

IA Clarington Investments Inc.

Annual Information Form

July 12, 2011

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 T4, Series T5, Series T6, Series T8, Series T10, Series V and Series X units or shares as indicated below:

Fixed Income Funds

IA Clarington Bond Fund (Series A, F, I, L, O and X)
IA Clarington Money Market Fund (Series A, B, I, L, O, Q and X)
IA Clarington Short-Term Bond Fund (Series A, F and I)
IA Clarington Short-Term Income Class* (Series A)
IA Clarington Real Return Bond Fund (Series A, F, I and L)
IA Clarington Tactical Bond Fund (Series A, F, I, L and O)
IA Clarington Tactical Bond Class* (Series A, F, F5, L, L5 and T5)

Canadian Cash Distribution Funds

IA Clarington Canadian Dividend Fund (Series A, F, F6, I, T6 and X)
IA Clarington Canadian Income Fund (Series F8 and T8)
IA Clarington Dividend Growth Fund (Series E6, F6, F10, I, L6, L10, O, T6 and T10)
IA Clarington Dividend Growth Class* (Series F6, F10, T6 and T10)
IA Clarington Dividend Income Fund (Series F6, I, O, T4 and T6)
IA Clarington Tactical Income Fund (Series A, E, E6, F, F6, F8, I, L, L6, L8, O, T6 and T8)
IA Clarington Tactical Income Class* (Series A, E, E6, F, F6, F8, L, L6, L8, T6 and T8)
IA Clarington Monthly Income Balanced Fund (Series F6, F8, I, O, T6, T8 and X)

Global Cash Distribution Funds

IA Clarington Global Dividend Fund (Series F6, I, O, T6 and T8)
IA Clarington Global Tactical Income Fund (Series A, F, F6, F8, I, L, L6, L8, O, T6 and T8)
IA Clarington Global Tactical Income Class* (Series A, F, F6, F8, L, L6, L8, T6 and T8)

Canadian Funds

IA Clarington Canadian Balanced Fund (Series A, F, F5, I, L, L5, O and T5)
IA Clarington Canadian Balanced Class* (Series A, E, E5, F, F5, L, L5 and T5)
IA Clarington Canadian Conservative Equity Fund (Series A, F, F5, I, L, L5, O and T5)
IA Clarington Canadian Conservative Equity Class* (Series A, E, E5, F, F5, L, L5 and T5)
IA Clarington Canadian Growth Fund (Series A, F and I)
IA Clarington Canadian Growth Class* (Series A)
IA Clarington Canadian Leaders Fund (Series A, F, I, L and O)
IA Clarington Canadian Leaders Class* (Series A and F)
IA Clarington Canadian Small Cap Fund (Series A, F, I, L, O and X)
IA Clarington Canadian Small Cap Class* (Series A and F)
IA Clarington Energy Class* (Series A and F)

U.S. and Global Funds

IA Clarington American Fund (Series A, F, I and O)
IA Clarington Global Equity Fund (Series A, F, I and O)
IA Clarington Global Equity Class* (Series A and F)
IA Clarington Global Small Cap Fund (Series A, F and I)
IA Clarington Global Value Fund (Series A, F, I and O)
IA Clarington Sarbit U.S. Equity Fund (Series A, F, F6, I, L, L6, O and T6)
IA Clarington Sarbit U.S. Equity Class (Unhedged)*⁽¹⁾ (Series A, E, F, F6, L, L6 and T6)

Distinction Portfolios

Distinction Prudent Portfolio (Series A, I, M and O)
Distinction Prudent Class* (Series A and M)
Distinction Conservative Portfolio (Series A, I, L, LM, M and O)
Distinction Conservative Class* (Series A and M)
Distinction Balanced Portfolio (Series A, I, L, LM, M and O)
Distinction Balanced Class* (Series A and M)
Distinction Growth Portfolio (Series A, I, L, LM, M and O)
Distinction Growth Class* (Series A and M)
Distinction Bold Portfolio (Series A, I, M and O)
Distinction Bold Class* (Series A and M)
Distinction Monthly Income Portfolio (Series I, M6, M8, O and T6)
Distinction Monthly Income Class* (Series M6, M8 and T6)

Inhance SRI Funds

IA Clarington Inhance Monthly Income SRI Fund (Series F6, I, T6 and V)⁽²⁾
IA Clarington Inhance Canadian Equity SRI Class* (Series A, F, I and V)
IA Clarington Inhance Global Equity SRI Class* (Series A, F, I and V)
IA Clarington Inhance Conservative SRI Portfolio (Series T6)⁽³⁾
IA Clarington Inhance Balanced SRI Portfolio (Series A, T6, I and O)
IA Clarington Inhance Growth SRI Portfolio (Series A, F and V)

*each a class of shares of Clarington Sector Fund Inc.

(1) A preliminary annual information form for this fund was filed under the name IA Clarington Sarbit U.S. Equity Class

(2) Series A and F units of IA Clarington Inhance Monthly Income SRI Fund will be redesignated as Series T6 and Series F6 units of the Fund, respectively, effective July 18, 2011

(3) Series A units of IA Clarington Inhance Conservative SRI Portfolio will be redesignated as Series T6 units of the Fund, effective July 18, 2011.

(collectively, the “Funds”)

No securities regulatory authority has expressed an opinion about the merits of the Funds’ securities and it is an offence to claim otherwise. The Funds and the securities of the Funds offered under this Annual Information Form are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.

IA Clarington Investments Inc. also offers the IA Clarington Target Click Funds, which are described in a separate simplified prospectus and annual information form.

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Formation and History of the Funds

IA Clarington Short-Term Income Class, IA Clarington Tactical Bond Class, IA Clarington Dividend Growth Class, IA Clarington Tactical Income Class, IA Clarington Global Tactical Income Class, IA Clarington Canadian Balanced Class, IA Clarington Canadian Conservative Equity Class, IA Clarington Canadian Growth Class, IA Clarington Canadian Leaders Class, IA Clarington Canadian Small Cap Class, IA Clarington Energy Class, IA Clarington Global Equity Class, IA Clarington Sarbit U.S. Equity Class (Unhedged), Distinction Prudent Class, Distinction Conservative Class, Distinction Balanced Class, Distinction Growth Class, Distinction Bold Class, Distinction Monthly Income Class, IA Clarington Inhance Canadian Equity SRI Class and IA Clarington Inhance Global Equity SRI Class (the “Corporate Class Funds”) are separate classes of shares of Clarington Sector Fund Inc., which is a mutual fund corporation incorporated by articles of incorporation under the laws of Ontario on July 17, 2000. The Corporate Class Funds were established under articles of incorporation or amendment on the dates set out in the chart below. By articles of amendment filed June 24, 2004, the mutual fund shares of each class of shares of Clarington Sector Fund Inc. were permitted to be divided into series. By articles of amendment filed January 19, 2009, an additional 80 classes of mutual fund shares of Clarington Sector Fund Inc. were created and authorized to be divided into series, and provisions regarding the creation of stated capital accounts for each class and series were added. Articles of amendment filed December 7, 2009 and July 12, 2011 describe the various series of the Corporate Class Funds, including the designation, rights, privileges, restrictions and conditions of such series, as determined by the board of directors of Clarington Sector Fund Inc.

All of the other mutual funds listed on the cover of this Annual Information Form are open-end mutual fund trusts (the “Trust Funds”) governed under the laws of Ontario by declarations of trust made on the dates set out in the chart below. Each of the original declarations of trust or trust agreements has been replaced by one of four master declarations of trust (the “Master Declarations of Trust”) described below.

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 and November 20, 2009:

- IA Clarington Canadian Dividend Fund, 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 .

Distinction Prudent Portfolio, Distinction Conservative Portfolio, Distinction Balanced Portfolio, Distinction Growth Portfolio and Distinction Bold Portfolio are governed by a master declaration

of trust dated October 7, 2005, which was amended and restated as of October 6, 2006, October 31, 2007 and February 28, 2011. These Trust Funds, together with Distinction Monthly Income Portfolio, are known as the “Distinction Portfolios”.

IA Clarington Canadian Conservative Equity Fund is governed by a master declaration of trust dated September 27, 2000 as amended and restated as of December 1, 2004, as amended as of October 29, 2010 and as of February 28, 2011.

The following funds are governed by a master declaration of trust dated August 26, 2005, which was amended and restated as of October 1, 2006, July 4, 2007, October 31, 2007, February 5, 2008, July 4, 2008 and March 20, 2009:

- IA Clarington Bond Fund, IA Clarington Money Market Fund, 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.

IA Clarington Investments Inc. is the trustee of the Trust Funds (the “Trustee”) under each of the Master Declarations of Trust. The schedules to or regulations under the various Master Declarations of Trust may be amended from time to time to add or remove Trust Funds. Each of the Master Declarations of Trust provides that the Trustee may terminate a Trust Fund as of a date not earlier than 60 days following the mailing of notice of termination to unitholders.

The Trust Funds and Corporate Class Funds are collectively referred to as the “Funds”. Throughout this document, we may refer to the Funds according to the categories listed on the front cover: “Fixed Income Funds”, “Canadian Cash Distribution Funds”, “Global Cash Distribution Funds”, “Canadian Funds”, “U.S. and Global Funds”, “Distinction Portfolios” and “Inhance SRI Funds”. IA Clarington Global Equity Fund, IA Clarington Global Equity Class, IA Clarington Global Small Cap Fund, IA Clarington Global Value Fund, IA Clarington Global Dividend Fund, IA Clarington Global Tactical Income Fund, IA Clarington Global Tactical Income Class and IA Clarington Inhance Global Equity SRI Class are collectively referred to as the “Global Funds”. Units of the Trust Funds and shares of the Corporate Class Funds may be collectively referred to as “securities”. 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 T4, Series T5, Series T6, Series T8 and Series T10 securities.

The Funds include:

FIXED INCOME FUNDS	
IA Clarington Bond Fund	
Date of Inception	November 10, 1987

Name Changes	<ul style="list-style-type: none"> ▪ prior to July 31, 1998, Savings and Investment Trust Bond Fund; ▪ prior to December 31, 2001, IRIS Bond Fund; ▪ prior to November 17, 2006, R Bond Fund; ▪ prior to July 4, 2007, IA Bond Fund.
Major Events Affecting IA Clarington Bond Fund	<ul style="list-style-type: none"> ▪ effective July 31, 1998, Cornerstone Bond Fund merged into this Fund; ▪ effective July 31, 1998 the investment objectives were amended; ▪ effective December 31, 2001, IRIS Mortgage Fund merged into this Fund, 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., Class I units were created and the existing units were redesignated as Retail Class units; ▪ effective February 10, 2005, the portfolio advisor changed to Industrial Alliance Investment Management Inc.; ▪ effective August 26, 2005, the Retail Class and Class I units were redesignated as Series A and Series I units, respectively, and IA Canadian Bond Fund merged into this Fund; ▪ effective October 1, 2006, Series X units were created; ▪ effective November 17, 2006, Clarington Canadian Bond Fund and R High Yield Bond Fund merged into this Fund; ▪ effective January 15, 2008, the auditors changed from Samson Bélair/Deloitte & Touche, s.e.n.c.r.l. to PricewaterhouseCoopers LLP; ▪ effective April 17, 2009, Sarbit Canadian Bond Trust merged into this Fund; ▪ effective July 19, 2010, Series O units were offered to the public; and ▪ effective February 28, 2011, Series L units were created and offered to the public.
IA Clarington Money Market Fund	
Date of Inception	November 2, 1999
Name Changes	<ul style="list-style-type: none"> ▪ prior to November 17, 2006, R Money Market Fund; ▪ prior to July 4, 2007, IA Money Market Fund.
Major Events Affecting IA Clarington Money Market Fund	<ul style="list-style-type: none"> ▪ effective December 21, 2000, Class I units were created and the existing units were redesignated as Retail Class units; ▪ effective December 31, 2001, IRIS Money Market Fund merged into this Fund, the trustee changed from Laurentian Trust of Canada Inc. to the Trustee; ▪ effective October 1, 2002, Class F units were created; ▪ effective August 26, 2005, the Retail Class, Class F and Class I units were redesignated as Series A, Series B and Series I units, and R Corporate Treasury Fund and IA Canadian Money Market Fund merged into this Fund; ▪ effective October 1, 2006, Series X units were created; ▪ effective November 17, 2006, Clarington Money Market Fund merged

	<p>into this Fund;</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 April 17, 2009, Sarbit Money Market Trust merged into this Fund; ▪ effective November 9, 2009 Series Q units were created and offered to the public; ▪ effective July 19, 2010, Series O units were offered to the public; and ▪ effective February 28, 2011, Series L units were created and offered to the public.
IA Clarington Short-Term Bond Fund	
Date of Inception	July 19, 2010
Name Changes	N/A
Major Events Affecting IA Clarington Short-Term Bond Fund	Nil
IA Clarington Short-Term Income Class	
Date of Inception	August 28, 2000
Name Changes	prior to July 4, 2007, Clarington Short-Term Income Class
Major Events Affecting IA Clarington Short-Term Income Class	<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 changed from ClaringtonFunds Inc. to the Manager; and ▪ effective October 1, 2010, the Fund was permitted to enter into securities lending agreements.
IA Clarington Real Return Bond Fund	
Date of Inception	August 14, 2006
Name Changes	prior to June 5, 2009, Sarbit Real Return Bond Trust
Major Events Affecting IA Clarington Real Return Bond Fund	<ul style="list-style-type: none"> ▪ effective October 31, 2008, Industrial Alliance Investment Management Inc. was appointed portfolio advisor; ▪ effective January 1, 2009, the manager changed from Sarbit Asset Management Inc. to the Manager; ▪ effective April 1, 2009, the trustee changed from State Street Trust Company Canada to the Trustee; ▪ effective June 30, 2009, all of the issued and outstanding Mutual Fund units were redesignated as Series A units, Class F units were redesignated as Series F units and Class T units were redesignated as Series T units; ▪ effective July 31, 2009, the Declaration of Trust was amended to bring

	<p>the Fund under the Declaration of Trust dated August 28, 2000 (as amended); and</p> <ul style="list-style-type: none"> effective February 28, 2011, Series L units were created and offered to the public.
IA Clarington Tactical Bond Fund	
Date of Inception	July 19, 2010
Name Changes	N/A
Major Events Affecting IA Clarington Tactical Bond Fund	<ul style="list-style-type: none"> effective February 28, 2011, Series L units and Series O units were created and offered to the public.
IA Clarington Tactical Bond Class	
Date of Inception	July 19, 2010
Name Changes	N/A
Major Events Affecting IA Clarington Tactical Bond Class	<ul style="list-style-type: none"> effective November 15, 2010, Series T5 shares were offered to the public; and effective February 28, 2011, Series L shares and Series L5 shares were offered to the public.
CANADIAN CASH DISTRIBUTION FUNDS	
IA Clarington Canadian Dividend Fund	
Date of Inception	August 26, 1999
Name Changes	prior to July 4, 2007, Clarington Canadian Dividend Fund
Major Events Affecting IA Clarington Canadian Dividend 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 November 17, 2006, all of the outstanding Series O units were redesignated as Series I units; effective July 9, 2007, Series FT units and Series T units were created; effective July 4, 2008, all of the outstanding Series T units were redesignated as Series T6 units and Series FT units were redesignated as Series F6 units; effective December 1, 2008, Series X units were created and offered to the public; and effective October 1, 2010, the Fund was permitted to enter into securities lending agreements.
IA Clarington Canadian Income Fund	
Date of Inception	November 28, 1996

Name Changes	prior to July 4, 2007, Clarington Canadian Income Fund
Major Events Affecting IA Clarington Canadian 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; and ▪ effective October 1, 2010, the Fund was permitted to enter into securities lending agreements.
IA Clarington Dividend Growth Fund	
Date of Inception	August 26, 2005
Name Changes	prior to July 4, 2007, IA Dividend Growth Fund
Major Events Affecting IA Clarington Dividend Growth Fund	<ul style="list-style-type: none"> ▪ effective January 15, 2007, Series F units were created; ▪ effective January 15, 2008 the auditors changed from Samson Bélair/Deloitte & Touche, s.e.n.c.r.l. to PricewaterhouseCoopers LLP; ▪ effective March 17, 2008, Series F10 units and Series T10 units were created; ▪ effective July 4, 2008, all of the outstanding Series A units were redesignated as Series T6 units and Series F units were redesignated as Series F6 units; ▪ effective June 5, 2009, IA Clarington Canadian Value Fund merged into this Fund; ▪ 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 February 28, 2011, Series L6 units and Series L10 units were created and offered to the public; and ▪ effective July 18, 2011, Series E6 units were created and offered to the public.
IA Clarington Dividend Growth Class	
Date of Inception	January 19, 2009
Name Changes	N/A
Major Events Affecting IA Clarington Dividend Growth Class	Nil
IA Clarington Dividend Income Fund	

