

IA Clarington Canadian Growth Fund

Series A, F and I 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 Canadian Growth 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 Investment Management Inc. ("IAIM" or the "Portfolio Advisor").

Results of Operations

The Fund's Net Assets decreased by 8.4% or \$19.8 million during the period, from \$234.7 million on December 31, 2010 to \$214.9 million on June 30, 2011. This change in Net Assets resulted from a decrease of \$16.0 million due to net redemptions and a decrease of \$3.8 million due to investment operations, including market volatility, income and expense.

The average Net Assets of the Fund decreased by 0.8% or \$1.8 million in comparison to the prior year, from \$230.7 million to \$228.9 million. Average Net Assets influence revenue earned and expenses incurred by the Fund during the period.

The Series A units of the Fund returned -2.2% 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 performance information of each series.

The Fund's benchmark and broad-based benchmark, the S&P/TSX Composite Index, returned 0.2% 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.

One year later, the same issues that were making headlines at this time in 2010 are once again in the spotlight: Europe's sovereign debt troubles, doubts over the economic recovery in the U.S., and fears of rising inflation. These events, combined with the after-effects of the earthquake and tsunami in Japan, and continued political turmoil in the Middle East made the first half of 2011 difficult for the stock market.

Year-to-date, the S&P/TSX Composite Index has returned 0.2%. Defensive sectors advanced in the first six-months of the year, whereas cyclical sectors detracted from Index performance. The high representation of the Materials and Energy sectors in the Index played a significant role in the overall retreat, especially in the second quarter. The Energy sector was hit hard by the drop in the price of oil, which fell from \$107 to \$95 per barrel during the second quarter.

For the period, the Fund underperformed its benchmark index. The overweight in the Materials sector and the small-cap stock holdings were detractors to the Fund performance. Materials exposure was reduced at the end of the first quarter in light of China's restrictive actions towards inflation. Research In Motion Ltd. was reduced from an overweight to an underweight position during the second quarter. Metro Inc. was sold and the proceeds were invested in cyclical stock positions. The Fund's overweight in banks was reduced to a neutral weight compared to the benchmark index.

As the Portfolio Advisor expects the global economy to grow modestly, the Fund's portfolio is slightly underweight in the Energy sector, and is slightly overweight in the Information Technology and Industrials sectors.

Recent Developments

Over recent months, Japan's economy has been slowly recovering from the devastation caused by the earthquake and tsunami in March, the price of oil per barrel has come down more than \$20 in the last three months, and the European Union appears to have come to an agreement on a Greece rescue plan. Additionally, if the U.S. unemployment rate declines in the coming months, this may help improve the outlook for the global economy and dissipate some of the recent market nervousness.

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 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 Portfolio Advisor is affiliated with the Manager as they are both under common control of Industrial Alliance Insurance and Financial Services Inc. ("Industrial Alliance"). For its Portfolio Advisory services, IAIM charged the Manager fees based on the Fund's Net Asset Value.

The Fund also paid fund accounting fees to Industrial Alliance. The amounts paid are disclosed in the financial statements.

For the provision of investment management services, the Manager receives management fees from the Fund, based on the average Net Asset Values of the respective series. The management fees 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.

IA Clarington Canadian Growth Fund

June 30, 2011

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	25.94	23.01	16.92	25.60	25.07	23.06
Increase (decrease) from operations:						
Total revenue	0.30	0.52	0.50	0.50	0.53	0.51
Total expenses	(0.38)	(0.67)	(0.55)	(0.63)	(0.71)	(0.68)
Realized gains (losses) for the period	1.05	0.82	0.17	0.24	2.53	5.92
Unrealized gains (losses) for the period	(1.46)	2.09	5.77	(8.48)	(0.99)	(1.42)
Transaction costs	(0.04)	(0.07)	(0.04)	(0.05)	(0.04)	-
Total increase (decrease) from operations²	(0.53)	2.69	5.85	(8.42)	1.32	4.33
Distributions:						
From income (excluding dividends)	-	-	-	-	-	-
From dividends ⁴	-	-	-	-	-	-
From capital gains	-	-	-	-	(0.72)	(2.32)
Return of capital	-	-	-	-	-	-
Total distributions³	-	-	-	-	(0.72)	(2.32)
Net Assets, end of period	25.36	25.94	23.01	16.92	25.60	25.08

