

IA Clarington American Fund

Series A, F, I and O Units

Interim Management Report of Fund Performance

June 30, 2011

This interim management report of fund performance contains financial highlights but does not contain the complete interim financial statements of the Fund. You can get a copy of the interim financial statements at your request, and at no cost, by calling 1-888-860-9888, by writing to us at 522 University Avenue, Suite 700, Toronto, ON M5G 1Y7, or by visiting our website at www.iaclarington.com or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

The management discussion of fund performance for IA Clarington American Fund ("the Fund") represents management's view of the significant factors and developments affecting the Fund's performance and outlook. IA Clarington Investments Inc. is the manager (the "Manager") of the Fund.

In this report, "Net Assets" or "Net Assets per Unit" are references to net assets as determined in accordance with Canadian generally accepted accounting principles ("GAAP") as presented in the Fund's financial statements. All references to "Net Asset Value", "Net Asset Value per Unit" or "NAV" are referenced to the net asset value as determined in accordance with National Instrument 81-106 – Investment Fund Continuous Disclosure, which is used for transactional purposes, including fund purchases and fund redemptions.

The Fund's portfolio advisor is Industrial Alliance Management Inc. ("IAIM") and McLean Budden Limited ("McLean Budden") is the sub-advisor (the "Portfolio Sub-Advisor").

Results of Operations

The Fund's Net Assets decreased by 0.7% or \$0.4 million during the period, from \$54.4 million on December 31, 2010 to \$54.0 million on June 30, 2011. This change in Net Assets resulted from a decrease of \$0.3 million due to net redemptions and a decrease of \$0.1 million due to investment operations, including market volatility, income and expense.

The average Net Assets of the Fund decreased by 2.1% or \$1.2 million in comparison to the prior year, from \$57.1 million to \$55.9 million. Average Net Assets influence revenue earned and expenses incurred by the Fund during the period.

The Series A units of the Fund returned -0.8% for the six-month period ending June 30, 2011. The performance of the other series of the Fund is substantially similar, save for differences in expense structure. Refer to the "Past Performance" section for the performance information of each series.

The Fund's benchmark and broad-based benchmark, S&P 500 Index, returned 2.8% over the same six-month period. The Fund's return calculation for all series includes fees and expenses which are not applicable in generating a return for the benchmark.

The Fund's lagging performance was attributed to weak holdings within Financials (The Goldman Sachs Group, Inc., Bank of America Corp.), Information Technology (Hewlett-Packard Co., Cisco Systems, Inc.) and Energy (Ultra Petroleum Corp.). The Fund's bias towards large capitalisation stocks also contributed to the underperformance, as market participants' risk appetite, which remained elevated during the early part of the year, favoured mid- and small-cap names relative to large capitalization stocks.

Throughout 2011, volatile markets provided attractive buying opportunities. The Fund marginally increased its exposure to Industrials and Health Care stocks, while reducing exposure to Information Technology and Energy holdings. Within Consumer Staples, the Portfolio consolidated its positions with the selling of CVS Caremark Corp. and Sysco Corp. during the first quarter of 2011. In Materials, Mosaic Co. was sold while Freeport-McMoRan Copper & Gold Inc. was added. Within the Energy sector, Peabody Energy Corp. was added and Transocean Ltd. sold. During the second quarter, CME Group Inc. (Financials), Nuance Communications, Inc. (Information Technology) and Johnson Controls, Inc. (Consumer Discretionary) were added, while Cisco Systems, Inc. was sold. During the period, the Fund maintained a well-diversified exposure to all 10 economic sectors, distributed between approximately 45 to 50 stocks.

The Fund is currently positioned defensively, with an overweight in the Health Care and Telecommunication sectors where valuations remain attractive and basic characteristics, such as cash flow and dividend yield, are compelling. The Fund continues to favour a relatively high exposure to capital expenditures as well, while maintaining an underweight to Consumer Discretionary. Industrials and Information Technology exporting companies with a long product cycle should, on a long-term basis, continue to benefit from capital spending and infrastructure building domestically and abroad. The Portfolio Sub-Advisor continues to place an emphasis on large capitalization and high quality companies with healthy balance sheets and sustainable prospects.