Date of Inception	May 16, 1994
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.
Major Events Affecting IA Clarington Dividend 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 units were redesignated as Series FT units; ▪ 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; and ▪ effective July 19, 2010, Series O units were offered to the public.
IA Clarington Tactical Income Fund	
Date of Inception	May 2, 2003
Name Changes	<ul style="list-style-type: none"> ▪ prior to July 4, 2007, Clarington Diversified Income Fund; ▪ prior to June 5, 2009, IA Clarington Diversified Income Fund.
Major Events Affecting IA Clarington Tactical Income	<ul style="list-style-type: none"> ▪ effective June 30, 2006, the manager and trustee changed from ClaringtonFunds Inc. to the Manager and Trustee; ▪ effective November 17, 2006, the portfolio advisor changed from KBSH Capital Management Inc. to Industrial Alliance Investment Management Inc., and all of the outstanding Series O units were

Fund	<p>redesignated as Series I units;</p> <ul style="list-style-type: none"> ▪ effective July 9, 2007, all of the outstanding Series A units were redesignated as Series T units and all of the outstanding Series F units were redesignated as Series FT units; ▪ effective July 4, 2008, all of the outstanding Series T units were redesignated as Series T6 units and Series FT units were redesignated as Series F6 units; ▪ effective June 5, 2009, IA Clarington Tactical Income Fund merged into this Fund, the Fund changed its investment objectives and strategies to adopt the investment objectives and strategies of IA Clarington Tactical Income Fund so that the Fund changed from being a diversified income fund to being a tactical income fund, and Catapult Financial Management, Inc. (now named Aston Hill Investments Inc.) was appointed as the sub-advisor; ▪ effective June 26, 2009, Focused 40 Income Fund and Clarington Diversified Income + Growth Fund merged into this Fund; ▪ effective June 1, 2009, Series F8 and Series T8 securities of the Fund were created; ▪ effective July 13, 2009, Series A securities of the Fund were created; ▪ effective July 19, 2010, Series F securities of the Fund were created; ▪ effective July 19, 2010, Series O units were offered to the public; ▪ effective October 1, 2010, the Fund was permitted to enter into securities lending agreements; ▪ effective February 28, 2011, Series L units, Series L6 units and Series L8 units were created and offered to the public; and ▪ effective July 18, 2011, Series E units and Series E6 units were created and offered to the public.
IA Clarington Tactical Income Class	
Date of Inception	January 19, 2009
Name Changes	N/A
Major Events Affecting IA Clarington Tactical Income Class	<ul style="list-style-type: none"> ▪ effective February 28, 2011, Series L shares, Series L6 shares and Series L8 shares were offered to the public; and ▪ effective July 18, 2011, Series E shares and Series E6 shares were offered to the public.
IA Clarington Monthly Income Balanced Fund	
Date of Inception	July 31, 1998
Name Changes	<ul style="list-style-type: none"> ▪ prior to December 31, 2001, IRIS Strategic Income Option Balanced Fund; ▪ prior to July 4, 2007, R Monthly Income Balanced Fund.
Major Events Affecting IA Clarington Monthly Income	<ul style="list-style-type: none"> ▪ effective June 1, 2009, Series F6, Series F8 and Series X securities were created; ▪ effective October 4, 2001, the declaration of trust was amended to permit distributions of capital;

Balanced Fund	<ul style="list-style-type: none"> ▪ 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., Class I units were created, the existing units were redesignated as Retail Class units and the investment objective was amended to change the allocation between debt and equity securities; ▪ effective August 26, 2005, the Retail Class and Class I units were redesignated as Series A and Series I units; ▪ effective July 9, 2007, Series T units were created; ▪ 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 T8 units and Series T units were redesignated as Series T6 units; ▪ effective June 5, 2009, IA Clarington Diversified Balanced Fund, IA Clarington Canadian Growth & Income Fund and IA Clarington Canadian Income II merged into this Fund; ▪ effective October 1, 2009, the Fund was able to use derivatives such as options, forwards and futures for hedging and non-hedging purposes; and ▪ effective July 19, 2010, Series O units were offered to the public.
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GLOBAL CASH DISTRIBUTION FUNDS

IA Clarington Global Dividend Fund

Date of Inception	October 26, 2006
Name Changes	prior to July 4, 2007, Clarington Global Dividend Fund
Major Events Affecting IA Clarington Global Dividend Fund	<ul style="list-style-type: none"> ▪ effective July 4, 2007, the portfolio advisor changed from ABN AMRO Asset Management Canada Limited to Industrial Alliance Investment Management Inc. and ABN AMRO Asset Management Canada Limited (now named BNP Paribas Investment Partners Canada Ltd.) was appointed as sub-advisor; ▪ effective July 9, 2007, all of the outstanding Series A units were redesignated Series T units and all of the outstanding Series F units were redesignated as Series FT units; ▪ effective November 15, 2007, all of the issued and outstanding Series T units were redesignated as Series T6 units and Series T8 units were created; ▪ 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 FT units were redesignated as Series F6 units; and ▪ effective July 19, 2010, Series O units were offered to the public.

IA Clarington Global Tactical Income Fund	
Date of Inception	January 23, 2001
Name Changes	<ul style="list-style-type: none"> ▪ prior to July 4, 2007, Clarington Global Income Fund; ▪ prior to July 19, 2010, IA Clarington Global Income Fund.
Major Events Affecting IA Clarington Global Tactical 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. and OppenheimerFunds, Inc. and Oppenheimer Real Asset Management, Inc. were added as sub-advisors; ▪ effective June 30, 2006, the manager and trustee changed from ClaringtonFunds Inc. to the Manager and Trustee; ▪ effective November 17, 2006, all of the outstanding Series O units were redesignated as Series I units; ▪ effective July 9, 2007, Series FT units and Series T units were created; ▪ effective July 4, 2008, all of the outstanding Series A units were redesignated as Series T8 units, Series F units were redesignated as Series F8 units, Series T units were redesignated as Series T6 units and Series FT units were redesignated as Series F6 units; ▪ effective September 15, 2008, the sub-advisors of the Fund changed from OppenheimerFunds, Inc. and Oppenheimer Real Asset Management, Inc. to Catapult Financial Management, Inc. (now named Aston Hill Investments Inc.); ▪ effective July 19, 2010, Series O units were offered to the public; ▪ effective October 1, 2010, the Fund was permitted to enter into securities lending agreements; and ▪ effective February 28, 2011, Series L units, Series L6 units and Series L8 units were created and offered to the public.
IA Clarington Global Tactical Income Class	
Date of Inception	July 19, 2010
Name Changes	N/A
Major Events Affecting IA Clarington Global Tactical Income Class	<ul style="list-style-type: none"> ▪ effective February 28, 2011, Series L shares, Series L6 shares and Series L8 shares were offered to the public.
CANADIAN FUNDS	
IA Clarington Canadian Balanced Fund	
Date of Inception	September 12, 1996
Name Changes	prior to July 4, 2007, Clarington Canadian Balanced Fund
Major Events	<ul style="list-style-type: none"> ▪ effective April 1, 2006, the portfolio advisor changed from

Affecting IA Clarington Canadian Balanced Fund	<p>SEAMARK Asset Management Ltd. to Industrial Alliance Investment Management Inc. and Howson Tattersall Investment Counsel Limited was added as sub-advisor;</p> <ul style="list-style-type: none"> ▪ effective June 30, 2006, the manager and trustee changed from ClaringtonFunds Inc. to the Manager and Trustee; ▪ effective June 5, 2009, the sub-advisor changed from Howson Tattersall Investment Counsel Limited to QV Investors Inc.; ▪ effective July 1, 2009, the management fee for Series A units was decreased to 2.00%; ▪ effective July 19, 2010, Series O units were offered to the public; ▪ effective October 1, 2010, the Fund was permitted to enter into securities lending agreements; ▪ effective November 15, 2010, Series T5 units were created and offered to the public; ▪ effective February 28, 2011, Series L units and Series L5 units were created and offered to the public; and ▪ effective July 18, 2011, Series F5 units were offered to the public.
IA Clarington Canadian Balanced Class	
Date of Inception	July 12, 2011
Name Changes	N/A
Major Events Affecting IA Clarington Canadian Balanced Class	Nil
IA Clarington Canadian Conservative Equity Fund	
Date of Inception	September 27, 2000 (the Fund is a successor to Associate Investors Limited, which was established on October 13, 1950)
Name Changes	<ul style="list-style-type: none"> ▪ prior to November 20, 2003, Co-operators Canadian Conservative Focused Equity Fund; ▪ prior to July 4, 2007, IA Canadian Conservative Equity Fund.
Major Events Affecting IA Clarington Canadian Conservative Equity Fund	<ul style="list-style-type: none"> ▪ effective September 30, 2000, the Fund acquired the assets and assumed the liabilities of Associate Investors Limited; ▪ effective December 1, 2004, all of the outstanding units were redesignated as Series A units and Series I units were offered; ▪ effective July 8, 2005, the trustee and manager of the Fund changed from Industrial Alliance Mutual Funds Inc. to the Manager and Trustee; ▪ effective August 26, 2005, Series F units were created; ▪ effective November 17, 2006, IA Clarington Canadian Conservative

	<p>Equity Fund merged into this Fund (which was then named IA Canadian Conservative Equity Fund);</p> <ul style="list-style-type: none"> ▪ effective July 4, 2007, the portfolio advisor changed from Leon Frazer & Associates Inc. to Industrial Alliance Investment Management Inc. and Leon Frazer & Associates Inc. was appointed as sub-advisor; ▪ effective January 15, 2008, the auditors changed from Samson Bélair/Deloitte & Touche, s.e.n.c.r.l. to PricewaterhouseCoopers LLP; effective July 19, 2010, Series O units were offered to the public; ▪ effective October 1, 2010, the Fund was permitted to enter into securities lending agreements; ▪ effective November 15, 2010, Series T5 units were created and offered to the public; ▪ effective February 28, 2011, Series L units and Series L5 units were created and offered to the public; and ▪ effective July 18, 2011, Series F5 units were offered to the public.
IA Clarington Canadian Conservative Equity Class	
Date of Inception	July 12, 2011
Name Changes	N/A
Major Events Affecting IA Clarington Canadian Conservative Equity Class	Nil
IA Clarington Canadian Growth Fund	
Date of Inception	September 12, 1996
Name Changes	<ul style="list-style-type: none"> ▪ prior to July 4, 2007, Clarington Canadian Equity Fund; ▪ prior to July 19, 2010, IA Clarington Canadian Equity Fund.
Major Events Affecting IA Clarington Canadian Growth Fund	<ul style="list-style-type: none"> ▪ effective August 26, 2005, Clarington Canadian Growth Fund merged into this Fund; ▪ 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; ▪ effective November 17, 2006, all of the outstanding Series O units were redesignated as Series I units; ▪ effective June 5, 2009, IA Clarington Core Portfolio merged into this Fund; and ▪ effective October 1, 2010, the Fund was permitted to enter into securities lending agreements.

IA Clarington Canadian Growth Class	
Date of Inception	August 28, 2000
Name Changes	<ul style="list-style-type: none"> ▪ prior to July 4, 2007, Clarington Canadian Equity Class; ▪ prior to July 19, 2010, IA Clarington Canadian Equity Class
Major Events Affecting IA Clarington Canadian Growth Class	<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 changed from ClaringtonFunds Inc. to the Manager; and ▪ effective October 1, 2010, the Fund was permitted to enter into securities lending agreements.
IA Clarington Canadian Leaders Fund	
Date of Inception	December 21, 2000
Name Changes	prior to July 4, 2007, R Canadian Leaders Fund
Major Events Affecting IA Clarington Canadian Leaders Fund	<ul style="list-style-type: none"> ▪ effective December 31, 2001, the trustee changed from Laurentian Trust of Canada Inc. to the Manager; ▪ effective August 26, 2005, the Retail Class and Class I units were redesignated as Series A and Series I units and IA Canadian Core Equity Fund merged into this Fund; ▪ effective July 4, 2007, the portfolio advisor changed from IA Clarington Investments Inc. to Industrial Alliance Investment Management Inc.; ▪ 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, Series F units were created; ▪ effective June 5, 2008, IA Clarington Canadian Growth Fund merged into this Fund; ▪ 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; and ▪ effective February 28, 2011, Series L units were created and offered to the public.
IA Clarington Canadian Leaders Class	
Date of Inception	July 4, 2008
Name Changes	N/A
Major Events Affecting IA Clarington Canadian Leaders	Nil

Class	
IA Clarington Canadian Small Cap Fund	
Date of Inception	March 13, 1997
Name Changes	prior to July 4, 2007, Clarington Canadian Small Cap Fund
Major Events Affecting IA Clarington Canadian Small Cap Fund	<ul style="list-style-type: none"> ▪ effective December 15, 2001, Clarington Canadian Micro-Cap Fund merged into this Fund; ▪ effective June 30, 2006, the manager and trustee changed from ClaringtonFunds Inc. to the Manager and Trustee; ▪ effective November 17, 2006, all of the outstanding Series O units were redesignated as Series I units; ▪ effective July 4, 2007, the portfolio advisor changed from QVGD Investors Inc. to Industrial Alliance Investment Management Inc. and QVGD Investors Inc., now named QV Investors Inc., was appointed as sub-advisor; ▪ effective June 5, 2009, IA Clarington Canadian Opportunities Fund merged into this Fund; ▪ effective June 1, 2009, Series X securities were created; ▪ effective July 19, 2010, Series O units were offered to the public; and ▪ effective February 28, 2011, Series L units were created and offered to the public.
IA Clarington Canadian Small Cap Class	
Date of Inception	July 4, 2008
Name Changes	N/A
Major Events Affecting IA Clarington Canadian Small Cap Class	Nil
IA Clarington Energy Class	
Date of Inception	July 19, 2010
Name Changes	N/A
Major Events Affecting IA Clarington Energy Class	Nil

U.S. AND GLOBAL FUNDS

IA Clarington American Fund	
Date of Inception	November 2, 1999
Name Changes	prior to July 4, 2007, R American Fund
Major Events Affecting IA Clarington American Fund	<ul style="list-style-type: none"> ▪ effective December 21, 2000, Class I units were created and the existing units were redesignated as Retail Class units; ▪ effective December 31, 2001, IRIS U.S. Equity Fund merged into this Fund and the trustee changed from Laurentian Trust of Canada Inc. to the Trustee; ▪ effective April 1, 2005, the portfolio advisor changed to Industrial Alliance Investment Management Inc. and McLean Budden Limited was appointed as sub-advisor; effective August 26, 2005, the Retail Class and Class I units were redesignated as Series A and Series I units; ▪ effective January 15, 2008, the auditors changed from Samson Bélair/Deloitte & Touche, s.e.n.c.r.l. to PricewaterhouseCoopers LLP; ▪ effective November 3, 2008, Series F units were created and offered to the public; and ▪ effective July 19, 2010, Series O units were offered to the public.
IA Clarington Global Equity Fund	
Date of Inception	August 17, 1998
Name Changes	prior to July 4, 2007, Clarington Global Equity Fund
Major Events Affecting IA Clarington Global Equity Fund	<ul style="list-style-type: none"> ▪ effective August 26, 2005, Clarington Asia Pacific Fund, Clarington International Equity Fund and Clarington Global Communications Fund merged into this Fund; ▪ effective February 27, 2006, the portfolio advisor changed from OppenheimerFunds, Inc. to Industrial Alliance Investment Management Inc. and OppenheimerFunds, Inc. was appointed as sub-advisor; ▪ effective June 30, 2006, the manager and trustee changed from ClaringtonFunds Inc. to the Manager and Trustee; effective November 17, 2006, all of the outstanding Series O units were redesignated as Series I units; ▪ effective November 17, 2006, R Global Growth Fund, R European Fund, R Asian Fund and R Life & Health Fund merged into this Fund; ▪ effective July 19, 2010, Series O units were offered to the public; and ▪ effective October 1, 2010, the Fund was permitted to enter into securities lending agreements.