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	28.33	24.66	17.81	26.47	25.40	23.44
Increase (decrease) from operations:						
Total revenue	0.34	0.58	0.54	0.53	0.54	0.05
Total expenses	(0.15)	(0.25)	(0.21)	(0.23)	(0.26)	(0.25)
Realized gains (losses) for the period	1.12	0.91	0.27	(0.03)	2.57	6.93
Unrealized gains (losses) for the period	(1.74)	2.51	6.72	(9.17)	(0.84)	(1.66)
Transaction costs	(0.04)	(0.07)	(0.05)	(0.05)	(0.05)	-
Total increase (decrease) from operations²	(0.47)	3.68	7.27	(8.95)	1.96	5.07
Distributions:						
From income (excluding dividends)	-	-	-	-	-	-
From dividends ⁴	-	-	-	-	-	-
From capital gains	-	-	-	-	(0.67)	(2.94)
Return of capital	-	-	-	-	-	-
Total distributions³	-	-	-	-	(0.67)	(2.94)
Net Assets, end of period	27.95	28.33	24.66	17.81	26.47	25.41

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	31.86	27.46	19.64	28.91	27.03	24.02
Increase (decrease) from operations:						
Total revenue	0.38	0.64	0.58	0.59	0.66	(0.21)
Total expenses	-	-	-	-	-	-
Realized gains (losses) for the period	1.27	1.04	0.03	(0.07)	2.34	7.20
Unrealized gains (losses) for the period	(1.82)	2.84	7.62	(9.50)	(3.07)	(1.72)
Transaction costs	(0.04)	(0.08)	(0.05)	(0.06)	(0.13)	-
Total increase (decrease) from operations²	(0.21)	4.44	8.18	(9.04)	(0.20)	5.27
Distributions:						
From income (excluding dividends)	-	-	-	-	-	-
From dividends ⁴	-	-	-	-	-	-
From capital gains	-	-	-	-	(0.27)	(2.29)
Return of capital	-	-	-	-	-	-
Total distributions³	-	-	-	-	(0.27)	(2.29)
Net Assets, end of period	31.60	31.86	27.46	19.64	28.91	27.04

¹ 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.

² 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.

³ Distributions were paid in cash or reinvested in additional units of the Fund, or both.

⁴ 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	150,959	169,191	185,505	139,079	251,567	279,615
Number of units outstanding (000's) ¹	5,938	6,507	8,042	8,167	9,815	11,148
Management expense ratio (%) ^{2,3}	2.94	2.86	2.79	2.72	2.73	2.74
Management expense ratio before waivers or absorptions (%) ^{2,3,4}	3.00	2.94	2.90	2.90	2.93	3.01
Trading expense ratio (%) ⁵	0.14	0.29	0.21	0.21	0.18	0.12
Portfolio turnover rate (%) ⁶	24.94	57.67	47.31	53.85	59.15	100.55
NAV per unit (\$)	25.42	26.00	23.07	17.03	25.63	25.08

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	800	716	617	266	421	363
Number of units outstanding (000's) ¹	29	25	25	15	16	14
Management expense ratio (%) ^{2,3}	1.05	1.00	0.96	0.98	0.99	0.99
Management expense ratio before waivers or absorptions (%) ^{2,3,4}	1.06	1.00	0.96	0.98	1.08	3.28
Trading expense ratio (%) ⁵	0.14	0.29	0.21	0.21	0.18	0.12
Portfolio turnover rate (%) ⁶	24.94	57.67	47.31	53.85	59.15	100.55
NAV per unit (\$)	28.02	28.39	24.72	17.92	26.50	25.41

Financial Highlights (continued)

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	63,714	65,330	54,900	50,075	62,639	16,425
Number of units outstanding (000's) ¹	2,011	2,046	1,994	2,533	2,164	607
Management expense ratio (%) ^{2,3}	-	-	-	-	-	0.01
Management expense ratio before waivers or absorptions (%) ^{2,3,4}	0.02	0.02	0.03	0.03	0.03	0.21
Trading expense ratio (%) ⁵	0.14	0.29	0.21	0.21	0.18	0.12
Portfolio turnover rate (%) ⁶	24.94	57.67	47.31	53.85	59.15	100.55
NAV per unit (\$)	31.68	31.93	27.53	19.77	28.94	27.04

- 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 2.50% for Series A units, 0.85% for Series F units and 0% for Series I units, before the 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. The value of any trades to realign the Fund's portfolio after fund merger, if any, is excluded from the portfolio turnover rate.

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	40	60
LL First 3 years	20	80
LL After 3 years	40	60
DSC First 7 years	20	80
DSC After 7 years	40	60
Series F	-	100
Series I	-	-

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

Other – includes general administration, investment advice and profit.