Optimism early in 2011, that the U.S. economy was finally on the path toward self-sustaining, above-trend growth, was subsequently dashed by the jump in oil prices and the impact on the global supply chain from Japan's earthquake and tsunami. Real GDP growth will likely come in around 2% for the second quarter, barely above first quarter's 1.9% pace and down from the 2.5%-3% range in the second half of 2010. Leading indicators point to slow, but positive, growth ahead as auto production schedules normalize and business confidence snaps back. The key, as always, is employment but the job market has softened. After posting solid gains in the early part of the year, job growth slowed in the second quarter, and the number of people filing for unemployment benefits began to rise again.

Recent Developments

The U.S. economy remains in a very sub-par recovery, by historic standards. This is typically what happens after a severe balance sheet recession accompanied by a financial crisis, de-leveraging in the private sector remains a headwind for years after the crisis ends, and consumers and businesses remain cautious. Furthermore, policy efforts inevitably peter out—as evidenced by the failure of 'QE2' (Quantitative Easing 2) to provide any lasting stimulus to the U.S. economy. Additional long-term headwinds for the U.S. economy include the renewed weakness in the housing market and looming fiscal austerity, which will be part of any deal reached to raise the debt ceiling ahead of the early-August deadline.

In this environment, inflation will remain low and the Federal Reserve is unlikely to end its near 0% policy rate any time soon. That said, core inflation appears to have bottomed, suggesting the hurdle for 'QE3' will be quite high as the current economy is not facing the same imminent deflation risk it did last August when Chairman of the Federal Reserve, Ben Bernanke, first publically discussed the second quarter.

The Portfolio Sub-Advisor believes that there are three main factors behind the pullback in U.S. equities over the past few months; a slowdown in global growth, tightening monetary policy in emerging markets due to rising inflation, and Europe's sovereign debt crisis. Part of the slowdown is due to cyclical reasons such as the prior jump in oil prices and dislocations resulting from Japan's earthquake. These factors are ebbing, which is positive. However, economic risks remain to the downside, with "QE2" ending, emerging markets tightening, the ECB (European Central Bank) raising rates and global fiscal austerity a major theme courtesy of Greece. Furthermore, easy macro policy is fading at a time when balance sheet de-leveraging is ongoing. At the moment, global leading indicators point to slow, but positive, growth and a global recovery that will remain sub-par. In the near-term, it is the Portfolio Sub-Advisor's opinion that a lot of bad news is priced into the market, assuming no recession and no imminent Greek default. U.S. equity valuations appear to be undemanding, even accounting for some further cuts to earnings estimates, and global economic growth expectations seem to be at levels where positive surprises may soon begin.

In this environment, larger capitalization stocks should outperform small capitalization stocks as investors look to reward liquidity and re-evaluate risk premiums and valuations. The overall investment strategy will remain the same, as the Portfolio Sub-Advisor will continue to focus on high quality, stable, large capitalization companies with strong non-U.S. based revenues and solid balance sheets, trading at attractive prices.

International Financial Reporting Standards (IFRS)

The Accounting Standards Board of the Canadian Institute of Chartered Accountants has announced in January 2011 that it has decided to defer the mandatory adoption of IFRS for investment funds that apply the Accounting Guideline on Investment Companies ("AcG-18") to January 1, 2013 instead of January 1, 2012, as it had been previously decided. The Fund, therefore, will adopt IFRS in the financial year beginning on January 1, 2013, and will produce its first financial statements in accordance with IAS 34, Interim Financial Reporting, for the semi-annual period ending on June 30, 2013.

In order to be ready for the changeover to IFRS, the Fund, by way of the Manager, has developed a transition plan containing three phases: 1) identification of the risks; 2) implementation of the new standards; and 3) conversion. During the next two years, the Fund will evaluate the financial consequences and impacts of the conversion to IFRS and complete the design of financial statements and the notes to

IA Clarington American Fund

June 30, 2011

the financial statements according to IFRS requirements. The Fund will also evaluate the impact of the new accounting standards on disclosure controls and procedures and internal control over financial reporting and make the necessary changes. The Manager anticipates there will be changes to the financial statements but the impact, if any, cannot be reasonably estimated at this time. Training and communication plans will continue throughout the year to prepare and assess the required information.