IA Clarington Global Equity Class	
Date of Inception	August 28, 2000
Name Changes	prior to July 4, 2007, Clarington Global Equity Class
Major Events Affecting IA Clarington Global Equity Class	<ul style="list-style-type: none"> ▪ effective July 16, 2003, the investment strategy was revised to permit the Fund to invest directly in securities rather than invest in the Clarington Global Equity Fund; ▪ effective August 26, 2005, Clarington U.S. Value Class, Clarington Global Value Class and Clarington Global Health Sciences Class merged into this Fund; ▪ effective February 27, 2006, the portfolio advisor changed from OppenheimerFunds, Inc. to Industrial Alliance Investment Management Inc. and OppenheimerFunds, Inc. was appointed as sub-advisor; ▪ effective June 30, 2006, the manager changed from ClaringtonFunds Inc. to the Manager; and ▪ effective October 1, 2010, the Fund was permitted to enter into securities lending agreements.
IA Clarington Global Small Cap Fund	
Date of Inception	September 12, 1996
Name Changes	<ul style="list-style-type: none"> ▪ prior to April 26, 1999, Clarington Global Opportunities Fund; ▪ prior to July 4, 2007, Clarington Global Small Cap Fund.
Major Events Affecting IA Clarington Global Small Cap Fund	<ul style="list-style-type: none"> ▪ effective August 26, 2005, Clarington U.S. Smaller Company Growth Fund merged into this Fund; ▪ effective April 30, 2006, the portfolio advisor changed from Evergreen Investment Management Company, LLC to Industrial Alliance Investment Management Inc. and Evergreen Investment Management Company, LLC was appointed as sub-advisor; ▪ effective June 30, 2006, the manager and trustee changed from ClaringtonFunds Inc. to the Manager and Trustee; ▪ effective November 17, 2006, all of the outstanding Series O units were redesignated as Series I units; ▪ effective July 6, 2010, IA Clarington's investment management agreement with Evergreen Investment Management Company, LLC was assigned to Wells Capital Management Inc.; ▪ effective July 19, 2010, Series O units were offered to the public; ▪ effective October 1, 2010, the Fund was permitted to enter into securities lending agreements; and ▪ effective July 12, 2011, Series O units were no longer offered to the public.
IA Clarington Global Value Fund	
Date of Inception	November 2, 1999

Name Changes	<ul style="list-style-type: none"> ▪ prior to August 26, 2005, R World Leaders Fund; ▪ prior to July 4, 2007, R Global Value Fund.
Major Events Affecting IA Clarington Global Value Fund	<ul style="list-style-type: none"> ▪ effective December 21, 2000, Class I units were created and the existing units were redesignated as Retail Class units; ▪ effective December 31, 2001, the trustee changed from Laurentian Trust of Canada Inc. to the Trustee; ▪ effective August 26, 2005, the portfolio advisor changed to Industrial Alliance Investment Management Inc. and Brandywine Global Investment Management, LLC (which later changed its name to Global Currents Investment Management, LLC) was appointed as sub-advisor, and the Retail Class and Class I units were redesignated as Series A and Series I units; ▪ effective January 15, 2007, Series F units were created; ▪ effective January 15, 2008, the auditors changed from Samson Bélair/Deloitte & Touche, s.e.n.c.r.l. to PricewaterhouseCoopers LLP; ▪ effective July 9, 2009, Global Currents Investment Management, LLC ceased to be the sub-advisor for this Fund; ▪ effective October 1, 2009, the Fund was able to use derivatives such as options, forwards and futures for hedging and non-hedging purposes; and ▪ effective July 19, 2010, Series O units were offered to the public.
IA Clarington Sarbit U.S. Equity Fund	
Date of Inception	January 20, 2000
Name Changes	<ul style="list-style-type: none"> ▪ prior to July 4, 2007, Clarington Navellier U.S. All Cap Fund; ▪ prior to June 5, 2009, IA Clarington Navellier U.S. All Cap Fund.
Major Events Affecting IA Clarington Sarbit U.S. Equity Fund	<ul style="list-style-type: none"> ▪ effective June 10, 2004, the portfolio advisor changed from Navellier & Associates, Inc. to QVGD Investors Inc. (now named QV Investors Inc.) and Navellier & Associates, Inc. was appointed as the sub-advisor; ▪ effective August 1, 2004, the portfolio advisor changed to Navellier & Associates, Inc.; ▪ effective August 26, 2005, Clarington Navellier U.S. All Cap Class and Clarington U.S. Growth Fund merged into this Fund; ▪ effective April 30, 2006, the portfolio advisor changed from Navellier & Associates, Inc. to Industrial Alliance Investment Management Inc. and Navellier & Associates, Inc. was appointed as sub-advisor; ▪ effective June 30, 2006, the manager and trustee changed from ClaringtonFunds Inc. to the Manager and Trustee; ▪ effective November 17, 2006, all of the outstanding Series O units were redesignated as Series I units; ▪ effective June 5, 2009, IA Clarington U.S. Dividend Fund and Sarbit US Equity Trust merged into this Fund, the Fund changed its investment objectives and strategies to adopt the investment objectives and strategies of Sarbit US Equity Trust, and the sub-

	<p>advisor changed from Navellier & Associates, Inc. to Sarbit Advisory Services Inc.;</p> <ul style="list-style-type: none"> ▪ effective June 1, 2009, Series F6 and Series T6 securities were created; ▪ effective July 19, 2010, Series O units were offered to the public; and ▪ effective February 28, 2011, Series L units and Series L6 units were created and offered to the public.
IA Clarington Sarbit U.S. Equity Class (Unhedged)	
Date of Inception	July 12, 2011
Name Changes	N/A
Major Events Affecting IA Clarington Sarbit U.S. Equity Class (Unhedged)	Nil
DISTINCTION PORTFOLIOS	
Distinction Prudent Portfolio	
Date of Inception	October 1, 2002
Name Changes	prior to October 6, 2006, R Prudent Distinction Portfolio
Major Events Affecting Distinction Prudent Portfolio	<ul style="list-style-type: none"> ▪ effective October 7, 2005, the Retail Class and Class I units were redesignated into Series A and Series I units, and the portfolio advisor changed from Industrial Alliance Fund Management Inc. to Industrial Alliance Investment Management Inc.; ▪ effective November 15, 2007, Series M units were created; ▪ 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, Series I units were created; and ▪ effective July 19, 2010, Series O units were offered to the public.
Distinction Prudent Class	
Date of Inception	July 4, 2008
Name Changes	N/A
Major Events Affecting Distinction Prudent Class	Nil
Distinction Conservative Portfolio	
Date of Inception	October 1, 2002

Name Changes	prior to October 6, 2006, R Conservative Distinction Portfolio
Major Events Affecting Distinction Conservative Portfolio	<ul style="list-style-type: none"> ▪ effective October 7, 2005, the Retail Class and Class I units were redesignated into Series A and Series I units, and the portfolio advisor changed from Industrial Alliance Fund Management Inc. to Industrial Alliance Investment Management Inc.; ▪ effective November 15, 2007, Series M units were created; ▪ 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, Series I units were created; ▪ effective July 19, 2010, Series O units were offered to the public; and ▪ effective February 28, 2011, Series L units and Series LM units were created and offered to the public.
Distinction Conservative Class	
Date of Inception	July 4, 2008
Name Changes	N/A
Major Events Affecting Distinction Conservative Class	Nil
Distinction Balanced Portfolio	
Date of Inception	October 1, 2002
Name Changes	prior to October 6, 2006, R Balanced Distinction Portfolio
Major Events Affecting Distinction Balanced Portfolio	<ul style="list-style-type: none"> ▪ effective October 7, 2005, the Retail Class and Class I units were redesignated into Series A and Series I units, and the portfolio advisor changed from Industrial Alliance Fund Management Inc. to Industrial Alliance Investment Management Inc.; ▪ effective November 15, 2007, Series M units were created; ▪ 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, Series I units were created; ▪ effective July 19, 2010, Series O units were offered to the public; and ▪ effective February 28, 2011, Series L units and Series LM units were created and offered to the public.
Distinction Balanced Class	
Date of Inception	July 4, 2008
Name Changes	N/A
Major Events Affecting Distinction Balanced	Nil

Class	
Distinction Growth Portfolio	
Date of Inception	October 1, 2002
Name Changes	<ul style="list-style-type: none"> ▪ prior to October 6, 2006, R Dynamic Distinction Portfolio; ▪ prior to July 4, 2007, Distinction Dynamic Portfolio.
Major Events Affecting Distinction Growth Portfolio	<ul style="list-style-type: none"> ▪ effective October 7, 2005, the Retail Class and Class I units were redesignated into Series A and Series I units, and the portfolio advisor changed from Industrial Alliance Fund Management Inc. to Industrial Alliance Investment Management Inc.; ▪ effective November 15, 2007, Series M units were created; ▪ 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, Series I units were created; ▪ effective July 19, 2010, Series O units were offered to the public; and ▪ effective February 28, 2011, Series L units and Series LM units were created and offered to the public.
Distinction Growth Class	
Date of Inception	July 4, 2008
Name Changes	N/A
Major Events Affecting Distinction Growth Class	Nil
Distinction Bold Portfolio	
Date of Inception	October 1, 2002
Name Changes	prior to October 6, 2006, R Bold Distinction Portfolio
Major Events Affecting Distinction Bold Portfolio	<ul style="list-style-type: none"> ▪ effective October 7, 2005, the Retail Class and Class I units were redesignated into Series A and Series I units, and the portfolio advisor changed from Industrial Alliance Fund Management Inc. to Industrial Alliance Investment Management Inc.; ▪ effective November 15, 2007, Series M units were created; ▪ 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, Series I units were created; and ▪ effective July 19, 2010, Series O units were offered to the public.
Distinction Bold Class	
Date of Inception	July 4, 2008
Name Changes	N/A

Major Events Affecting Distinction Bold Class	Nil
Distinction Monthly Income Portfolio	
Date of Inception	August 26, 2005
Name Changes	prior to July 4, 2007, IA Diversified Monthly Income Fund
Major Events Affecting Distinction Monthly Income Portfolio	<ul style="list-style-type: none"> ▪ effective July 9, 2007, all of the outstanding Series A units were redesignated as Series T units; ▪ effective November 15, 2007, Series M6 and Series M8 units were created; ▪ 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 T units were redesignated as Series T6 units and Series I units were created; and ▪ effective July 19, 2010, Series O units were offered to the public.
Distinction Monthly Income Class	
Date of Inception	January 19, 2009
Name Changes	N/A
Major Events Affecting Distinction Monthly Income Class	Nil
INHANCE SRI FUNDS	
IA Clarington Inhance Monthly Income SRI Fund	
Date of Inception	November 20, 2009
Name Changes	N/A
Major Events Affecting IA Clarington Inhance Monthly Income SRI Fund	<ul style="list-style-type: none"> ▪ effective December 7, 2009, Inhance Monthly Income Fund and Vancity Circadian Monthly Income Fund merged into this Fund; ▪ effective December 14, 2009, the sub-advisor changed from Inhance Investment Management Inc. to Vancity Investment Management Limited; and ▪ effective July 18, 2011, all of the issued and outstanding Series A units were redesignated as Series T6 units and all of the issued and outstanding Series F units were redesignated as Series F6 units.
IA Clarington Inhance Canadian Equity SRI Class	
Date of Inception	November 20, 2009

Name Changes	N/A
Major Events Affecting IA Clarington Inhance Canadian Equity SRI Class	<ul style="list-style-type: none"> ▪ effective December 7, 2009, Inhance Canadian Equity Fund and Vancity Circadian Canadian Equity Fund merged into this Fund; and ▪ effective December 14, 2009, the sub-advisor changed from Inhance Investment Management Inc. to Vancity Investment Management Limited.
IA Clarington Inhance Global Equity SRI Class	
Date of Inception	November 20, 2009
Name Changes	N/A
Major Events Affecting IA Clarington Inhance Global Equity SRI Class	<ul style="list-style-type: none"> ▪ effective December 7, 2009 Inhance Global Leaders Fund and Vancity Circadian Global Leaders Fund merged into this Fund; and ▪ effective December 14, 2009, the sub-advisor changed from Inhance Investment Management Inc. to Vancity Investment Management Limited.
IA Clarington Inhance Conservative SRI Portfolio	
Date of Inception	November 20, 2009
Name Changes	N/A
Major Events Affecting IA Clarington Inhance Conservative SRI Portfolio	<ul style="list-style-type: none"> ▪ effective December 7, 2009, Vancity Perspectives Income Portfolio and Vancity Perspectives Conservative Portfolio merged into this Fund; ▪ effective December 14, 2009, the sub-advisor changed from Inhance Investment Management Inc. to Vancity Investment Management Limited; and ▪ effective July 18, 2011, all of the issued and outstanding Series A units were redesignated as Series T6 units.
IA Clarington Inhance Balanced SRI Portfolio	
Date of Inception	November 20, 2009
Name Changes	N/A
Major Events Affecting IA Clarington Inhance Balanced SRI Portfolio	<ul style="list-style-type: none"> ▪ effective December 7, 2009, Vancity Perspectives Balanced Portfolio merged into this Fund; ▪ effective December 14, 2009, the sub-advisor changed from Inhance Investment Management Inc. to Vancity Investment Management Limited; and ▪ effective July 19, 2010, Series O units were offered to the public.
IA Clarington Inhance Growth SRI Portfolio	
Date of Inception	November 20, 2009
Name Changes	N/A

Major Events Affecting IA Clarington Inhance Growth SRI Portfolio	<ul style="list-style-type: none"> ▪ effective December 7, 2009, Inhance Balanced Fund, Vancity Circadian Balanced Fund, Vancity Perspectives High Growth Portfolio and Vancity Perspectives Growth Portfolio merged into this Fund; and ▪ effective December 14, 2009, the sub-advisor changed from Inhance Investment Management Inc. to Vancity Investment Management Limited.
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The manager of the Funds is IA Clarington Investments Inc. (the “Manager”, “IA Clarington”, “we” or “us”). The Manager was formed by the amalgamation of IA Clarington Investments Inc. and Sarbit Asset Management Inc. on January 1, 2009. On January 1, 2011, IA Clarington also amalgamated with Industrial Alliance Mutual Funds Inc. The former IA Clarington Investments Inc. was created on July 27, 1999 and originally named BLC-Edmond de Rothschild Asset Management Inc. It changed its name to Industrial Alliance Fund Management Inc. on January 19, 2005 and to IA Clarington Investments Inc. on June 30, 2006.

IA Clarington Investments Inc. is a wholly-owned subsidiary of Industrial Alliance Insurance and Financial Services Inc. (“Industrial Alliance”). On June 30, 2006, we assumed management of the Clarington Funds from ClaringtonFunds Inc. (formerly called Clarington Capital Management Inc.). The duties of manager, distributor and promoter for the Clarington Funds were initially performed by Clarington Capital Limited Partnership, for which Clarington Capital Management Inc. was the general partner, until the partnership was dissolved on December 30, 1999. At that time, ClaringtonFunds Inc. assumed all of the partnership’s rights and responsibilities.

The Funds’ offices are located at 522 University Avenue, Suite 700, Toronto, Ontario, M5G 1Y7. The Manager’s head office is located at 1080 Grande Allée Ouest, Québec City, Québec G1K 7M3.

IA Clarington Target Click 2015 Fund, IA Clarington Target Click 2020 Fund, IA Clarington Target Click 2025 Fund and IA Clarington Target Click 2030 Fund (the “Target Click Funds”) are also managed by us and are offered for sale under a separate simplified prospectus and annual information form dated May 25, 2011. The Funds and the Target Click Funds are collectively referred to as the “IA Clarington Funds”.

Investment Restrictions and Practices of the Funds

Investment Restrictions

The Funds are subject to the standard investment restrictions and practices contained in securities legislation, including National Instrument 81-102 – Mutual Funds. This legislation is designed, in part, to ensure that the investments of the Funds are diversified and relatively liquid and to ensure the proper administration of the Funds. Except as set out below, each of the Funds adheres to these standard investment restrictions and practices.

The Funds are exempt from the requirement to deliver a renewal prospectus (and any amendment thereto) to investors that participate in a regular investment program as described under “*Optional Services - Pre-Authorized Chequing Plan*” on page 44.

The Funds, other than the money market funds, have received permission from the Canadian securities regulators to engage in short selling. None of the Funds currently engage in short selling.