Past Performance

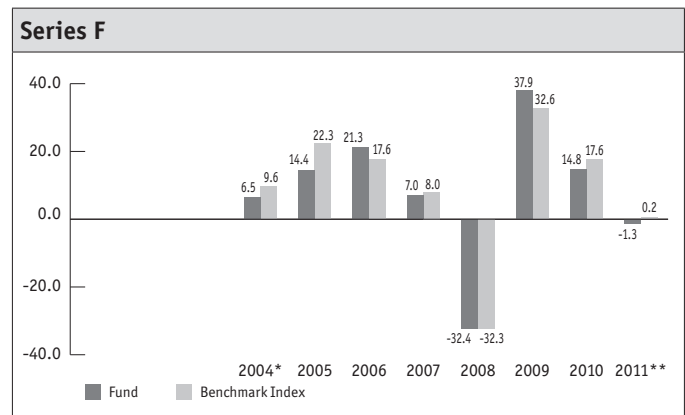
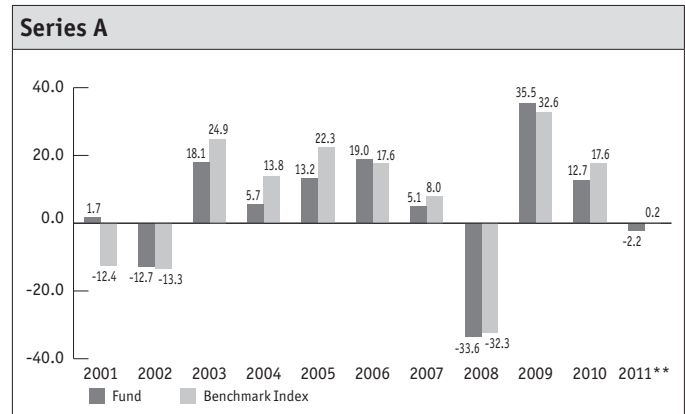
The performance information shown (based on NAV) assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. The performance information does not take into account sales, redemptions, distributions or other optional charges that would have reduced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

On April 1, 2006, IAIM assumed Portfolio Advisory responsibilities for the Fund. The Fund's investment strategy was changed as a result. The performance of the Fund for the period prior to April 1, 2006 could have been different had these changes been in effect during that period.

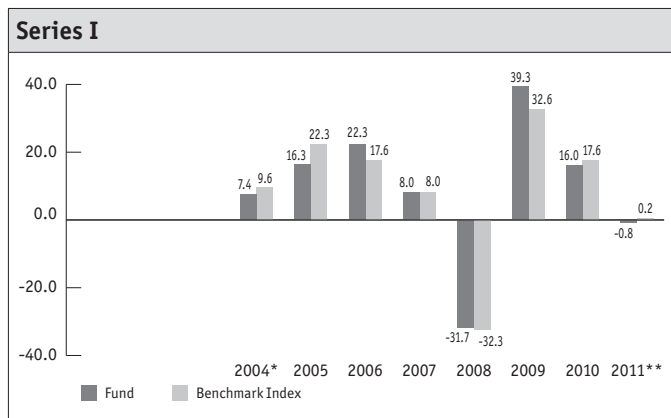
Year-by-Year Returns

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/TSX Composite Index.



Past Performance (continued)



* 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/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.

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.

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	%
Financials	27.84
Energy	24.97
Materials	21.88
Industrials	6.45
Cash and Cash Equivalents	4.33
Telecommunication Services	4.11
Information Technology	3.50
Consumer Discretionary	3.36
Consumer Staples	1.17
Utilities	1.05
Health Care	0.86
Investment Funds	0.53
Other Assets less Liabilities	(0.05)
Total	100.00

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

Top Holdings	%
Royal Bank of Canada	5.16
The Toronto-Dominion Bank	4.38
Suncor Energy Inc.	4.35
Cash and Cash Equivalents	4.33
Bank of Nova Scotia	4.09
Barrick Gold Corp.	3.13
Canadian Natural Resources Ltd.	3.12
Potash Corporation of Saskatchewan Inc.	3.06
Goldcorp Inc.	2.70
Canadian National Railway Co.	2.47
Bank of Montreal	2.38
Manulife Financial Corp.	2.34
Canadian Imperial Bank of Commerce	2.22
Cenovus Energy Inc.	2.11
TransCanada Corp.	1.97
Teck Resources Ltd., Class B, SV	1.79
BCE Inc.	1.71
Enbridge Inc.	1.63
Talisman Energy Inc.	1.53
Kinross Gold Corp.	1.44
EnCana Corp.	1.39
Sun Life Financial Services of Canada Inc.	1.29
TELUS Corp.	1.29
Brookfield Asset Management Inc., Class A, LV	1.22
Rogers Communications Inc., Class B, NV	1.12

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.

IA CLARINGTON INVESTMENTS INC.

Administrative Office: 522 University Avenue, Suite 700 • Toronto, Ontario • M5G 1Y7 • 1 888 860-9888
Head Office: 1080 Grande Allée West • PO Box 1907, Station Terminus • Quebec City, Quebec • G1K 7M3

e-mail: funds@iaclarington.com • www.iaclarington.com

