

**AMENDMENT NO. 1 DATED JULY 29, 2011
TO THE ANNUAL INFORMATION FORM DATED JULY 12, 2011**

(the “AIF”)

in respect of:

IA Clarington Canadian Income Fund*
(Series A, E, E6, F, F6, F8, I, L, L6, L8, O, T6, T8 and Y)
and

IA Clarington Dividend Income Fund**
(Series A, E, E6, F, F6, I, L, L6, O, T6 and Y)

(each, a “Fund” and collectively, the “Funds”)

* Series T8 to be re-designated as Series Y effective August 8, 2011

** Series T4 to be re-designated as Series Y effective August 8, 2011

Unless otherwise specifically defined, the terms used in this amendment have the meanings given to those terms in the AIF.

Introduction

The AIF is being amended to reflect the following changes to the Funds:

1. Effective August 8, 2011, IA Clarington Investments Inc. will be appointed as sub-advisor to each of the Funds, with the portfolio management team to be led by Daniel Bastasic and the investment strategies of each Fund will also change to reflect the style of the Funds’ new sub-advisor.
2. Effective August 8, 2011, the name of IA Clarington Canadian Income Fund will change to IA Clarington Strategic Income Fund, the name of IA Clarington Dividend Income Fund will change to IA Clarington Strategic Equity Income Fund.
3. Effective August 8, 2011, each Fund intends to offer new series of units and to re-designate certain existing series of units as follows:
 - (a) IA Clarington Canadian Income Fund intends to offer Series A, E, E6, F, F6, I, L, L6, L8, O, T6 and T8 units and the existing Series T8 units will be re-designated as Series Y units; and
 - (b) IA Clarington Dividend Income Fund intends to offer Series A, E, E6, F, L, L6 and Y units and the existing Series T4 units will be re-designated as Series Y units.

Details of Amendments

The AIF is hereby amended effective August 8, 2011 as follows:

(a) Cover Page and Back Page

Each of the cover page and the back page of the AIF are amended by:

- (i) deleting the reference to “IA Clarington Canadian Income Fund (Series F8 and T8)” and replacing it with “IA Clarington Strategic Income Fund (formerly IA Clarington Canadian Income Fund) (Series A, E, E6, F, F6, F8, I, L, L6, L8, O, T6, T8 and Y)”;
- (ii) deleting the reference to “IA Clarington Dividend Income Fund (Series F6, I, O, T4 and T6)” and replacing it with “IA Clarington Strategic Equity Income Fund (formerly IA Clarington Dividend Income Fund) (Series A, E, E6, F, F6, I, L, L6, O, T6 and Y)”;
- (iii) deleting the reference to Series T4 in the line describing all the series being offered under the AIF and replacing it with:

Offering Series A, Series B, Series E, Series E5, Series E6, Series F, Series F5, Series F6, Series F8, Series F10, Series I, Series L, Series L5, Series L6, Series L8, Series L10, Series LM, Series M, Series M6, Series M8, Series O, Series Q, Series T5, Series T6, Series T8, Series T10, Series V, Series X and Series Y units or shares as indicated below:

(b) Formation and History of the Funds

The third paragraph including the bullet point under the heading “Formation and History of the Funds” on page 2 of the AIF is deleted and replaced by the following:

The following funds are governed by a master declaration of trust dated August 28, 2000, as amended and restated as of June 25, 2004 and June 22, 2005, which was assigned to IA Clarington Investments Inc. on June 30, 2006 and further amended and restated as of September 15, 2006, July 4, 2007, October 31, 2007, July 4, 2008, November 19, 2008, November 20, 2009 and August 8, 2011:

- IA Clarington Canadian Dividend Fund, IA Clarington Strategic Income Fund (formerly IA Clarington Canadian Income Fund), IA Clarington Global Dividend Fund, IA Clarington Global Tactical Income Fund, IA Clarington Tactical Income Fund, IA Clarington Canadian Balanced Fund, IA Clarington Canadian Growth Fund, IA Clarington Canadian Small Cap Fund, IA Clarington Global Equity Fund, IA Clarington Global Small Cap Fund, IA Clarington Real Return Bond Fund, IA Clarington Sarbit U.S. Equity Fund, IA Clarington Short-Term Bond Fund, IA Clarington Tactical Bond Fund, IA Clarington Inhance Monthly Income SRI Fund, IA Clarington Inhance Conservative SRI Portfolio, IA Clarington Inhance Balanced SRI Portfolio and IA Clarington Inhance Growth SRI Portfolio.

The bullet point following the sixth paragraph under the heading “Formation and History of the Funds” on page 3 of the AIF is deleted and replaced by the following:

- IA Clarington Bond Fund, IA Clarington Money Market Fund, IA Clarington Strategic Equity Income Fund (formerly IA Clarington Dividend Income Fund), IA Clarington Dividend Growth Fund, IA Clarington Monthly Income Balanced Fund, IA Clarington Canadian Leaders Fund, IA Clarington American Fund, IA Clarington Global Value Fund and Distinction Monthly Income Portfolio.