Given the evolution of accounting standards, the overall impact of adopting IFRS on the Fund's financial situation and future results cannot be reasonably established until the process is completed.

Related Party Transactions

The Fund paid the Manager management fees that are calculated daily on the Net Asset Value attributable to each series. The management fees paid are disclosed in the financial statements.

Industrial Alliance Insurance and Financial Services Inc. ("Industrial Alliance") is the sole parent of the Manager. During the period, the Fund paid fund accounting fees to Industrial Alliance. The amounts paid are disclosed in the financial statements.

The Fund is responsible for payment of all expenses relating to the operation of the Fund and the carrying on of its business, except for those expenses relating to Series I units. This includes, but is not limited to, legal, audit and custodial fees, taxes, brokerage fees, interest, operating and administrative fees, costs and expenses. In addition, the Fund is also responsible for the fees, costs and expenses of financial and other reports and prospectuses required to comply with all regulatory requirements in connection with the distribution of securities of the Fund, except for those expenses relating to Series I units. A certain portion of these fees (including fund accounting fees) and expenses are initially paid for by the Manager, and then recovered from the Fund.

At its sole discretion, the Manager waived management fees or absorbed expenses of the Fund. The management expense ratios of each of the series of units of the Fund with and without the waivers and absorptions are reported in the following Ratios and Supplemental Data table.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the periods indicated.

| The Fund's Net Assets per Unit (\$) ¹ | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Series A | 06/30 2011 | 12/31 2010 | 12/31 2009 | 12/31 2008 | 12/31 2007 | 12/31 2006 |
| Net Assets, beginning of period | 4.77 | 4.66 | 4.26 | 5.66 | 6.13 | 5.43 |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 0.04 | 0.08 | 0.09 | 0.09 | 0.11 | 0.15 |
| Total expenses | (0.06) | (0.11) | (0.10) | (0.12) | (0.15) | (0.13) |
| Realized gains (losses) for the period | (0.05) | 0.03 | (0.60) | (0.46) | 0.24 | 0.10 |
| Unrealized gains (losses) for the period | 0.04 | 0.05 | 1.02 | (0.91) | (0.59) | 0.58 |
| Transaction costs | - | - | - | - | - | - |
| Total increase (decrease) from operations² | (0.03) | 0.05 | 0.41 | (1.40) | (0.39) | 0.70 |
| Distributions: | | | | | | |
| From income (excluding dividends) | - | - | - | - | (0.05) | - |
| From dividends ⁴ | - | - | - | - | - | - |
| From capital gains | - | - | - | - | - | - |
| Return of capital | - | - | - | - | - | - |
| Total distributions³ | - | - | - | - | (0.05) | - |
| Net Assets, end of period | 4.73 | 4.77 | 4.66 | 4.26 | 5.66 | 6.13 |

| The Fund's Net Assets per Unit (\$) ¹ | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Series F | 06/30 2011 | 12/31 2010 | 12/31 2009 | 12/31 2008 | 12/31 2007 | 12/31 2006 |
| Net Assets, beginning of period | 10.90 | 10.54 | 9.59 | 10.00 | - | - |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 0.09 | 0.17 | 0.19 | 0.04 | - | - |
| Total expenses | (0.06) | (0.11) | (0.10) | (0.02) | - | - |
| Realized gains (losses) for the period | (0.10) | 0.07 | (1.50) | - | - | - |
| Unrealized gains (losses) for the period | 0.24 | (0.44) | 2.28 | 0.23 | - | - |
| Transaction costs | - | - | (0.01) | - | - | - |
| Total increase (decrease) from operations² | 0.17 | (0.31) | 0.86 | 0.25 | - | - |
| Distributions: | | | | | | |
| From income (excluding dividends) | - | (0.07) | - | (0.11) | - | - |
| From dividends ⁴ | - | - | (0.12) | - | - | - |
| From capital gains | - | - | - | - | - | - |
| Return of capital | - | - | - | - | - | - |
| Total distributions³ | - | (0.07) | (0.12) | (0.11) | - | - |
| Net Assets, end of period | 10.88 | 10.90 | 10.54 | 9.59 | - | - |