A Fund will engage in short selling only within certain controls and limitations. Securities will be sold short only for cash and a Fund will receive the cash proceeds within normal trading settlement periods for the market in which the short sale is made. All short sales will be through market facilities through which those securities are normally bought and sold. Securities sold short by a Fund will be liquid securities that are either listed and posted for trading on a stock exchange and which the portfolio advisor has pre-arranged to borrow for the purpose of such sale, or will be a bond, debenture or other evidence of indebtedness of or guaranteed by the Government of Canada or any province or territory of Canada or the Government of the United States of America. At the time securities of a particular issuer are sold short, the aggregate market value of all securities of that issuer sold short by a Fund will not exceed 5% of the total net assets of the Fund. The aggregate market value of all securities sold short by a Fund will not exceed 20% of the net assets of the Fund on a daily marked-to-market basis. A Fund will place a “stop-loss” order with a dealer to immediately purchase for the Fund an equal number of the same securities if the trading price of the securities exceeds 120% (or such lesser percentage as the Manager may determine) of the price at which the securities were sold short. A Fund will deposit Fund assets with the borrowing agent (either the Fund’s custodian or a prescribed dealer) as security in connection with the short sale transaction. The Funds will keep proper books and records of all short sales and Fund assets deposited with borrowing agents as security. The Funds will hold “cash cover” (as defined in National Instrument 81-102 – Mutual Funds) in an amount, including the Fund assets deposited with borrowing agents as security in connection with short sale transactions, that is at least 150% of the aggregate market value of all securities sold short by a Fund on a daily marked-to-market basis.

The Funds, other than those which are money market funds, have received exemptive relief from the Canadian securities regulatory authorities to permit them to invest in certain exchange traded funds which utilize leverage in an attempt to magnify returns by either a multiple or an inverse multiple of a specified widely-quoted market index (the “Leveraged ETFs”), certain exchange-traded funds that seek to replicate the performance of gold or the value of a specified derivative the underlying interest of which is gold on an unlevered basis (“Gold ETFs”), and certain exchange-traded funds that seek to provide daily results that replicate the daily performance of gold or the value of a specified derivative the underlying interest of which is gold on an unlevered basis, by a multiple of 200% (“Leveraged Gold ETFs”). The Funds do not currently invest in Gold ETFs or Leveraged Gold ETFs. Investments in the Leveraged ETFs, Gold ETFs and Leveraged Gold ETFs will be made only in accordance with the investment objectives of each Fund, and in no case will the aggregate investment in such ETFs surpass 10% of the Fund’s net assets at the time of purchase. The Funds will only invest in a Leveraged ETF that is rebalanced daily to ensure that its performance and exposure to its underlying index will not exceed +/-200% of the corresponding daily performance of its underlying index. If the Funds invested in Leveraged Gold ETFs, the Leveraged Gold ETFs would be rebalanced daily to

ensure that their performance and exposure to their underlying gold interest will not exceed +200% of the corresponding daily performance of its underlying gold interest. If a Fund engages in short-selling, that Fund will not short sell securities of the Leveraged ETFs, Gold ETFs or Leveraged Gold ETFs. In no case will the a Fund enter into any transaction if, immediately after the transaction, more than 20% of the net assets of the Fund, taken at market value at the time of the transaction, would consist of, in aggregate, securities of the Leveraged ETFs, Gold ETFs, Leveraged Gold ETFs and all securities sold short by the Fund. The Funds may only invest in securities of Leveraged ETFs, Gold ETFs or Leveraged Gold ETFs that are traded on a stock exchange in Canada or the United States. The Funds will not invest in a Leveraged ETF with a benchmark index that is based on (i) a physical commodity, or (ii) a specified derivative (within the meaning of National Instrument 81-102 – Mutual Funds) of which the underlying interest is a physical commodity. Currently, only IA Clarington Tactical Income Fund, IA Clarington Tactical Income Class, IA Clarington Global Tactical Income Fund, IA Clarington Global Tactical Income Class and IA Clarington Sarbit U.S. Equity Fund intend to invest in Leveraged ETFs in reliance on the exemptive relief.

The fundamental investment objectives of each of the Funds are set out in the Simplified Prospectus of the Funds. Any change in the investment objectives of a Fund requires the approval of a majority of investors at a meeting called for that purpose. The Manager may change a Fund's investment strategies from time to time at its discretion.

Investors in any Fund that invests in other mutual funds, including the Distinction Portfolios, are not entitled to vote on a fundamental change in respect of the underlying funds (including a change of investment objectives). Where IA Clarington is the manager of both a Fund and an underlying fund held directly by that Fund, it may arrange for the securities of the underlying fund to be voted by the Fund's securityholders.

IA Clarington obtained the approval of the independent review committee of the Funds (the "IRC") to change the auditors of IA Clarington Real Return Bond Fund from KPMG LLP to PricewaterhouseCoopers LLP, effective July 31, 2009. The IRC determined that the change would achieve a fair and reasonable result for IA Clarington Real Return Bond Fund. Notice was sent to the investors of IA Clarington Real Return Bond Fund more than 60 days before the effective date of the change.

IA Clarington obtained the approval of the IRC to permit any Fund managed by a portfolio manager that is not an affiliate of IA Clarington to purchase and hold securities issued by parties related to Industrial Alliance, including securities of Industrial Alliance, which is the parent of the Manager.

IA Clarington obtained the approval of the IRC to transfer securities between IA Clarington Tactical Income Class and IA Clarington Tactical Income Fund, between IA Clarington Tactical Bond Class and IA Clarington Tactical Bond Fund and between IA Clarington Global Tactical Income Class and IA Clarington Global Tactical Income Fund. The IRC determined that each inter-fund trade achieved a fair and reasonable result for each of the Funds.

Registered Plan Status

Each Trust Fund qualifies as a mutual fund trust within the meaning of the *Income Tax Act* (Canada) (the “Tax Act”) and is expected to continue to so qualify at all times in the future. Accordingly, units of the Trust Funds are qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts (collectively, “Registered Plans”).

The Corporate Class Funds are classes of shares of Clarington Sector Fund Inc., which qualifies as a mutual fund corporation within the meaning of the Tax Act and is expected to continue to so qualify at all material times in the future. Accordingly, shares of the Corporate Class Funds are qualified investments for Registered Plans.

Annuitants of RRSPs and RRIFs, and holders of tax-free savings accounts, should consult with their own tax advisors as to whether securities of the Funds would be a prohibited investment under the Tax Act in their particular circumstances.

Description of Securities

Trust Funds

Each Trust Fund is divided into units, and may be divided into an unlimited number of series of securities, which may issue an unlimited number of securities of each series.

All of the Trust Funds other than the Cash Distribution Funds (but including IA Clarington Canadian Dividend 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 E, 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 T4, Series T5, Series T6, Series T8, Series T10, Series V and Series X units.

Series L units are only available to investors whose dealer has entered into a Series L agreement with us. They are sold under the advisor service charge purchase option only. We pay your dealer a commission equal to 3.00% of the amount of your investment. Your dealer will pay us a redemption fee on a declining scale if you redeem securities within three years of purchase. Your dealer is required to provide you with written disclosure of any conflicts of interest arising from your purchase of Series L securities and to obtain your written acknowledgement of this disclosure prior to your first purchase of Series L securities. Holders of Series L securities may switch into Front End Securities (as defined under “Purchase Options” below) of another series of the same Fund, and vice versa. A switch fee may apply. In addition, your dealer may be required to pay us a redemption fee if you switch Series L securities that are still subject to a redemption fee schedule for Front End Securities. You may not switch Series L securities for DSC Securities (as defined under “Purchase Options” below) or Low Load Securities (as defined under “Purchase Options” below). If you switch into Series L securities, we will pay your dealer the commission, and the dealer will become subject to a redemption fee, as described under “*Advisor Service Charge Option*” on page 38.

Series O securities have special attributes described in the Simplified Prospectus. They are not sold under the three main purchase options. Rather, these series of securities are sold with no sales charge. Any redemption fees applicable to Series O securities will be set out in the Series O securities agreement relating to those securities. As described in the Simplified Prospectus, Funds that offer Series O securities to investors will undertake to pay a monthly distribution, which is reviewed periodically, and does not necessarily target a fixed percentage of the net asset value of the Fund. In connection with the wind-up or termination of a Fund that holds securities of another Fund, we may automatically switch the Series O securities of the other Fund held by the terminating Fund to Series A, Series B, Series F and/or Series T securities of the other Fund in such proportions as we determine to be reasonable and equitable in the circumstances. Series O investors negotiate and pay a fee directly to the Manager. In addition, the Fund pays a fixed expense charge in respect of Series O securities, which covers all of the operating expenses of the Funds in respect of Series O securities, other than new or increased taxes to which the Funds are or might be subject (such as capital tax or sales taxes), interest and other borrowing costs (if any) and costs associated with compliance with any new governmental or regulatory requirements introduced after July 6, 2010.

Series Q units of IA Clarington Money Market Fund are available to all investors. Other than the amount of the up-front sales commission and the trailer fee rate paid to the dealer, they are identical to Series A units of the Fund. Holders of Series Q units may not switch into any series of any other Fund or any other series of units of IA Clarington Money Market Fund.

Series X units are available to certain investors in connection with mutual fund reorganizations 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 that offer Series X units were previously issued to certain investors in exchange for their holdings in certain mutual funds formerly managed by us, in exchange for their respective holdings in those funds. Series X units of any Fund that are issued in exchange for securities of another mutual fund or another series of securities 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. Holders of Series X units of any Fund may elect to receive cash instead of reinvesting their distributions.

Series V securities are special purpose securities not sold to the general public. Series V securities are only available to certain investors who have entered into a discretionary management relationship with a portfolio manager that has signed a Series V agreement with us.

Each Trust Fund generally derives its value from the portfolio assets held by that Trust Fund and the income earned in respect thereof. A separate net asset value is calculated daily in respect of each series of units issued by each Trust Fund. The net asset value of each Trust Fund and of each series of units is determined as described under “*Calculation of Net Asset Value and Valuation of Portfolio Securities*” on page 31.

Each holder of a whole unit of a Trust Fund is entitled to one vote per unit at meetings of unitholders of that Trust Fund, other than meetings at which the holders of one series of units of that Trust Fund are entitled to vote separately as a series.

Subject to management fee distributions, all units of each series are treated equally with respect to distributions and on the winding-up of a Trust Fund based on the relative net asset value of each series.

All units of a Trust Fund are fully paid and non-assessable when issued. Units of any series of a Trust Fund may be switched at any time into securities of the same series of any other Fund. Please see “*Switching Privileges*” on page 39. Details and additional information relating to switching between: (i) purchase options; (ii) series of the same Fund; and (iii) series of a different Fund are also available in the Simplified Prospectus of the Funds. Certain restrictions may apply in connection with switches to the Target Click Funds.

Fractions of units may be issued. Fractional units carry the rights and privileges, and are subject to the restrictions and conditions, applicable to whole units in the proportions which they bear to one unit; however, the holder of a fractional unit is not entitled to vote in respect of such fractional unit.

Unitholders can redeem all or any of their units at the series net asset value of those units as described under “*Redemption of Securities*” on page 41. All units are transferable without restriction.

The rights and conditions attached to the units of each of the Trust Funds may be modified only in accordance with the provisions attached to such units and the provisions of the Master Declarations of Trust and Trust Agreement, as applicable. A description of the series of units offered by each Trust Fund and the eligibility requirements attached to each series of units is contained in the Simplified Prospectus of the Funds.

Corporate Class Funds

Clarington Sector Fund Inc. has an unlimited number of authorized common shares, of which the sole common share is held by the Manager. It also has 100 classes of special shares, of which 16 classes have been issued and are outstanding. Each class of special shares is a separate Corporate Class Fund that has its own investment objectives. Each class has been divided into series. The number of shares of each series that may be issued is unlimited. All of the Corporate Class Funds (other than IA Clarington Dividend Growth Class and Distinction Monthly Income Class) offer Series A shares and some of the Corporate Class Funds also offer 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 M, Series M6, Series M8, Series T5, Series T6, Series T8, Series T10 and Series V shares.

Each Corporate Class Fund generally derives its value from the portfolio assets attributable to that Corporate Class Fund and the income earned in respect thereof. A separate net asset value is calculated daily in respect of each series of shares issued of each Corporate Class Fund. The net asset value of each Corporate Class Fund and of each series of shares is determined as described under “*Calculation of Net Asset Value and Valuation of Portfolio Securities*” on page 31.

Dividends in respect of a Corporate Class Fund, including capital gains dividends, may be declared payable by the board of directors of Clarington Sector Fund Inc. in its sole discretion.

Each holder of a whole share of a Corporate Class Fund is entitled to one vote per share at:

- meetings of shareholders of that Corporate Class Fund, other than in respect of matters that the holders of one series of shares of that Corporate Class Fund are entitled to vote on separately as a series and
- meetings of all shareholders of Clarington Sector Fund Inc., other than in respect of matters that the holders of another class are entitled to vote on separately as a class.

Within Clarington Sector Fund Inc., no class ranks ahead of any other class when it comes to payment of declared dividends and return of capital in the event of liquidation, dissolution or winding-up. No additional class of shares of Clarington Sector Fund Inc. may be offered in the future that would rank ahead of any Corporate Class Fund.

All shares of a Corporate Class Fund are fully paid and non-assessable when issued. Shares of any series of a Corporate Class Fund may be exchanged at any time into securities of the same series of any other Fund. Please see “*Switching Privileges*” on page 39. Details and additional information relating to switching between: (i) purchase options; (ii) series of the same Corporate Class Fund; and (iii) series of a different Fund are also available in the Simplified Prospectus of the Funds. Certain restrictions may apply in connection with switches to the Target Click Funds.

Fractions of shares may be issued. Fractional shares carry the rights and privileges, and are subject to the restrictions and conditions, applicable to whole shares in the proportions which they bear to one share; however, the holder of a fractional share is not entitled to vote in respect of such fractional share.

Shareholders can redeem all or any of their shares at the series net asset value of those shares as described under “*Redemption of Securities*” on page 41. All shares are transferable without restriction.

Further details of the rights attaching to each Corporate Class Fund are contained in the articles of Clarington Sector Fund Inc. The rights and conditions attaching to each class and series of shares may be modified only in accordance with the provisions attaching to such class and series of shares and the provisions of applicable corporate legislation. A description of the series of shares offered by each Corporate Class Fund and the eligibility requirements attached to each series of shares is contained in the Simplified Prospectus of the Funds.

Meetings of Investors

Neither the Trust Funds nor the Corporate Class Funds hold regular meetings. Clarington Sector Fund Inc. will hold meetings if required under applicable corporate legislation. The Manager, as the holder of all the issued common shares of Clarington Sector Fund Inc., elects the directors and appoints the auditors of this corporation. In addition, investors of both the Trust Funds and the Corporate Class Funds are permitted to vote on all matters that require securityholder

approval under National Instrument 81-102 – Mutual Funds or under the constating documents of the Funds. These matters are:

- a change in the basis of the calculation of a fee or expense that is charged to the Fund or its securityholders that could result in an increase in charges to the Fund or its securityholders, unless (i) the person or company charging the fee or expense is at arm's length to the Fund and (ii) the securityholders of the Fund are given at least 60 days written notice of the proposed change;
- the introduction of a fee or expense to be charged to the Fund or directly to its securityholders by the Fund or the Manager that could result in an increase in charges to the Fund or to its securityholders;
- a change of the Manager, unless the new manager is an affiliate of the Manager;
- a change in the fundamental investment objectives of the Fund;
- a decrease in the frequency of the calculation of the net asset value per each series of security of the Fund;
- a material reorganization of the Fund, other than a reorganization that may be and is approved by the IRC; and
- the appointment of a successor trustee of the Trust Funds in certain circumstances.

The IRC may only approve a reorganization or transfer with another mutual fund managed by us if it meets the criteria set out for such approval in National Instrument 81-102 – Mutual Funds and the Fund sends written notice of the change to its securityholders at least 60 days prior to making the change.