The last sentence of the eighth paragraph under the heading “Formation and History of the Funds” on page 3 of the AIF is deleted and replaced by the following:

All references to Series E units or shares include Series E, Series E5 and Series E6 securities, all references to Series F units or shares include Series F, Series F5, Series F6, Series F8 and Series F10 securities, all references to Series L units or shares include Series L, Series LM, Series L5, Series L6, Series L8 and Series L10 securities, all references to Series M units or shares include Series M, Series M6 and Series M8 securities and all references to Series T units or shares include Series T5, Series T6, Series T8, Series T10 and Series Y securities.

The section heading “IA Clarington Canadian Income Fund” on page 6 of the AIF is deleted and replaced by “IA Clarington Strategic Income Fund”.

The row titled “Name Changes” under the section heading “IA Clarington Strategic Income Fund” on page 6 of the AIF is deleted and replaced with the following:

Name Changes	<ul style="list-style-type: none">• prior to July 4, 2007, Clarington Canadian Income Fund;• prior to August 8, 2011, IA Clarington Canadian Income Fund.
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The row titled “Major Events Affecting IA Clarington Canadian Income Fund” under the section for “IA Clarington Strategic Income Fund” on page 7 of the AIF is deleted and replaced with the following:

Major Events Affecting IA Clarington Strategic Income Fund	<ul style="list-style-type: none">• effective April 1, 2006, the portfolio advisor changed from SEAMARK Asset Management Ltd. to Industrial Alliance Investment Management Inc.;• effective June 30, 2006, the manager and trustee changed from ClaringtonFunds Inc. to the Manager and Trustee;• effective July 4, 2008, all of the outstanding Series A units were redesignated as Series T8 units and Series F units were redesignated as Series F8 units;• effective October 1, 2010, the Fund was permitted to enter into securities lending agreements;• effective August 8, 2011, IA Clarington Investments Inc. was appointed as sub-advisor to the Fund;
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	<ul style="list-style-type: none"> • effective August 8, 2011, all of the outstanding Series T8 units were redesignated as Series Y units; and • effective August 8, 2011, Series A units, Series E units, Series E6 units, Series F units, Series F6 units, Series I units, Series L units, Series L6 units, Series L8 units, Series O units, Series T6 units and Series T8 units were created and offered to the public.
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The section heading “IA Clarington Dividend Income Fund” on page 7 of the AIF is deleted and replaced by “IA Clarington Strategic Equity Income Fund”.

The row titled “Name Changes” under the section heading “IA Clarington Strategic Equity Income Fund” on page 7 of the AIF is deleted and replaced with the following:

Name Changes	<ul style="list-style-type: none"> • prior to July 31, 1998, Savings and Investment Trust Dividend Fund; • prior to December 31, 2001, IRIS Dividend Fund; • prior to August 26, 2005, R Dividend Fund; • prior to July 4, 2007, R Dividend Income Fund; • prior to August 8, 2011, IA Clarington Dividend Income Fund.
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The row titled “Major Events Affecting IA Clarington Dividend Income Fund” on page 8 of the AIF is deleted and replaced with the following:

Major Events Affecting IA Clarington Strategic Equity Income Fund	<ul style="list-style-type: none"> • effective July 31, 1998, the investment objective was amended to permit investment in fixed-income securities; • effective December 31, 2001, the trustee changed from Laurentian Trust of Canada Inc. to the Trustee, the manager changed from Laurentian Bank of Canada to the Manager, the auditors changed from PricewaterhouseCoopers LLP to Samson Bélair/Deloitte & Touche, s.e.n.c.r.l. and Class I units were created and the existing units were redesignated as Retail Class units; • effective August 26, 2005, the Retail Class and Class I units were redesignated as Series A and Series I units, respectively, and Series F units were created; • effective October 1, 2006, Series B units were created; • effective November 17, 2006, IA Clarington Dividend Income Fund merged into this Fund (which was then named R Dividend Income Fund); • effective July 4, 2007, the portfolio advisor changed from IA Clarington Investments Inc. to Industrial Alliance Investment Management Inc.; • effective July 9, 2007, all outstanding Series B units were redesignated as Series T units and all outstanding Series F
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	<p>units were redesignated as Series FT units;</p> <ul style="list-style-type: none">• effective January 15, 2008, the auditors changed from Samson Bélair/Deloitte & Touche, s.e.n.c.r.l. to PricewaterhouseCoopers LLP;• effective July 4, 2008, all of the outstanding Series A units were redesignated as Series T4 units, Series T units were redesignated as Series T6 units and Series FT units were redesignated as Series F6 units;• effective October 1, 2009, the Fund was able to use derivatives such as options, forwards and futures for hedging and non-hedging purposes;• effective July 19, 2010, Series O units were offered to the public;• effective August 8, 2011, IA Clarington Investments Inc. was appointed as sub-advisor to the Fund;• effective August 8, 2011, all of the outstanding Series T4 units were redesignated at Series Y units;• effective August 8, 2011, Series A units, Series E units, Series E6 units, Series F units, Series L units and Series L6 units were created and offered to the public.
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(c) Description of Securities

The second paragraph under the heading “Trust Funds” on page 27 of the AIF is deleted and replaced by the following:

All of the Trust Funds other than the Cash Distribution Funds (but including IA Clarington Canadian Dividend Fund, IA Clarington Strategic Income Fund (formerly IA Clarington Canadian Income Fund), IA Clarington Strategic Equity Income Fund (formerly IA Clarington Dividend Income Fund), IA Clarington Tactical Income Fund and IA Clarington Global Tactical Income Fund) offer Series A units, and some of the Trust Funds also offer Series B, Series F, Series F6, Series F8, Series F10, Series I, Series M, Series M6, Series M8, Series O, Series Q, Series T5, Series T6, Series T8, Series T10, Series V, Series X and Series Y units.