| The Fund's Net Assets per Unit (\$) ¹ | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Series I | 06/30 2011 | 12/31 2010 | 12/31 2009 | 12/31 2008 | 12/31 2007 | 12/31 2006 |
| Net Assets, beginning of period | 6.28 | 6.07 | 5.50 | 7.28 | 7.69 | 6.67 |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 0.05 | 0.10 | 0.11 | 0.12 | 0.14 | 0.04 |
| Total expenses | - | - | - | - | - | - |
| Realized gains (losses) for the period | (0.07) | 0.04 | (0.78) | (0.61) | 0.30 | 0.17 |
| Unrealized gains (losses) for the period | 0.05 | (0.92) | 1.34 | (1.18) | (0.78) | 0.94 |
| Transaction costs | - | - | - | - | (0.01) | - |
| Total increase (decrease) from operations² | 0.03 | (0.78) | 0.67 | (1.67) | (0.35) | 1.15 |
| Distributions: | | | | | | |
| From income (excluding dividends) | - | (0.09) | - | (0.11) | (0.06) | - |
| From dividends ⁴ | - | - | (0.10) | - | - | - |
| From capital gains | - | - | - | - | - | - |
| Return of capital | - | - | - | - | - | - |
| Total distributions³ | - | (0.09) | (0.10) | (0.11) | (0.06) | - |
| Net Assets, end of period | 6.30 | 6.28 | 6.07 | 5.50 | 7.28 | 7.70 |

Financial Highlights (continued)

| The Fund's Net Assets per Unit (\$) ¹ | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Series O | 06/30 2011 | 12/31 2010 | 12/31 2009 | 12/31 2008 | 12/31 2007 | 12/31 2006 |
| Net Assets, beginning of period | 6.28 | 5.70 | - | - | - | - |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 0.05 | 0.05 | - | - | - | - |
| Total expenses | - | - | - | - | - | - |
| Realized gains (losses) for the period | (0.07) | 0.01 | - | - | - | - |
| Unrealized gains (losses) for the period | 0.03 | 0.71 | - | - | - | - |
| Transaction costs | - | - | - | - | - | - |
| Total increase (decrease) from operations² | 0.01 | 0.77 | - | - | - | - |
| Distributions: | | | | | | |
| From income (excluding dividends) | - | (0.09) | - | - | - | - |
| From dividends ⁴ | - | - | - | - | - | - |
| From capital gains | - | - | - | - | - | - |
| Return of capital | - | - | - | - | - | - |
| Total distributions³ | - | (0.09) | - | - | - | - |
| Net Assets, end of period | 6.30 | 6.28 | - | - | - | - |

- The per unit data is derived from the Fund's audited annual financial statements for prior periods and from the interim unaudited financial statements, for the current period ended June 30, 2011. The Net Assets per Unit presented in the financial statements can differ from the Net Asset Value per Unit calculated for fund pricing purposes. An explanation of these differences can be found in the Notes to the Financial Statements. It is not intended that the Fund's Net Assets per Unit table act as a continuity of opening and closing Net Assets per Unit.
- Net Assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.
- Distributions were paid in cash or reinvested in additional units of the Fund, or both.
- Distributions qualified for Canadian dividend tax credit.

| Ratios and Supplemental Data | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Series A | 06/30 2011 | 12/31 2010 | 12/31 2009 | 12/31 2008 | 12/31 2007 | 12/31 2006 |
| Total NAV (\$) (000's) ¹ | 14,580 | 15,850 | 19,100 | 18,051 | 26,360 | 33,197 |
| Number of units outstanding (000's) ¹ | 3,080 | 3,322 | 4,093 | 4,240 | 4,652 | 5,413 |
| Management expense ratio (%) ^{2,3} | 2.49 | 2.47 | 2.46 | 2.39 | 2.40 | 2.39 |
| Management expense ratio before waivers or absorptions (%) ^{2,3,4} | 2.79 | 2.82 | 2.81 | 2.69 | 2.72 | 2.54 |
| Trading expense ratio (%) ⁵ | 0.02 | 0.03 | 0.09 | 0.07 | 0.06 | 0.09 |
| Portfolio turnover rate (%) ⁶ | 15.37 | 26.34 | 37.06 | 32.95 | 28.57 | 61.66 |
| NAV per unit (\$) | 4.73 | 4.77 | 4.67 | 4.26 | 5.67 | 6.13 |