Calculation of Net Asset Value and Valuation of Portfolio Securities

Calculation of Net Asset Value

The purchase and redemption price of securities of a Fund is based on the net asset value (“NAV”) per security determined after the receipt of a purchase or redemption order. We calculate a separate NAV for each series of securities of each Fund. The NAV per series and per security is calculated using the formulas set out below on each day that the Toronto Stock Exchange is open for trading:

- The NAV of each series of units of a Trust Fund is the value of the series' proportionate share of the assets of the Trust Fund less the total of the liabilities of the Trust Fund allocated to that series.
- The NAV per unit of a series of units of a Trust Fund is calculated by dividing the NAV of the applicable series by the total number of outstanding units in that series.
- The NAV of each series of shares of a Corporate Class Fund is the value of the series' proportionate share of the assets of the Corporate Class Fund less the total of the liabilities of the Corporate Class Fund allocated to that series.

- The NAV per share of a series of shares of a Corporate Class Fund is calculated by dividing the NAV of the applicable series by the total number of outstanding shares in that series.

We calculate the NAV for each security of each Fund at the close of trading on the Toronto Stock Exchange every business day (usually 4 p.m. Eastern Time). The purchase and redemption price of securities is the NAV per security of the applicable series next determined after the receipt of a purchase or redemption order. For Funds available in U.S. dollars, we calculate the NAV in Canadian dollars and convert to a NAV in U.S. dollars using the day's exchange rate.

Valuation of Portfolio Securities

In calculating the NAV of any security for the purposes of purchases and redemptions of securities of the Funds, the following valuation principles apply:

1. Short-term investments are accounted for at the bid rate calculated using a matrix system based on prices, yields and maturities of similar securities. For IA Clarington Money Market Fund, the cost of short-term investments together with interest accrued approximates their fair value.
2. The value of any cash or its equivalent on hand, on deposit or on call, bills and demand notes and accounts receivable, prepaid expenses, cash dividends declared and interest accrued and not yet received will be its face amount, unless the Manager determines an otherwise fair value.
3. The value of any security or interest in a security that is listed or dealt in upon a stock exchange will be determined by:
 - (a) Subject to sub-paragraph (c) below, in the case of a security traded on the day as of which the net asset value is being determined, the last sale price or official close price, where available, on the principal exchange on which it is traded;
 - (b) in the case of a security not traded on the day as of which the net asset value is being determined because such exchange is closed for business on such day, unless decided otherwise by the board of directors of the Manager, the most recent closing sale price; and
 - (c) subject to paragraph (5) below, in the case of any other security not traded on such exchange, or a security for which fewer than 100 securities are traded on such exchange, in each case on the day as of which the net asset value is being determined, a price estimated to be the true value thereof by the Manager on such basis and in such manner as may be approved by the board of directors of the Manager, such price being between the closing, ask and bid prices for the security or interest therein as reported by any report in common use or authorized as official by a stock exchange.

4. The value of any security or interest therein that is not listed or dealt in upon any stock exchange will be determined as nearly as may be possible in the manner described in paragraph (3) above, except that there may be used, for the purpose of determining the sale price or the ask and bid prices, any public quotations in common use which may be available.
5. Securities and other assets for which market quotations are, in the Manager's opinion, inaccurate, unreliable, not reflective of all available material information, not readily available or not available are valued at their fair value, as determined by the Manager.
6. Long positions in clearing corporation options, options on futures, over-the-counter options, debt-like securities and listed warrants shall be valued at the current market value thereof.
7. Where a clearing corporation option, option on futures or over-the-counter option is written by a Fund, the premium received by the Fund will be reflected as a deferred credit which will be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option which would have the effect of closing the position; any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment; the deferred credit shall be deducted in arriving at the net asset value of the Fund; the securities, if any, which are the subject of a written clearing corporation option or over-the-counter option will be valued in the manner described above for listed securities.
8. The value of a futures contract or a forward contract shall be the gain or loss, if any, that would arise as a result of closing the position in the futures contract or forward contract, as the case may be, on that valuation date unless daily limits are in effect, in which case fair market value shall be based on the current value of the underlying interest.
9. For any securities denominated in any currency other than Canadian currency, the net asset value so determined in that currency is converted into Canadian currency at the day's exchange rate.
10. The value of any security of a mutual fund held by a Fund will be the last available net asset value per security.
11. If an asset cannot be valued under the above rules or under any valuation rules set out in securities legislation or if any of the valuation rules adopted by the Manager but not set out in securities legislation are at any time considered by the Manager to be inappropriate in the circumstances, then the Manager shall use a valuation that it considers to be fair in the circumstances.

In accordance with Part 14 of National Instrument 81-106 – Continuous Disclosure for Investment Funds, the net asset value of the Funds is calculated on the basis of the valuation principles set forth in this annual information form for purchases and redemptions by investors, which are not the same as the Canadian GAAP requirements. Canadian GAAP requires that the fair value of portfolio securities quoted on an active market be measured based on the bid price for a long position and the ask price for a short position, instead of the close price or last sale

price of the security for the day. The value of portfolio securities is determined according to Canadian GAAP for annual and interim financial statement reporting purposes.

The Manager has implemented fair value pricing for all non-North American equity securities held by any of the Funds to avoid stale prices being used in calculating NAV. Stale values can occur in mutual fund portfolios when the prices of securities upon which a fund's price is based do not take account of the most recently available market information. Fair value pricing potentially reduces pricing discrepancies that market timers seek to exploit, which could limit opportunities for stale price arbitrage.

In the event of any inconsistency between the valuation principles set out above and the provisions of securities legislation, the provisions of securities legislation shall prevail.

In the past three years, the Manager has exercised its discretion to deviate from the Funds' valuation practices in connection with two types of circumstances. The first involved the taking of a discount on certain asset-backed commercial paper for which there had been a downgrade in credit rating. The second involved the discounting of U.S. securities to reflect a significant decline in global markets on a day when U.S. markets were closed.

The constating documents of the Funds contain details of the liabilities to be included in calculating the price for each series of securities of the Funds. The liabilities of a Fund include, without limitation, all bills, notes and accounts payable, all administrative or operating expenses payable or accrued, all contractual obligations for the payment of money or property, all allowances authorized or approved by us for taxes (if any) or contingencies and all other liabilities of the Fund. The Manager will determine in good faith whether such liabilities are series expenses or common expenses of the Funds.

Currency of Valuation

Each Fund is valued in Canadian dollars. However, securityholders may elect to purchase or redeem the series of securities of the Funds specified below in U.S. dollars:

- IA Clarington Global Equity Fund (Series A)
- IA Clarington Sarbit U.S. Equity Fund (Series A, F, F6, L, L6, T6)
- IA Clarington Global Dividend Fund (Series F6, T6, T8)
- IA Clarington Global Tactical Income Fund (Series L6, L8, T6, T8)
- IA Clarington Sarbit U.S. Equity Class (Unhedged) (Series A, E, F, F6, L, L6, T6)

Investors in these Funds may choose to make purchases and redemptions in U.S. dollars based on a conversion from the Canadian dollar at the then current exchange rate. You must redeem securities of a Fund in the same currency in which the securities were purchased. We may extend this privilege to investors in the other Funds or the other series of securities at any time. Series I and Series O securities may also be available for purchase or redemption in currencies other than Canadian dollars. Any such privileges must be specified in the Series I or Series O agreement pertaining to those securities.

If investors choose to purchase or redeem securities in a currency other than the one in which the Fund is denominated, the Fund may experience a foreign exchange gain or loss due to a

fluctuation in the relative value of the currencies between the date the purchase order or redemption request is made and the date that the order or request is settled or paid, as applicable.

Purchase of Securities

Securities are offered on a continuous basis in all provinces and territories in Canada through investment dealers, mutual fund dealers and independent financial planners as permitted under the securities laws of each jurisdiction in which the securities are qualified for sale.

Minimum Purchase Amounts

The minimum initial investment in Series A, Series L, Series Q or Series T securities of any Fund is \$500. For Series B securities of IA Clarington Money Market Fund, your initial investment must be at least \$100,000 in the Fund. For Series E securities your initial investment must be at least \$150,000 in each Fund. Series F securities of a Fund, your initial investment must be at least \$10,000 in each Fund. For Series LM and Series M securities, your initial investment must be at least \$15,000 in each Fund. Each subsequent investment in any series of securities of a Fund must be at least \$50. These minimum amounts apply to both Canadian dollar and U.S. dollar investments. We do not currently enforce the minimum investment requirements applicable to Series A, Series F, Series L, Series Q or Series T securities but may enforce them in our discretion in the future without notice to you. We may also waive any minimum investment requirements in our discretion.

Series I, Series O and Series V securities do not have a minimum purchase threshold, but are only available to investors who enter into a Series I or Series O agreement, or to investors whose portfolio manager has entered into a Series V agreement, as applicable, with us.

Process of Making Purchases

You may purchase securities being offered through your dealer. Your dealer must send your order to us on the same day it is received if received during normal business hours, otherwise, on the next business day. Generally, your dealer will transmit purchase orders by courier, Priority Post or telecommunications facilities. It is the responsibility of each dealer to transmit orders to us in a timely manner and to assume all associated costs.

If we receive a completed purchase order on or before 4:00 p.m. Eastern Time on a day that the Toronto Stock Exchange is open for business or before the Toronto Stock Exchange closes for the day, whichever is earlier, it will be processed at the NAV per security on that day. If we receive a purchase order after that time, the order will be processed at the NAV per security calculated on the next business day.

The Funds have the right to accept or reject any purchase order within one business day of receiving the order. If a Fund rejects your order, any amounts received will be returned to your dealer immediately. If your cheque for the purchase of securities is not honoured, we may reverse the purchase order and hold you responsible for any costs involved.

We must receive payment for all purchases within three business days. If the payment and all necessary documents are not received within three business days, securities regulations require

us to redeem the securities on the next business day. The proceeds of the redemption will be used to reduce any amount owing to the Fund. Any excess will belong to the Fund. Any shortfall will initially be paid to the Fund by us, but we will be entitled to collect such amount, together with the charges or expenses incurred, with interest, from the dealer who placed the order. Your dealer has the right to collect these amounts from you.

If you purchase securities of a Fund during a period when the calculation of NAV is suspended, you may either withdraw your purchase order prior to the end of the suspension period or receive the securities based on the NAV per security first calculated following the end of the suspension period.

Purchase Options

Series A, Series M and Series T securities of a Fund may be purchased under three purchase options:

- front end option,
- low load option or
- deferred sales charge option.

These options are described below. If you do not specify an option, your purchase will be considered to be a purchase under the front end option at a 0% sales charge.

Series B securities of IA Clarington Money Market Fund are only available under the front end option.

Series E securities are only available for purchase under the front end option.

Series F, Series I, Series O and Series V securities have special attributes described in the Simplified Prospectus. They are not sold under these three purchase options. Rather, these series of securities are sold with no sales charge. Series F securities have no fees payable on redemption, while any redemption fees applicable to Series I, Series O or Series V securities will be set out in the Series I, Series O or Series V securities agreement relating to those securities.

Series L securities are only available for purchase under the advisor service charge option.

Series Q securities of IA Clarington Money Market Fund are only available under the deferred sales charge option.

Front End Option

At the time of purchase, you negotiate a sales charge with your dealer of no more than 5% of the total amount of securities purchased under this option (5.26% of the net amount invested) and the balance is invested in a Fund. Securities purchased under this option are referred to as “Front End Securities”. Additional fees may apply for short-term trades involving Front End Securities. Please see “*Short-Term Trading Fees*” on page 43 for details.

Low Load Option

At the time of purchase, the full amount of your purchase is invested in a Fund and we pay your dealer a commission equal to 2.50% of the amount of your investment. You then pay a redemption fee on a declining scale if you redeem securities within three years of purchase. Securities purchased under this option are referred to as “Low Load Securities”. Additional fees may apply for short-term trades involving Low Load Securities. Please see “*Short-Term Trading Fees*” on page 43 for details.

The low load redemption fee, expressed as a percentage of the original purchase price per security of the Fund being redeemed, declines over time as set out in the following table:

<u>If redeemed during the following periods after date of issue:</u>	<u>Low Load Sales Charge Percentage</u>
Year 1	3.00%
Year 2	2.50%
Year 3	2.25%
After Year 3	Nil

Securities of the Funds purchased under the low load option on or prior to the date of this Annual Information Form will be subject to the redemption fee schedule applicable at the time of purchase of those securities.

Deferred Sales Charge Option

At the time of purchase, the full amount of your purchase is invested in a Fund and we pay your dealer a commission equal to 5% of the amount of your investment. For Series Q securities of IA Clarington Money Market Fund, we pay your dealer a commission equal to 5.6% of your initial investment. You then pay a redemption fee on a declining scale if you redeem securities within seven years of purchase. Securities purchased under this option are referred to as “DSC Securities”. Additional fees may apply for short-term trades involving DSC Securities. Please see “*Short-Term Trading Fees*” on page 43 for details.

Generally, if DSC Securities are redeemed within seven years of purchase, a deferred sales charge or redemption fee is charged based on the original purchase price of the securities.

We will redeem DSC Securities in the following order:

1. securities issued through distribution/dividend reinvestment plans,
2. securities included in Free Redemption Amount (see below) and
3. securities in the order that they were purchased.

Free Redemption Amount

The Free Redemption Amount is equal to:

- 10% of the number of eligible DSC Securities held by you at December 31 of the previous

year, plus

- 10% of the number of eligible DSC Securities you have purchased during the calendar year on or prior to the date of redemption, less
- the number of securities that would have been issued for any distributions or dividends received in cash that are not reinvested in securities, less
- the number of securities previously redeemed by you during the calendar year.

Any unused portion of the Free Redemption Amount cannot be carried forward to future years. If you switch securities of a Fund for securities of another IA Clarington Fund, any Free Redemption Amount attributable to those securities exchanged will be transferred on a proportionate basis.

The deferred sales charge, expressed as a percentage of the original purchase price per security of the Fund being redeemed, declines over time as set out in the following table:

<u>If redeemed during the following periods after date of issue</u>	<u>Deferred sales charge percentage</u>
Year 1	5.75%
Year 2	5.50%
Year 3	5.00%
Year 4	4.50%
Year 5	4.00%
Year 6	3.50%
Year 7	2.00%
After Year 7	0%

Securities purchased prior to the date of this Annual Information Form will be subject to the redemption fee schedule in effect at the time of purchase of those securities.

If you switch your securities of one Fund for securities of another IA Clarington Fund, the deferred sales charge applicable to securities of the Fund that you originally purchased will continue to apply to a redemption or further switch of the securities of the other IA Clarington Fund.

Securities sold on a “no load” basis prior to October 12, 2001, as well as securities issued as distributions on such securities, are treated as DSC Securities to which no redemption fee applies. The Funds known as the “IRIS Funds”, which have since merged into or been renamed as certain of the Funds, were sold on this basis.

Advisor Service Charge Option

At the time of purchase, the full amount of your purchase of Series L securities is invested in a Fund and we pay your dealer a commission equal to 3.00% of the amount of your investment. Your dealer will pay us a redemption fee on a declining scale if you redeem securities within

three years of purchase. Additional fees may apply for short-term trades involving Series L securities. Please see “*Short-Term Trading Fees*” on page 43 for details.

The Series L redemption fee payable by your dealer, expressed as a percentage of the original purchase price per Series L security of the Fund being redeemed, declines over time as set out in the following table:

If redeemed during the following periods after <u>date of issue</u>	Advisor Service Charge <u>percentage</u>
Year 1	3.00%
Year 2	2.50%
Year 3	2.00%
Year 4	0.00%

Switching Privileges

Switching Between Funds or to a Target Click Fund

You may switch securities of a Fund for securities of another IA Clarington Fund at any time, subject to the rules and criteria listed below.

Switches from a Trust Fund to another IA Clarington Fund or from a Corporate Class Fund to a Trust Fund or Target Click Fund are accomplished by redeeming securities of one Fund and purchasing securities of the other Fund. These switches will constitute a disposition and may result in a capital gain or loss for income tax purposes. For more information please see “*Income Tax Considerations*” on page 82.

Switches from one Corporate Class Fund to another Corporate Class Fund are accomplished by exchanging the shares of one Corporate Class Fund for shares of another Corporate Class Fund. If your proposed switch would constitute 1% or more of the net asset value of the Corporate Class Fund you currently hold, we may need to limit or stagger your switch request. Switches made between Corporate Class Funds are not considered to be a disposition for income tax purposes. For more information please see “*Income Tax Considerations*” on page 82.

You may not switch between Series Q units of IA Clarington Money Market Fund into any other series of that Fund or into any series of securities of any other IA Clarington Fund.