The sixth paragraph under the heading “Trust Funds” on page 28 of the AIF is deleted and replaced with the following:

Series X and Series Y units are available to certain investors in connection with mutual fund reorganizations, series re-designations or other changes, and are not otherwise available for purchase. Series X units of IA Clarington Canadian Dividend Fund can only be issued in exchange for Series A units of IA Clarington Canadian Dividend Fund or pursuant to a pre-authorized chequing plan established in respect of Series A units of IA Clarington Canadian Dividend Fund. Series X units of the other Funds were issued to certain investors in exchange for their holdings in certain mutual funds formerly managed by us. Series X units of

any Fund that are issued in exchange for securities of another series of a mutual fund are treated as if they were purchased under the same sales charge option (the front end option, low load option or deferred sales charge option) as the securities for which the Series X units were issued. Series T8 units of IA Clarington Strategic Income Fund (formerly IA Clarington Canadian Income Fund) were re-designated as Series Y units of that Fund. Series T4 units of IA Clarington Strategic Equity Income Fund (formerly IA Clarington Dividend Income Fund) were re-designated as Series Y units of that Fund. Holders of Series X and Series Y units of any Fund may elect to receive cash instead of reinvesting their distributions.

(d) Portfolio Advisors

The fifth row, relating to IA Clarington Canadian Income Fund, of the chart under the heading “Portfolio Advisors” on page 50 of the AIF is deleted and replaced by the following:

IA Clarington Strategic Income Fund (formerly IA Clarington Canadian Income Fund)	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007 (effective August 8, 2011)
	Sub-Advisor: IA Clarington Investments Inc. 522 University Avenue, Suite 700 Toronto, Ontario M5G 1Y7	August 8, 2011

The eighth row, relating to IA Clarington Dividend Income Fund, of the chart under the heading “Portfolio Advisors” on page 50 of the AIF is deleted and replaced by the following:

IA Clarington Strategic Equity Income Fund (formerly IA Clarington Dividend Income Fund)	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007 (effective August 8, 2011)
	Sub-Advisor: IA Clarington Investments Inc. 522 University Avenue, Suite 700 Toronto, Ontario M5G 1Y7	August 8, 2011

The following sentence is added after the second sentence of the first paragraph following the chart on page 59 of the AIF:

The sub-advisory agreement between Industrial Alliance Investment Management Inc. and IA Clarington Investments Inc. may be terminated immediately by either party.

The following is inserted as a new section at the top of page 60 of the AIF:

IA Clarington Investments Inc. (“IA Clarington”), Toronto, Ontario

The name, title and length of service of the persons employed by IA Clarington who are principally responsible for the day-to-day management of a Fund or implementing its investment strategy are detailed below:

<u>Name and Municipality of Residence</u>	<u>Position and Office</u>	<u>Principal Business Association During Preceding Five Years</u>	
Daniel Bastasic Oakville, Ontario	Senior Vice-President, Investments and Portfolio Manager	2011 to present:	Senior Vice-President, Investments and Portfolio Manager, IA Clarington
		2000 to 2011:	Senior Vice-President, Investments and Portfolio Manager, Mackenzie Financial Corp.

Certificate of the Funds, Manager and Promoter

IA Clarington Canadian Income Fund (Series A, E, E6, F, F6, F8, I, L, L6, L8, O, T6, T8 and Y)

IA Clarington Dividend Income Fund (Series A, E, E6, F, F6, I, L, L6, O, T6 and Y)

(the "Funds")

This Amendment No. 1 dated July 29, 2011, together with the Annual Information Form dated July 12, 2011, and the Simplified Prospectus dated July 12, 2011, as amended by Amendment No. 1 thereto dated July 29, 2011, and the documents incorporated by reference into the Simplified Prospectus, as amended, constitute full, true and plain disclosure of all material facts relating to the securities offered by the Simplified Prospectus, as amended, as required by the securities legislation of each of the provinces and territories of Canada and do not contain any misrepresentations.

Dated: July 29, 2011.

(signed) "Normand Pépin"

Normand Pépin
Chief Executive Officer
IA Clarington Investments Inc.

(signed) "Nancy Cappadocia"

Nancy Cappadocia
Vice-President, Finance and Chief Financial
Officer
IA Clarington Investments Inc.

**On behalf of the Board of Directors of IA Clarington Investments Inc.
as Trustee, Manager and Promoter of the Funds**

(signed) "David Scandiffio"

David Scandiffio
Director

(signed) "Yvon Charest"

Yvon Charest
Director