| Ratios and Supplemental Data | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Series F | 06/30 2011 | 12/31 2010 | 12/31 2009 | 12/31 2008 | 12/31 2007 | 12/31 2006 |
| Total NAV (\$) (000's) ¹ | 24 | 38 | 62 | 87 | - | - |
| Number of units outstanding (000's) ¹ | 2 | 3 | 6 | 9 | - | - |
| Management expense ratio (%) ^{2,3} | 1.10 | 1.05 | 1.03 | 1.32 | - | - |
| Management expense ratio before waivers or absorptions (%) ^{2,3,4} | 1.19 | 1.16 | 1.67 | 1.32 | - | - |
| Trading expense ratio (%) ⁵ | 0.02 | 0.03 | 0.09 | 0.07 | - | - |
| Portfolio turnover rate (%) ⁶ | 15.37 | 26.34 | 37.06 | 32.95 | - | - |
| NAV per unit (\$) | 10.89 | 10.90 | 10.55 | 9.59 | - | - |

| Ratios and Supplemental Data | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Series I | 06/30 2011 | 12/31 2010 | 12/31 2009 | 12/31 2008 | 12/31 2007 | 12/31 2006 |
| Total NAV (\$) (000's) ¹ | 1,042 | 1,064 | 39,783 | 37,579 | 53,807 | 57,890 |
| Number of units outstanding (000's) ¹ | 165 | 169 | 6,548 | 6,833 | 7,382 | 7,515 |
| Management expense ratio (%) ^{2,3} | - | - | - | - | - | 0.04 |
| Management expense ratio before waivers or absorptions (%) ^{2,3,4} | 0.07 | 0.07 | 0.07 | 0.05 | 0.05 | 0.12 |
| Trading expense ratio (%) ⁵ | 0.02 | 0.03 | 0.09 | 0.07 | 0.06 | 0.09 |
| Portfolio turnover rate (%) ⁶ | 15.37 | 26.34 | 37.06 | 32.95 | 28.57 | 61.66 |
| NAV per unit (\$) | 6.31 | 6.28 | 6.08 | 5.50 | 7.29 | 7.70 |

| Ratios and Supplemental Data | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Series O | 06/30 2011 | 12/31 2010 | 12/31 2009 | 12/31 2008 | 12/31 2007 | 12/31 2006 |
| Total NAV (\$) (000's) ¹ | 38,426 | 37,414 | - | - | - | - |
| Number of units outstanding (000's) ¹ | 6,096 | 5,958 | - | - | - | - |
| Management expense ratio (%) ^{2,3} | 0.11 | 0.11 | - | - | - | - |
| Management expense ratio before waivers or absorptions (%) ^{2,3,4} | 0.16 | 0.16 | - | - | - | - |
| Trading expense ratio (%) ⁵ | 0.02 | 0.03 | - | - | - | - |
| Portfolio turnover rate (%) ⁶ | 15.37 | 26.34 | - | - | - | - |
| NAV per unit (\$) | 6.30 | 6.28 | - | - | - | - |

- This information is provided as at each period shown.
- Management expense ratios are based on total expenses (excluding commissions and other portfolio transaction costs) of each series for the stated period and are expressed as an annualized percentage of each series' daily average NAV during the period.
- The annual management fee of the Fund is 2.00% for Series A units, 0.90% for Series F units and 0% for Series I and Series O units, before the application of taxes. Series O units were charged a fixed expense fee at 0.15%, but paid 0.10%, net of waivers by the Manager, before application of taxes.
- At its sole discretion, the Manager waived management fees or absorbed expenses of the Fund. Such waivers and absorptions can be terminated at any time, but can be expected to continue for the Fund until such time as the Fund is of sufficient size to reasonably absorb all management fees and expenses incurred in its operation, although the amount of any such waiver or absorption may change from time to time.
- The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the Fund's daily average NAV during the period.
- The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship or correlation between a high turnover rate and the performance of a Fund.

Management Fees

Management fees paid by the Fund per series are based on applying the annual management fee rate per series to the daily average NAV of each series and are recorded on an accrual basis.