Certain restrictions may apply in connection with switches to the Target Click Funds. Please refer to the Simplified Prospectus of the Target Click Funds for more details.

Switching Between Purchase Options

You may switch Front End Securities of a Fund for Low Load Securities of another IA Clarington Fund and vice versa. As described below, a switch fee may apply. In addition, a redemption fee may apply if you switch Low Load Securities that are still subject to a redemption fee schedule for Front End Securities.

You may switch DSC Securities of a Fund for Front End Securities of another IA Clarington Fund and vice versa. As described below, a switch fee may apply. In addition, a redemption fee may apply if you switch DSC Securities that are still subject to a redemption fee schedule for Front End Securities.

You may not switch DSC Securities of a Fund for Low Load Securities of another Fund or vice versa.

You may not switch Series L securities under the Advisor Service Charge Option of an IA Clarington Fund for Low Load Securities or DSC Securities of the same or another IA Clarington Fund or vice versa.

All decisions regarding switching between purchase options are negotiated between you and your dealer. As described above, switches between purchase options may result in additional fees for you. In addition, these switches may result in your dealer receiving a higher trailer fee. You should understand the consequences to both you and your dealer before you switch between purchase options.

Switching Between Series

You may generally switch one series of a Fund for another series of the same or another Fund if you are eligible to purchase the new series.

If you switch Low Load Securities or DSC Securities that are still subject to a redemption fee schedule for Series F securities, you will have to pay a fee equal to the redemption fee you would pay if you redeemed your Low Load Securities or your DSC Securities. If you switch Series E, Series F or Series L securities for Series A, Series M or Series T securities, you can choose any available purchase option to apply to your new securities. If you switch to either Low Load Securities or DSC Securities, the securities you switch to will be subject to a fee upon redemption if you redeem the securities while they are still subject to a redemption fee schedule. If you switch to Series F, Series L or Series M securities, you must be eligible to buy them.

If we determine that you are no longer eligible to hold Series E, Series F, Series I, Series L, Series M, Series O or Series V securities, we may switch you out of that series of securities to Series A or Series T securities of the same Fund. These securities will be held under the Front End Option if you are switched out of Series E, Series F, Series I, Series O or Series V securities, or under the same purchase option as the Series M securities previously held if you are switched out of Series M securities. You will cease to be eligible to hold Series M securities of a Fund if the value of your initial investment, less any redemptions and switches from that investment, is below \$15,000.

If we determine that you are no longer eligible to hold Series L securities or if you move your account to a dealer that has not entered into a Series L agreement with us, we will switch you to Series A, Series T or Series M securities (as applicable) of the same Fund. Your dealer (your former dealer if you have moved your account to a new dealer) will be required to pay a redemption charge to us.

You may not switch between Series Q securities of IA Clarington Money Market Fund and any series of securities of that Fund.

Any switch to or from Series I, Series O or V securities is subject to the terms of the Series I, Series O or Series V securities agreement governing those securities. In connection with the wind-up or termination of a Fund that holds securities of another Fund, we may automatically switch the Series I, Series O or Series V securities of the Fund to Series A, Series B, Series F and/or Series T securities of that Fund in such proportions as we determine to be reasonable and equitable in the circumstances.

You may only switch into Series X securities of IA Clarington Canadian Dividend Fund from Series A securities of that Fund. You may not switch from Series X securities into Series A securities of IA Clarington Canadian Dividend Fund.

Switching securities of one series for securities of another series of the same Fund is not a disposition for tax purposes. See *“Income Tax Considerations”* on page 82 for more information.

Switch Fees

In addition to any applicable redemption fees, your dealer may charge you a switch fee of up to 2% of the value of the switched securities.

If we determine that you are no longer eligible to hold Series E, Series F, Series I, Series M, Series O or Series V securities and we switch you out of those securities to Series A or Series T securities of the same Fund, you will not be charged a switch fee.

You may be charged a short-term trading fee in addition to a switch fee if you switch securities within certain time periods. See *“Short-Term Trading Fees”* on page 43 for additional information.

Redemption of Securities

You may redeem your securities at the NAV per security of a Fund on any business day. A redemption fee may apply if you purchased your securities under the Low Load Option or Deferred Sales Charge Option. A short-term trading fee may also apply. See *“Short-Term Trading Fees”* on page 43 for additional information.

Redemption Process

Redemption instructions must be in writing and bear a signature guaranteed by a Canadian chartered bank, trust company or a member of a public stock exchange in Canada or be guaranteed to our satisfaction. Additional documentation may be required if the investor is a corporation, partnership, agent, a trustee acting for someone else or a surviving joint owner.

If your redemption request is received on or before 4:00 p.m. Eastern Time on a day that the Toronto Stock Exchange is open for business or before the Toronto Stock Exchange closes for the day, whichever is earlier, we will process the redemption at the NAV per security calculated

on that business day. A redemption request received after that time, will receive the NAV per security calculated on the next business day.

Your dealer must forward your redemption request on the same day it is received if received during normal business hours, otherwise, on the next business day. Whenever possible, a dealer is required to transmit redemption requests by courier, Priority Post or telecommunications facilities. It is the responsibility of your dealer to transmit orders to us in a timely manner and to assume all associated costs. For security reasons, we may refuse to accept a redemption request sent by you directly through telecommunication facilities.

Redemption requests will be processed in the order in which they are received. A Fund will not process redemption requests specifying a forward date or specific price. Redemption requests involving transfers to or from registered plans may be delayed if the transfer documents are not completed properly.

If the right to redeem securities of a Fund is suspended and you make a redemption request during that period, you may either withdraw your redemption request prior to the end of the suspension period or your securities will be redeemed by the Fund in accordance with the redemption request at the NAV first calculated following the end of the suspension period. See “*Suspension of Redemptions*” below for more information.

Payment of Redemption Proceeds

We will pay the redemption proceeds within three business days of receiving all necessary redemption documents. If all necessary documents are not received by us within ten business days of receiving a redemption request, you will be deemed, in accordance with securities regulations, to repurchase the securities on the tenth business day at the NAV per security calculated that day. The redemption proceeds will be applied to the payment of the issue price of the securities. If the cost to repurchase the securities is less than the redemption proceeds, the difference will belong to the Fund. Any shortfall will initially be paid to the Fund by us. We will be entitled to collect such amount, together with the charges and expenses incurred, with interest, from the dealer who placed the redemption request. Your dealer has the right to collect these amounts from you.

Redemption of Small Accounts

Given the high cost of maintaining accounts of less than \$500, each Fund has the right to redeem your securities if the book value of your investment in that Fund is less than \$500. You may be notified that the book value of your investment in a Fund is less than \$500 and be given 30 days to make an additional investment to increase your investment in the Fund to \$500 or more before the redemption is processed. If a redemption is processed, a redemption fee may apply for Low Load Securities and DSC Securities. Please see “*Purchase of Securities - Purchase Options*” on page 36 for more information on the fees that apply under these purchase options.

Suspension of Redemptions

We may suspend the right to redeem securities of a Fund or postpone the date of payment upon redemption: (i) during any period when normal trading is suspended on any exchange on which

securities or specified derivatives are listed which, in the aggregate, represent more than 50% by value or underlying market exposure of the total assets of the Fund without allowance for liabilities and if those securities or specified derivatives are not traded on any other exchange that represents a reasonably practical alternative or (ii) with the prior permission of the Canadian securities regulatory authorities. During any period of suspension there will be no calculation of NAV and no securities will be issued, switched or redeemed by the Fund. The calculation of the NAV per security will resume when trading resumes on the exchange referred to in (i) or with the permission of the Canadian securities regulatory authorities.

Short-Term Trading Fees

An investment in a Fund, other than IA Clarington Short-Term Income Class and IA Clarington Money Market Fund, is intended to be a long-term investment, and the Funds are not generally appropriate for short-term investment or speculation. In order to deter short-term trading in the Funds, other than IA Clarington Short-Term Income Class and IA Clarington Money Market Fund, we have imposed short-term trading fees. These fees are payable to the Funds.

If you redeem or switch securities of any of the Global Funds within 30 days of purchase, you will be charged a short-term trading fee of 2% of the value of the securities redeemed or switched. If you redeem or switch securities of these Funds within 31 to 90 days of purchase, then, subject to our policies and procedures, you may be charged a short-term trading fee of 2% of the value of the securities redeemed or switched. We may waive either of these fees at our discretion in special circumstances.

If you redeem or switch securities of any of the other Funds (other than IA Clarington Money Market Fund, IA Clarington Short-Term Bond Fund and IA Clarington Short-Term Income Class) within 90 days of purchase, then, subject to our policies and procedures, you may be charged a short-term trading fee of 2% of the value of the securities redeemed or switched. We may waive this fee at our discretion in special circumstances.

These fees do not apply to securities purchased under IA Clarington's systematic plans (such as Pre-Authorized Chequing Plan and Systematic Withdrawal Plan). A switch is treated as a redemption of securities of one Fund and the simultaneous purchase of securities of another Fund. Short-term trading fees are paid to the Fund affected and are in addition to any other redemption or switch fees that may be payable by you.

We have implemented systematic procedures to monitor and detect short-term trading activities. We do not charge short-term trading fees to our fund-of-fund investments or on investments by our parent company, Industrial Alliance, in connection with its segregated funds and similar investment products.

In addition to any applicable short-term trading fees, we may, in our sole discretion, refuse future purchase or switch orders if we determine that your trading activities may be detrimental to the Funds.

Optional Services

Pre-Authorized Chequing Plan

The Pre-Authorized Chequing Plan (the “PAC Plan”) allows you to make periodic investments in the Funds. You may invest weekly, bi-weekly, semi-monthly, monthly, bi-monthly, quarterly, semi-annually or annually. A PAC Plan allows you to:

- make regular investments of as little as \$50 each (\$500 for Series E securities),
- have the payments drawn directly from your bank account,
- change the amount you invest at any time and
- change the frequency of your investments, or cancel the arrangements, at any time.

When you enrol in a PAC Plan, your dealer will send you the current Simplified Prospectus and any amendments that have been made. You will not be sent a copy of any renewal prospectus (and any amendments to that prospectus) unless you request that it be sent to you at the time you enrol in the program or subsequently request it from your dealer. You can obtain copies of these documents:

- by calling us toll free at 1-800-530-0204 or sending us an email at funds@iaclarington.com,
- from our website at www.iaclarington.com,
- from your dealer or
- from the SEDAR website at www.sedar.com.

Confirmations of investments are provided in semi-annual statements that set out details of all transactions in the PAC Plan. You may discontinue the PAC Plan or change the investment amount at any time. In the event a cheque is dishonoured under the PAC Plan for any reason, including insufficient funds, there may be a \$30 charge.

Systematic Withdrawal Plan

We have a Systematic Withdrawal Plan which enables you to redeem securities on a periodic basis. You may redeem weekly, bi-weekly, semi-monthly, monthly, bi-monthly, quarterly, semi-annually or annually.

This program allows you to receive regular and periodic payments of at least \$50. If any of your Low Load Securities or DSC Securities are redeemed under this plan, other than those included in the Free Redemption Amount discussed earlier, you will be required to pay a redemption fee. You can terminate the plan at any time by giving us written notice. Please note that if your withdrawals are greater than the net earnings of your Fund, you will eventually use up your original investment.

Systematic Switch Plan

You can set up a systematic switch plan for automated switches between Funds. Subject to our switch rules, you may switch from one Fund to another Fund within the same account or from one Fund to the same or another Fund between accounts. You may select the frequency of your switches and may cancel the arrangements at any time. You may not switch between securities bought in Canadian dollars and securities bought in U.S. dollars. There may be tax consequences to switches. Please see “*Switching Privileges*” on page 39 for more details on switching.

Redirected Distributions and Dividends

Unless you elect to receive cash distributions or dividends from the Funds, distributions and dividends paid by a Fund are automatically reinvested in additional securities of the Fund. If you elect to receive cash, you may also direct us to invest your cash distributions or dividends from one Fund in securities of another Fund.

Registered Plans (RRSPs, RRIFs, LIFs, LRIFs, PRIFs, LIRAs, LRSPs, RESPs and TFSAs)

You may obtain an application form and a declaration of trust for the IA Clarington-sponsored registered plans (“Registered Plans”) directly from us or from your dealer. After you have completed the application form and the declaration of trust, the plan trustee will register the plan with the Canada Revenue Agency, and will hold your investment in the Registered Plan under the terms of the plan’s declaration of trust. The IA Clarington RRSP and RRIF have each been accepted as a qualifying registered overseas pension scheme for United Kingdom tax purposes.

You should consult your own tax advisor for full particulars of the tax implications of establishing, amending and terminating Registered Plans under the Tax Act and applicable provincial legislation.

The minimum initial investment in any IA Clarington Registered Plan is \$500. There are no annual administration fees for these Registered Plans.

Management of the Funds

The Manager

The Manager of the Funds is IA Clarington Investments Inc., a corporation amalgamated under the laws of Canada with its head office at 1080 Grande Allée Ouest, Québec City, Québec, G1K 7M3 and an office located at 522 University Avenue, Suite 700, Toronto, Ontario, M5G 1Y7. The phone number for the Manager is (416) 860-9880 or toll free at 1-800-530-0204, the e-mail address is funds@iaclarington.com and the website address is www.iaclarington.com. The Manager is the trustee and administrator of all the Trust Funds. The Manager is the administrator of Clarington Sector Fund Inc.

The names and municipalities of residence of the directors and officers of the Manager, and their positions and offices, are as follows:

<u>Name and Municipality of Residence</u>	<u>Position and Office</u>	<u>Principal Business Association During Preceding Five Years</u>
Yvon Charest Québec City, Québec	Vice-Chairman and Director	President and Chief Executive Officer of Industrial Alliance.
Normand Pépin Québec City, Québec	Chairman, Chief Executive Officer and Director	Executive Vice-President, Life Subsidiaries and Individual Insurance & Annuities of Industrial Alliance.
Adrian Brouwers Summerland, British Columbia	Vice-Chairman and Director	Vice-Chairman and Director of the Manager; Prior to July 2006 Executive Vice-President Sales and Marketing of the Manager; Associated with ClaringtonFunds Inc., from May 1996 to December, 2006.
Yvon Côté Québec City, Québec	Director	Retired. Prior to March, 2008 Vice-President and General Manager, Finance & Investments of Industrial Alliance and Chief Executive Officer and Chairman of the Board of Industrial Alliance Investment Management Inc.
André Dubuc Montréal, Québec	Director	Retired. Senior Executive Vice-President, Treasury, Capital Markets, Wealth Management and Brokerage of Laurentian Bank of Canada from June 2003 to October 2004.
John Gill Vancouver, British Columbia	Director	Retired. Prior to July 2005, President of Industrial Alliance Pacific Life Insurance Company.
Theresa Currie Toronto, Ontario	Director	Retired. Vice-Chair of M.R.S. Inc. until December 2005.
David Scandiffio Toronto, Ontario	President and Director	Ultimate Designated Person of the Manager since January 2010; President of the Manager since December 2004.
Nancy Cappadocia Toronto, Ontario	Vice-President, Finance and Chief Financial Officer	Vice-President, Finance and Chief Financial Officer of the Manager since May 2008; Chief Financial Officer of the Manager from April 2008 to May 2008. Chief Financial Officer, Altamira Investment Services Inc. from January 2005 to March 2008.
Eric Frape Toronto, Ontario	Senior Vice-President, Product and Business Development	Senior Vice-President, Product and Business Development of the Manager; Associated with ClaringtonFunds Inc., from December 2001 to December 2006.

