominant global EV manufacturer.

Shopify is a leading global provider of mission-critical commerce infrastructure that enables retail companies to start, grow, market and manage a retail business of any size. Shopify's cloud-based platform offers merchants an end-to-end solution that was previously only available to significantly larger businesses. The platform enables merchants to sell anywhere and in any language, facilitating cross-border commerce for end customers who can shop using their local currencies, languages, domains and payment methods. With a mission to improve commerce and empower merchants to realize their potential by making a complex process simple, the company has effectively created a retail operating system used by over two million merchants in more than 175 countries.

China-based Trip.com, formerly known as Ctrip, is the world's largest global travel platform. Founded in 1999, the company offers a comprehensive, integrated platform on which travelers can make arrangements for lodging, transportation, packaged tours and other related services, as well as

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providing corporate travel management services. The company provides its services in China through its Ctrip and Qunar platforms, and serves non-Chinese customers primarily through Trip.com and Skyscanner.

Headquartered in Denmark, Novo Nordisk is a global health care company with more than 100 years of innovation and leadership in diabetes care. Today, over 90% of Novo's sales are related to diabetes and obesity.

Wisetech Global is the leading software solutions provider to the global logistics industry. Founded in 1994 to provide freight-forwarding and customs software to the Australian logistics industry, Wisetech solutions are used, in whole or in part, by more than 90% of the world's 50-largest third-party logistics providers (3PLs) and all of the 25-largest freight forwarders, led by the company's primary SAAS (software-as-a-service) platform, CargoWise One. From a single unified platform the company offers function-specific and enterprise-wide modules that support the complex international movement of goods and create substantial efficiencies for its logistics clients. The company's vision is to become the world's operating system for global logistics.

MercadoLibre is the largest online commerce platform in Latin America. The company offers its users an ecosystem of six integrated e-commerce services that include its marketplace, payment and fintech solutions, shipping and logistics, advertising, classified listings, and merchant web services. The company operates in 18 countries representing the vast majority of Latin American GDP, and its 218 million active users in 2023, represented over 45% of the region's estimated 480 million internet users.

Our 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 where sector positioning is the result of stock selection. At quarter-end, the Fund held overweight positions in the consumer discretionary, health care, information technology, consumer staples and communication services sectors. We held underweight positions in the financials and industrials sectors, while holding no positions in the materials, energy, real estate or utilities sectors. We remain committed to our long-term investment approach to invest in those few high-quality businesses with sustainable competitive advantages and profitable growth when they trade at a significant discount to intrinsic value.

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

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