Breakdown of major services received by the Fund in consideration of the management fees for the period, as a percentage of the management fee:

| Management Fees (%) | | |
|---------------------|---------------------|-------|
| Series | Trailer commissions | Other |
| Series A | | |
| FE | 55 | 45 |
| LL First 3 years | 25 | 75 |
| LL After 3 years | 55 | 45 |
| DSC First 7 years | 25 | 75 |
| DSC After 7 years | 55 | 45 |
| Series F | – | 100 |
| Series I | – | – |
| Series O | – | – |

FE – front end; LL – low load; DSC – deferred sales charge

Other – includes general administration, investment advice and profit.

Past Performance

The performance information shown (based on NAV) assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. The performance information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

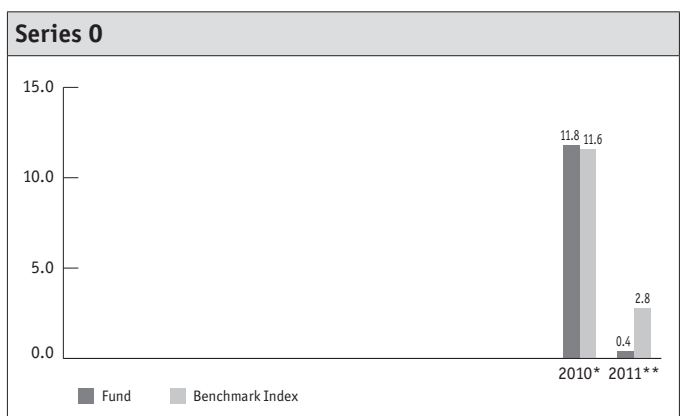
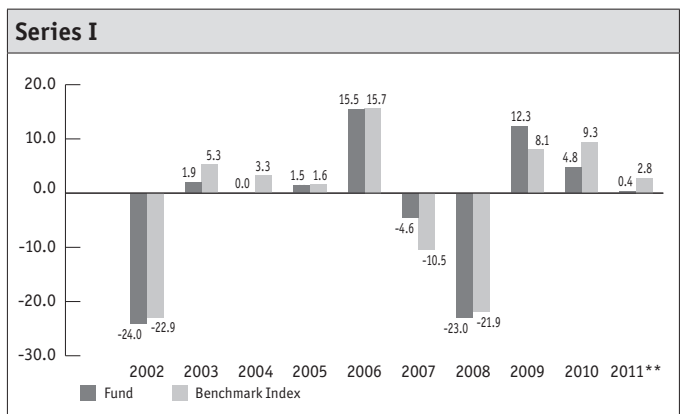
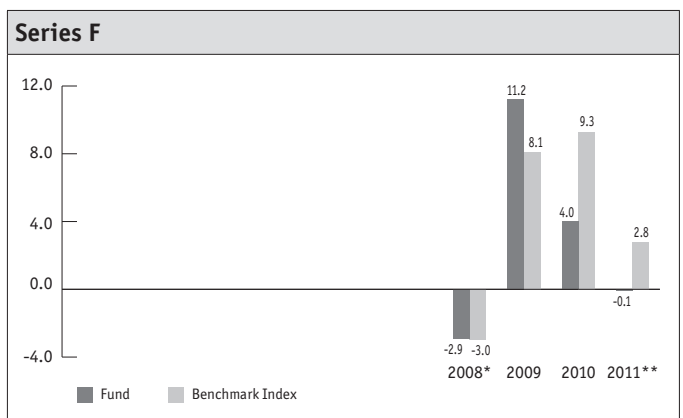
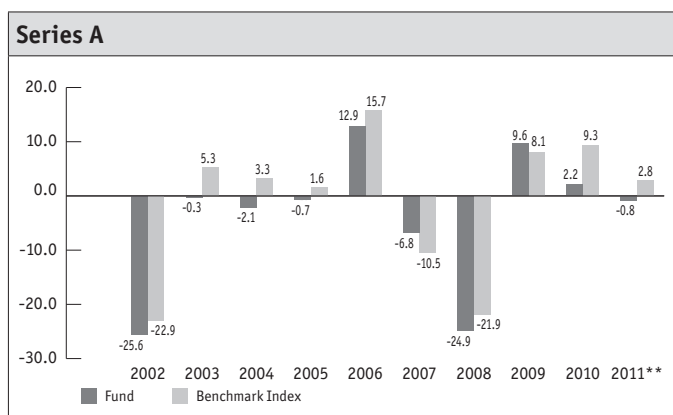
On December 31, 2001, IA Clarington American Fund underwent a merger that was a material change for the Fund. In accordance with applicable securities law, we may only publish performance for periods after December 31, 2001.