<u>Name and Municipality of Residence</u>	<u>Position and Office</u>	<u>Principal Business Association During Preceding Five Years</u>
Kim Jativa Milton, Ontario	Vice-President, Operations	Vice-President, Operations of the Manager since March 2007; Assistant Vice-President, Operations of the Manager from March 2006 to March 2007.
Jennifer Dibblee Québec City, Québec	Corporate Secretary	Corporate Secretary of the Manager; Legal Counsel, Industrial Alliance.
Anthony Silvestrin Laval, Québec	Senior Vice- President, Private Wealth Management	Senior Vice-President, Private Wealth Management of the Manager.
Carl Mustos Toronto, Ontario	Senior Vice- President, National Sales Manager	Senior Vice-President and National Sales Manager of the Manager since May 2007. Prior thereto, Senior Vice President, Sales Mackenzie Financial Services Inc.
Matthew Campbell Toronto, Ontario	Vice-President, Chief Legal Counsel and Chief Compliance Officer	Vice-President, Chief Legal Counsel and Chief Compliance Officer of the Manager since January 2010; Vice-President and Chief Legal Counsel of the Manager since May 2008; Chief Legal Counsel of the Manager from June 2006 to May 2008. Prior thereto General Counsel, ClaringtonFunds Inc. from May 2005 to June 2006.
George Ho Toronto, Ontario	Vice-President, Information Systems and Technology	Vice-President, Information Systems and Technology of the Manager since May 24, 2011. Assistant Vice-President, Information Technology from June 30, 2006 to May 24, 2011. Prior thereto Assistant Vice-President, Information Technology, ClaringtonFunds Inc.
Dan Bastasic Toronto, Ontario	Senior Vice- President, Investments	Senior Vice-President, Investments of the Manager since June 2011. Prior thereto Senior Vice-President, Investments, Mackenzie Financial Corporation.

Each of the Clarington Funds formed prior to August 28, 2000 entered into a management and distribution agreement on the date of the Clarington Fund's formation with Clarington Capital Limited Partnership (the "Partnership") or, after the Partnership's dissolution on December 31, 1999, with ClaringtonFunds Inc. These agreements were replaced by a master management agreement dated August 28, 2000, as amended and restated as of June 25, 2004, March 7, 2005, June 22, 2005 and June 30, 2006 (the "Master Management Agreement"). The Master Management Agreement was assigned to the Manager by ClaringtonFunds Inc. on June 30, 2006. All of the Funds became parties to the Master Management Agreement on or before July 4, 2007. The schedules to the Master Management Agreement may be amended from time to time to add or remove Funds and have been so amended to add all Funds formed since July 4, 2007.

Pursuant to the Master Management Agreement, the Funds have appointed the Manager to provide them with all necessary administrative and management services. These services include providing, or arranging for the provision of, investment advice on the purchase and sale of portfolio securities, portfolio management and the calculation of net asset values of the Funds, where necessary. The Manager may provide these services directly or it may retain service providers to perform these services.

The Master Management Agreement provides that the Manager is paid a management fee as compensation for its services to the relevant Funds. Please refer to the specific Fund information in the Simplified Prospectus for the management fees applicable to each Fund. No management fees are paid by the Funds to the Manager in respect of the Series I, Series O or Series V securities of the Funds. Instead, Series I, Series O investors, and portfolio managers using Series V securities, negotiate and pay a fee directly to the Manager. In addition, the Fund pays a fixed expense charge in respect of Series O securities, which covers all of the operating expenses of the Funds in respect of Series O securities, other than new or increased taxes to which the Funds are or might be subject (such as capital tax or sales taxes), interest and other borrowing costs (if any) and costs associated with compliance with any new governmental or regulatory requirements introduced after July 6, 2010. The Fund is responsible for payment of these expenses.

The Master Management Agreement continues in effect from year to year unless terminated by either party upon at least 60 days' written notice or as a result of the insolvency or default of either party.

The Master Management Agreement permits the Manager to appoint service providers to assist it in performing all necessary services required by the relevant Funds. The Master Management Agreement may not be assigned by the Manager without any applicable regulatory approval and the approval of at least a majority of the votes cast at a meeting of the securityholders of the Funds, unless the assignment is to an affiliate of the Manager within the meaning of the *Securities Act* (Ontario).

Clarington Sector Fund Inc.

The business of Clarington Sector Fund Inc. is managed by its board of directors, which may exercise all powers that are not required by statute, the Articles of Incorporation or its By-laws to be exercised by the shareholders. Clarington Sector Fund Inc. is administered in its day-to-day operations by the Manager.

All of the directors and officers of Clarington Sector Fund Inc. are directors and/or officers of the Manager. Each of the directors and officers of the Manager holds the same position with Clarington Sector Fund Inc. The name, address and principal occupation during the past five years and other information pertaining to each of such directors and officers is provided under "*The Manager*", above.

Independent Review Committee

The Funds also have an Independent Review Committee ("IRC"), comprised of three individuals, each of whom is independent from the Manager and its affiliates. The members of

the IRC are Stephen J. Griggs, Jean Morissette and S. Robert Munroe. Mr. Munroe was appointed on May 1, 2007, Mr. Griggs was appointed on December 19, 2008 and Mr. Morissette was appointed on March 31, 2009. The mandate of the IRC is to review any matter that involves a conflict of interest between the Manager and any of the Funds within the meaning of National Instrument 81-107 – Independent Review Committee for Investment Funds. Further information regarding the role of the IRC is contained under “*Fund Governance*” on page 77.

Portfolio Advisors

The Manager has retained Industrial Alliance Investment Management Inc. to act as the primary portfolio advisor of most of the Funds. Industrial Alliance Investment Management Inc. has delegated its responsibilities for many of the Funds to various sub-advisors (“Sub-Advisors”). Aston Hill Investments Inc. is portfolio advisor of IA Clarington Tactical Bond Class, IA Clarington Tactical Income Class and IA Clarington Global Tactical Income Class (with Industrial Alliance Investment Management Inc., each a “Portfolio Advisor”). Each Portfolio Advisor is responsible for providing, or causing to be provided, investment analysis for the Funds and for making, or causing to be made, investment recommendations to the Manager and investment decisions for the Funds’ portfolios. The Manager has entered into an investment advisory agreement with each Portfolio Advisor that sets out its duties as Portfolio Advisor, all as described in the following pages. Where a Portfolio Advisor has delegated its responsibilities to a Sub-Advisor, the Portfolio Advisor and the Manager have entered into a sub-advisory agreement with that Sub-Advisor. The agreements with these Sub-Advisors are also described in the following pages.

Fund	Portfolio Advisor or Sub-Advisor	Date of Agreement
IA Clarington Bond Fund	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007
IA Clarington Money Market Fund	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007
IA Clarington Short-Term Bond 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 July 19, 2010)
IA Clarington Short-Term Income Class	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007

Fund	Portfolio Advisor or Sub-Advisor	Date of Agreement
IA Clarington Real Return Bond 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 October 31, 2008)
IA Clarington Tactical Bond 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 July 19, 2010)
	Sub-Advisor: Aston Hill Investments Inc. 220 Bay Street, Suite 1500 Toronto, Ontario M5J 2W4	February 8, 2010 (effective July 19, 2010)
IA Clarington Tactical Bond Class	Aston Hill Investments Inc. 220 Bay Street, Suite 1500 Toronto, Ontario M5J 2W4	February 8, 2010 (effective July 19, 2010)
IA Clarington Canadian Dividend Fund	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007
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
IA Clarington Dividend Growth Fund	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007
IA Clarington Dividend Growth Class	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007 (effective January 19, 2009)
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

Fund	Portfolio Advisor or Sub-Advisor	Date of Agreement
IA Clarington Tactical 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 January 19, 2009)
	Sub-Advisor : Aston Hill Investments Inc. 220 Bay Street, Suite 1500 Toronto, Ontario M5J 2W4	July 4, 2008 (effective January 19, 2009)
IA Clarington Tactical Income Class	Aston Hill Investments Inc. 220 Bay Street, Suite 1500 Toronto, Ontario M5J 2W4	February 8, 2010
IA Clarington Monthly Income Balanced Fund	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007
IA Clarington Global Dividend Fund	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007
	Sub-Advisor: BNP Paribas Investment Partners Canada Ltd. (“BNP Paribas Canada”) 155 Wellington Street West, Suite 3110 RBC Centre, P.O. Box 149 Toronto, Ontario M5V 3H1	July 4, 2007 (sub-advisory agreement)
	Sub-Advisor to BNP Paribas Canada: River Road Asset Management LLC 462 South Fourth Street Suite 1600 Louisville, Kentucky 40202	October 26, 2006 (sub-advisory agreement)
	Sub-Advisor to BNP Paribas Canada: BNP Paribas Investment Partners Asia Limited Hong Kong, China 43/F Cheung Kong Center 2 Queen’s Road Central Hong Kong	October 26, 2006 (sub-advisory agreement)

Fund	Portfolio Advisor or Sub-Advisor	Date of Agreement
	Sub-Advisor to BNP Paribas Canada: BNP Paribas Investment Partners Netherlands N.V. Amsterdam, The Netherlands De Entree 99-197 1101 HE Amsterdam The Netherlands	October 26, 2006 (sub-advisory agreement)
IA Clarington Global Tactical 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
	Sub-Advisor: Aston Hill Investments Inc. 220 Bay Street, Suite 1500 Toronto, Ontario M5J 2W4	February 8, 2010
IA Clarington Global Tactical Income Class	Aston Hill Investments Inc. 220 Bay Street, Suite 1500 Toronto, Ontario M5J 2W4	February 8, 2010 (effective July 19, 2010)
IA Clarington Canadian Balanced Fund	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	February 27, 2006 (effective April 1, 2006)
	Sub-Advisor: QV Investors Inc. 1008 Livingston Place, South Tower 222 - 3rd Avenue SW Calgary, Alberta T2P 0B4	July 4, 2007 (effective June 5, 2009)
IA Clarington Canadian Balanced Class	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	February 27, 2006 (effective July 12, 2011)
	Sub-Advisor: QV Investors Inc. 1008 Livingston Place, South Tower 222 - 3rd Avenue SW Calgary, Alberta T2P 0B4	July 4, 2007 (sub-advisory agreement) (effective July 12, 2011)

Fund	Portfolio Advisor or Sub-Advisor	Date of Agreement
IA Clarington Canadian Conservative Equity Fund	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007
	Sub-Advisor: Leon Frazer & Associates Inc. 8 King Street East Suite 201 Toronto, Ontario M5C 1B6	July 4, 2007 (sub-advisory agreement)
IA Clarington Canadian Conservative Equity Class	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007 (effective July 12, 2011)
	Sub-Advisor: Leon Frazer & Associates Inc. 8 King Street East Suite 201 Toronto, Ontario M5C 1B6	July 4, 2007 (sub-advisory agreement) (effective July 12, 2011)
IA Clarington Canadian Growth Fund	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007
IA Clarington Canadian Growth Class	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007
IA Clarington Canadian Leaders Fund	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007
IA Clarington Canadian Leaders Class	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007 (effective July 4, 2008)

Fund	Portfolio Advisor or Sub-Advisor	Date of Agreement
IA Clarington Canadian Small Cap Fund	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007
	Sub-Advisor: QV Investors Inc. 1008 Livingston Place, South Tower 222 - 3rd Avenue SW Calgary, Alberta T2P 0B4	July 4, 2007
IA Clarington Canadian Small Cap Class	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007 (effective July 4, 2008)
	Sub-Advisor: QV Investors Inc. 1008 Livingston Place, South Tower 222 - 3rd Avenue SW Calgary, Alberta T2P 0B4	July 4, 2007 (effective June 5, 2009)
IA Clarington Energy Class	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007 (effective July 19, 2010)
	Sub-Advisor: Aston Hill Investments Inc. 220 Bay Street, Suite 1500 Toronto, Ontario M5J 2W4	February 8, 2010 (effective July 19, 2010)
IA Clarington American Fund	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007
	Sub-Advisor: McLean Budden Limited 1250, boul. René-Lévesque Ouest Montréal, Québec H3B 4W8	February 8, 2005 (sub-advisory agreement)

Fund	Portfolio Advisor or Sub-Advisor	Date of Agreement
IA Clarington Global Equity Fund	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007
	Sub-Advisor: OppenheimerFunds, Inc. Two World Financial Center 225 Liberty Street, 11 th Floor New York, New York U.S.A.10281-1008	February 27, 2006 (sub-advisory agreement)
IA Clarington Global Equity Class	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007
	Sub-Advisor: OppenheimerFunds, Inc. Two World Financial Center 225 Liberty Street, 11 th Floor New York, New York U.S.A.10281-1008	February 27, 2006 (sub-advisory agreement)
IA Clarington Global Small Cap Fund	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007
	Sub-Advisor: Wells Capital Management Inc. 525 Market Street, 10th Floor San Francisco, California 94105	April 30, 2006 (effective July 19, 2010)
IA Clarington Global Value Fund	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007
IA Clarington Sarbit U.S. Equity Fund	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007

Fund	Portfolio Advisor or Sub-Advisor	Date of Agreement
	Sub-Advisor: Sarbit Advisory Services Inc. 100 – 1 Evergreen Place Winnipeg, Manitoba R3L 0E9	October 31, 2008 (effective June 5, 2009)
IA Clarington Sarbit U.S. Equity Class (Unhedged)	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007 (effective July 12, 2011)
	Sub-Advisor: Sarbit Advisory Services Inc. 100 – 1 Evergreen Place Winnipeg, Manitoba R3L 0E9	October 31, 2008 (sub-advisory agreement) (effective July 12, 2011)
Distinction Prudent Portfolio	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007
Distinction Prudent Class	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007 (effective July 4, 2008)
Distinction Conservative Portfolio	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007
Distinction Conservative Class	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007 (effective July 4, 2008)
Distinction Balanced Portfolio	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007

Fund	Portfolio Advisor or Sub-Advisor	Date of Agreement
Distinction Balanced Class	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007 (effective July 4, 2008)
Distinction Growth Portfolio	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007
Distinction Growth Class	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007 (effective July 4, 2008)
Distinction Bold Portfolio	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007
Distinction Bold Class	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007 (effective July 4, 2008)
Distinction Monthly Income Portfolio	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007
Distinction Monthly Income Class	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007 (effective January 19, 2009)
IA Clarington Inhance Monthly Income SRI 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 November 20, 2009)

Fund	Portfolio Advisor or Sub-Advisor	Date of Agreement
	Sub-Advisor: Vancity Investment Management Limited 900 West Hastings Street, Suite 300 Vancouver, British Columbia V6C 1E5	November 20, 2009; assigned December 14, 2009 (sub-advisory agreement)
IA Clarington Inhance Canadian Equity SRI Class	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007 (effective November 20, 2009)
	Sub-Advisor: Vancity Investment Management Limited 900 West Hastings Street, Suite 300 Vancouver, British Columbia V6C 1E5	November 20, 2009; assigned December 14, 2009 (sub-advisory agreement)
IA Clarington Inhance Global Equity SRI Class	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007 (effective November 20, 2009)
	Sub-Advisor: Vancity Investment Management Limited 900 West Hastings Street, Suite 300 Vancouver, British Columbia V6C 1E5	November 20, 2009; assigned December 14, 2009 (sub-advisory agreement)
IA Clarington Inhance Conservative SRI Portfolio	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007 (effective November 20, 2009)
	Sub-Advisor: Vancity Investment Management Limited 900 West Hastings Street, Suite 300 Vancouver, British Columbia V6C 1E5	November 20, 2009; assigned December 14, 2009 (sub-advisory agreement)
IA Clarington Inhance Balanced SRI Portfolio	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007 (effective November 20, 2009)

Fund	Portfolio Advisor or Sub-Advisor	Date of Agreement
	Sub-Advisor: Vancity Investment Management Limited 900 West Hastings Street, Suite 300 Vancouver, British Columbia V6C 1E5	November 20, 2009; assigned December 14, 2009 (sub-advisory agreement)
IA Clarington Inhance Growth SRI Portfolio	Industrial Alliance Investment Management Inc. 1080 Grande Allée Ouest P.O. Box 1907, Station Terminus Québec City, Québec G1K 7M3	July 4, 2007 (effective November 20, 2009)
	Sub-Advisor: Vancity Investment Management Limited 900 West Hastings Street, Suite 300 Vancouver, British Columbia V6C 1E5	November 20, 2009; assigned December 14, 2009 (sub-advisory agreement)

The investment advisory agreement and sub-advisory agreements continue in effect until terminated. The investment advisory agreement between the Manager and Industrial Alliance Investment Management Inc. may be terminated on 90 days' written notice by the Portfolio Advisor or immediately by the Manager. The investment advisory agreement between the Manager and Aston Hill Investments Inc. may be terminated by either party on two years' notice to the other, or immediately if terminated for cause. The sub-advisory agreements between Industrial Alliance Investment Management Inc. and each of the Sub-Advisors appointed by it, other than Leon Frazer & Associates Inc., may be terminated on 90 days' written notice by the Sub-Advisors or immediately by Industrial Alliance Investment Management Inc., in its capacity as primary portfolio advisor. The sub-advisory agreement with Leon Frazer & Associates Inc. may be terminated on 90 days' notice by either party. The sub-advisory agreements between BNP Paribas Investment Partners Canada Ltd. and BNP Paribas Investment Partners Netherlands N.V. BNP Paribas Investment Partners Asia Limited and River Road Asset Management LLC may be terminated on 90 days' written notice by the Sub-Advisors or immediately by BNP Paribas Investment Partners Canada Ltd., in its capacity as sub-advisor to Industrial Alliance Investment Management Inc.