On April 1, 2005, IAIM assumed portfolio advisory responsibilities of the Fund and appointed McLean Budden Limited as Sub-Advisor. The performance of the Fund prior to this date could have been different had the change been in effect during this period.

Year-by-Year Returns

The bar charts show the Fund's and the benchmark index's performance for the six-month period ended June 30, 2011, and for each of the previous 12-month periods ended December 31. The charts show in percentage terms how an investment made on January 1 would have increased or decreased by the end of the period.

The benchmark index (the "Benchmark Index") consists of the S&P 500 Index.



* Return shown is for the partial period ending December 31.

** Return shown is for the six-month period ended June 30, 2011.

The S&P 500 Index 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. Although the S&P 500 Index focuses on the large cap segment of the market, its coverage includes approximately 75% of the market.

A discussion of the performance of the Fund as compared to the Benchmark Index is found in the "Results of Operations" section of this report.

IA Clarington American Fund

June 30, 2011

Summary of Investment Portfolio

As at June 30, 2011

The summary of investment portfolio shown, as a percentage of total NAV, may change due to ongoing portfolio transactions of the Fund and a quarterly update is available on the Manager's website.

| Sector Allocation | % |
|-------------------------------|---------------|
| Information Technology | 17.19 |
| Financials | 15.80 |
| Health Care | 14.62 |
| Energy | 12.95 |
| Industrials | 10.19 |
| Consumer Staples | 10.02 |
| Consumer Discretionary | 7.87 |
| Materials | 5.16 |
| Telecommunication Services | 4.71 |
| Utilities | 0.99 |
| Cash and Cash Equivalents | 0.30 |
| Other Assets less Liabilities | 0.20 |
| Total | 100.00 |

The top positions held by the Fund (up to 25) are shown as a percentage of the total NAV:

| Top Holdings | % |
|-------------------------------|------|
| Merck & Co., Inc. | 3.90 |
| Pfizer Inc. | 3.64 |
| JPMorgan Chase & Co. | 3.63 |
| Microsoft Corp. | 3.61 |
| ACE Ltd. | 3.40 |
| Bank of America Corp. | 3.30 |
| Apache Corp. | 3.19 |
| AT&T Inc. | 3.08 |
| Wal-Mart Stores Inc. | 3.05 |
| Pepsico Inc. | 3.04 |
| Hewlett-Packard Co. | 2.98 |
| Exxon Mobil Corp. | 2.90 |
| Colgate-Palmolive Co. | 2.81 |
| Schlumberger Ltd. | 2.48 |
| General Electric Co. | 2.36 |
| UnitedHealth Group Inc. | 2.30 |
| Amgen Inc. | 2.29 |
| The Goldman Sachs Group, Inc. | 2.25 |
| United Technologies Corp. | 2.23 |
| Wells Fargo & Co. | 2.17 |
| Monsanto Co. | 2.07 |
| Qualcomm Inc. | 2.03 |
| Google Inc., Class A | 1.90 |
| International Paper Co. | 1.86 |
| Verizon Communications Inc. | 1.63 |

Forward-Looking Statements

This management report of fund performance may contain forward-looking statements which reflect the current expectations of the Manager (or, where indicated, the Portfolio Advisor or Portfolio Sub-Advisor) regarding the Fund's future growth, results of operations, performance and business prospects and opportunities. These statements reflect the current beliefs of the person to which the statements are attributed with respect to future events and are based on information currently available to that person. Forward-looking statements involve significant risks, uncertainties and assumptions. Many factors could cause the Fund's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. These factors could include, among other things, general economic, political and market factors, including interest and foreign exchange rates, business competition, changes in government regulations or in tax laws. Although the forward-looking statements contained in this report are based upon what management currently believes to be reasonable assumptions, the Manager cannot assure current or prospective investors that actual results, performance or achievements will be consistent with these forward-looking statements.

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