The Sub-Advisors listed above with non-Canadian addresses are residents outside Canada and all or a substantial portion of their assets are situated outside Canada. The Funds receiving investment advice from a non-resident Sub-Advisor may have difficulty enforcing their legal rights against that Sub-Advisor. The name and address of an agent for service of the non-resident Sub-Advisors can be obtained from the Manager upon request.

The Portfolio Advisor or Sub-Advisors may place orders on behalf of a Fund for the purchase and sale of portfolio securities through brokers or dealers who are affiliates or subsidiaries of the Portfolio Advisor or a Sub-Advisor. They may do so provided that such orders are to be executed on terms and conditions as favourable to a Fund as could be expected to be obtained from other brokers or dealers and at commission rates comparable to that which would have been charged by such other brokers or dealers.

Aston Hill Investments Inc. (“Aston Hill”), Toronto, Ontario

The name, title and length of service of the persons employed by Aston Hill 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>
Benedict Cheng, CFA Toronto, Ontario	President, Aston Hill Financial Inc. & CIO, Aston Hill Investments Inc.	2007 to present: President, Aston Hill Financial Inc. & CIO, Aston Hill Investments Inc. 2005 to 2006: Managing Director, Fortress Investment Group LLC
Joanne Hruska, CFA Calgary, Alberta	President, Aston Hill Investments Inc.; Vice President of Portfolio Management, Aston Hill Financial Inc.	2004 to present: President, Aston Hill Investments Inc.; Vice President of Portfolio Management, Aston Hill Financial Inc.

David Scandiffio, the President and a director of the Manager, is also a member of the board of directors of Aston Hill Financial Inc., which wholly owns Aston Hill Investments Inc.

Wells Capital Management Inc (“Wells Capital”), San Francisco, California

The name, title and length of service by persons employed by Wells Capital 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>
Francis X. Claro, CFA Boston, Massachusetts	Managing Director, Senior Portfolio Manager and Head of International Developed Markets	1997 to present: Managing Director, Senior Portfolio Manager and Head of International Developed Markets
James M. Tringas, CPA, CFA Boston, Massachusetts	Managing Director and Senior Portfolio Manager Small/Mid Cap Value US Equity Team	1994 to present: Managing Director and Senior Portfolio Manager Small/Mid Cap Value US Equity Team

BNP Paribas Investment Partners Canada Ltd. (“BNP Paribas Canada”), Toronto, Ontario

The name, title and length of service by persons employed by BNP Paribas Canada 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>	
Philip J. Gelsheimer Pickering, Ontario	Vice-President, Distribution Sales, Director	2003 to Present:	Vice President, Global Investments, BNP Paribas Canada

BNP Paribas Investment Partners Netherlands N.V. (“BNP Paribas Netherlands”), the Netherlands

The name, title and length of service by persons employed by BNP Paribas Netherlands 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>	
Wouter Weijand Amsterdam	Senior Vice President, Global Head High Income Equity	January 2003 to present:	Senior Vice President, Global Head High Income Equity, BNP Paribas Netherlands
Simon van Veen Amsterdam	Vice President, Portfolio Manager	January 2004 to present:	Portfolio Manager High Income Equity, BNP Paribas Netherlands
Olivier van Hirtum Ouderamstel	Vice President, Portfolio Manager	2005 to present:	Portfolio Manager High Income Equity, BNP Paribas Netherlands

BNP Paribas Investment Partners Asia Limited (“BNP Paribas Asia”), Hong Kong

The name, title and length of service by persons employed by BNP Paribas Asia 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>	
Alex Ng Hong Kong	Regional CEO and CIO	2005 to present:	Regional CEO and CIO, BNP Paribas Asia
Arthur Kwong Hong Kong	Senior Portfolio Manager	2003 to present:	Portfolio Manager, BNP Paribas Asia

Industrial Alliance Investment Management Inc. (“IAIM”), Québec City, Québec

The name, title and length of service by persons employed by IAIM 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>	
Yau-Nang Cheung Toronto, Ontario	Portfolio Manager, Fixed Income	July 1981 to present:	Portfolio Manager, Fixed Income, IAIM
Luc R. Fournier Lévis, Québec	Portfolio Manager, Canadian Equity	October 1990 to present:	Portfolio Manager, Canadian Equity, IAIM
Louis Gagnon Lac Beauport, Québec	Portfolio Manager, Fixed Income	July 2005 to present:	Portfolio Manager, Fixed Income, IAIM
Marc Gagnon Saint-Nicolas, Québec	Portfolio Manager, Canadian Equity	November 2000 to present:	Portfolio Manager, Canadian Equity, IAIM
François Lalande Lévis, Québec	Vice President of Portfolio Management, Portfolio Manager, Fixed Income	November 2006 to present:	Vice President, Portfolio Management, Portfolio Manager, Fixed Income, IAIM
		January 1998 to November 2006:	Director, Portfolio Management, Portfolio Manager, Fixed Income, IAIM
Gil Lamothe Burlington, Ontario	Portfolio Manager, Canadian Equity	August 1999 to present:	Portfolio Manager, Canadian Equity, IAIM
Eric Vachon Ancienne-Lorette, Québec	Fund Manager, Institutional Advisor - Québec	March 2000 to present:	Fund Manager, Institutional Advisor - Québec, IAIM
Pierre Trottier Québec City, Québec	Portfolio Manager, U.S. Investments	November 2006 to present:	Portfolio Manager, U.S. Investments, IAIM
		January 2000 to July 2006:	Vice President Equities, Optimum Asset Management
Pierre Chapdelaine Montréal, Québec	Portfolio Manager, International Investments	August 2008 to present:	Portfolio Manager, International Investments, IAIM
		August 2001 to February 2008:	Analyst and Portfolio Manager, Caisse de Dépôt et Placement du Québec
Sevgi Ipek Montréal, Québec	Head of International Investments	October 2008 to present:	Head of International Investments, IAIM

<u>Name and Municipality of Residence</u>	<u>Position and Office</u>	<u>Principal Business Association During Preceding Five Years</u>	
		December 2004 to February 2008:	Senior Portfolio Manager, EAFE, Caisse de Dépôt et Placement du Québec
Christian Pouliot Québec City, Québec	Portfolio Manager, Fixed Income Investments	October 2009 to present:	Portfolio Manager, Fixed Income Investments, IAIM
		January 2008 to October 2009:	Financial Analyst, Fixed Income Investments, IAIM
		January 2007 to January 2008:	Portfolio Manager, Fixed Income Investments, Ministry of Finance of Quebec
		September 2000 to January 2007:	Analyst and Coordinator, Long Term Financing, Ministry of Finance of Quebec

Vancity Investment Management Limited (“Vancity”), (Vancouver, British Columbia)

The name, title and length of service of the persons employed by Vancity 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>	
Stephen H. MacInnes, CFA North Vancouver, British Columbia	Chief Investment Officer, Portfolio Manager	March 2005 to present:	Chief Investment Officer and Portfolio Manager, Vancity Investment Management Inc.
Andrew Simpson, CFA Coquitlam, British Columbia	Senior Portfolio Manager	November 2010 to present:	Senior Portfolio Manager, Vancity Investment Management Inc.
		January 2009 to October 2010	Portfolio Manager and Head, IPS Consulting, UBS Investment Management Canada
		September 2007 to August 2008	Equity Analyst, Kleinwort Benson, UK
		January 2006 to August 2007	Equity Analyst, Morgan Stanley Smith Barney, UK

Leon Frazer & Associates Inc. (“Leon Frazer”), Toronto, Ontario

The name, title and length of service by persons employed by Leon Frazer 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>	
George Frazer Etobicoke, Ontario	Chairman	1947 to present:	Chairman, Leon Frazer
Douglas Kee Oakville, Ontario	Chief Investment Officer and Chief Executive Officer	2008 to present:	Chief Investment Officer and Chief Executive Officer, Leon Frazer
		2006 to 2008:	Chief Executive Officer, Leon Frazer
Ryan Bushell Toronto, Ontario	Associate Portfolio Manager	2008 to present:	Associate Portfolio Manager, Leon Frazer
		2006 to 2008:	Associate Trader, Leon Frazer

McLean Budden Limited (“McLean Budden”), Montreal, Quebec

The name, title and length of service by persons employed by McLean Budden 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>	
Robert Bruce Murray Toronto, Ontario	Executive Vice President	1990 to present:	Executive Vice President, McLean Budden

OppenheimerFunds, Inc. (“Oppenheimer”), New York, New York

The name, title and length of service by persons employed by Oppenheimer 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>	
Rajeev Bhaman, CFA New York, New York	Senior Vice President and Portfolio Manager	2006 to present:	Senior Vice-President and Portfolio Manager, Oppenheimer

QV Investors Inc. (“QV”), Calgary, Alberta

The name, title and length of service by persons employed by QV 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>	
Leighton Pullen Calgary, Alberta	Chairman and CIO	2010 to present:	Chairman and CIO, QV
		1996 to 2010:	President, QV
Josip Jugovic Calgary, Alberta	President	2010 to present:	President, QV
		2005 to 2010:	Vice-President, Investments, QV
Darren Dansereau Calgary, Alberta	Vice-President and Portfolio Manager	2010 to present:	Vice-President & Portfolio Manager, QV
		2006 to 2010:	Portfolio Manager, QV
Wendy Booker-Urban Calgary, Alberta	Vice-President, Private Clients	2006 to present:	Vice-President, QV
		1996 to 2006:	Manager, QV
Ian Cooke Calgary, Alberta	Portfolio Manager	2010 to present:	Vice-President & Portfolio Manager, QV
		2006 to 2010:	Portfolio Manager, QV

River Road Asset Management LLC (“River Road”), Louisville, Kentucky

The name, title and length of service by persons employed by River Road 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>	
James Carl Shircliff Louisville, Kentucky	CEO, CIO	2005 to present:	CEO, CIO, River Road
Henry Williams Sanders III Louisville, Kentucky	Executive Vice President, Senior Portfolio Manager	2005 to present:	Senior Portfolio Manager, River Road
Thomas Stephen Forsha Louisville, Kentucky	Vice President, Portfolio Manager	2005 to present:	Vice President, Portfolio Manager, River Road

Sarbit Advisory Services Inc. (“SASI”), Winnipeg, Manitoba

The name, title and length of service by persons employed by SASI 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>	
Lawrence A. Sarbit Winnipeg, Manitoba	Chairman and Chief Investment Officer	October 2008 to present:	Chairman and Chief Investment Officer, SASI

<u>Name and Municipality of Residence</u>	<u>Position and Office</u>	<u>Principal Business Association During Preceding Five Years</u>
		April 2005 to October 2008: President and Chief Executive Officer, Sarbit Asset Management Inc. ("SAMI") and SASI and Chief Compliance Officer, SASI

Brokerage Arrangements

Decisions as to the purchase and sale of portfolio securities and decisions as to the execution of portfolio transactions, including selection of market, dealer or broker and the negotiation, where applicable, of commissions, are made by each individual Portfolio Advisor or Sub-Advisor. In effecting portfolio transactions, the Portfolio Advisor or Sub-Advisor has a duty to seek best execution. In making a determination regarding best execution, the Portfolio Advisor or Sub-Advisor will take into account certain criteria including the commission rate offered, execution capability, trading expertise, value market depth and available liquidity, timing and size of an order, and current market conditions, amongst other things.

In some cases, where the execution and prices offered by more than one dealer, including those which may be affiliates of the Portfolio Advisor or Sub-Advisor, are reasonably comparable, the Portfolio Advisor or Sub-Advisor may, in its discretion, choose to effect portfolio transactions through dealers in return for the provision of some goods and services, other than order execution, to the Funds through the Portfolio Advisor or Sub-Advisor.

These goods and services must be limited to advice regarding particular securities, analyses or reports or databases or software that provide such advice or analyses. Where a dealer or broker offers to provide investment decision-making services, the Portfolio Advisor or Sub-Advisor must make a good faith determination that the Funds will receive reasonable benefit, taking into account a number of factors, which may include, among other things, a determination as to whether the investment decision-making services actually provide appropriate assistance that is directly beneficial to the Funds in the performance of its own investment or trading decisions; whether the allocation of commissions paid is reasonable, justifiable and documentable in light of the value of the investment decision-making services provided; and, whether the commission relates only to the portion of the research that is actually used for the Funds.

Since the date of the last annual information form, some of the Portfolio Advisors and Sub-Advisors of the Funds have entered into brokerage transactions whereby client brokerage commissions were directed to a dealer in return for the provision of goods or services other than order execution. These goods and services include the provision of research reports and information services, provided either directly or through publications, as to the value of securities and the advisability of effecting transactions in securities, analyses and reports concerning securities, portfolio strategy or performance, issuers, industries, or economic or political factors and trends; and, databases or software to the extent they are designed mainly to support those services or effecting securities transactions and performing functions incidental thereto (such as clearance, settlement and custody).

None of these goods or services was provided by an affiliated entity to the Portfolio Advisors or Sub-Advisors.

The names of any dealers that provided investment decision-making services other than order execution services will be provided upon request by contacting IA Clarington toll free at 1-800-530-0204, or by e mail at funds@iaclarington.com.

Custodian

RBC Dexia Investor Services Trust (“RBC Dexia”) is the custodian of the Funds pursuant to a custodian agreement dated January 1, 2002, which was restated on June 6, 2005, amended on August 26, 2005 and assigned to RBC Dexia from The Royal Trust Company on December 31, 2005 (the “Custodian Agreement”). Under the Custodian Agreement all assets held by the Funds are held by RBC Dexia and all securities transactions take place through RBC Dexia. The Custodian Agreement may be terminated by either party on 60 days’ notice to the other.

Auditors

The auditor of the Funds is PricewaterhouseCoopers LLP of Québec City, Québec. Any change in the auditors of a Fund may be made only with the approval of the independent review committee of the applicable Fund in accordance with securities regulatory policies.

Registrar and Transfer Agent

IA Clarington Investments Inc., the registrar and transfer agent of the Funds, maintains the register of securities of the Funds at its office in Toronto, Ontario.

Principal Holders of Securities

As of the date hereof, the only shareholder known to the Manager to own, of record or beneficially, directly or indirectly, more than 10% of the issued and outstanding voting shares of IA Clarington Investments Inc. is:

<u>Name</u>	<u>Number and Class of Shares</u>	<u>Percentage of Class</u>
Industrial Alliance	4,357,971 common	100.00%

As of June 23, 2011, the shareholders known to Clarington Sector Fund Inc. to own, of record or beneficially, directly or indirectly, more than 10% of the issued and outstanding shares of any series of any class of Clarington Sector Fund Inc. are:

<u>Name</u>	<u>Number of Shares</u>	<u>Name and Series of Fund</u>	<u>Percentage of Series</u>
IA Clarington Investments Inc.	15,000.00	Distinction Bold Class - Series A	27.97
Sebastien St-Gelais	18,690.71	Distinction Bold Class - Series M	13.87
Martin Legare	21,923.37	Distinction Conservative Class - Series A	13.38
Gestion Andre Girard Inc	63,050.81	Distinction Conservative Class - Series M	11.61

Latham John G	16,805.69	Distinction Growth Class - Series A	10.13
Ghislain Moyen	35,850.71	Distinction Monthly Income Class - Series M6	15.24
Carole Racine	29,429.47	Distinction Monthly Income Class - Series M6	12.51
Ghislain Moyen	44,163.36	Distinction Monthly Income Class - Series M8	15.8
Carole Racine	37,468.24	Distinction Monthly Income Class - Series M8	13.41
Terry Briault	37,007.57	Distinction Monthly Income Class - Series M8	13.24
IA Clarington Investments Inc.	8,516.35	Distinction Monthly Income Class - Series T6	15.92
Bernard Bouvier	5,507.87	Distinction Monthly Income Class - Series T6	10.3
William Williamson	6,359.91	Distinction Monthly Income Class - Series T6	11.89
Gestion J.M.K. Inc.	7,453.94	IA Clarington Canadian Leaders Class - Series F	17.69
Harry Bohnsack	4,723.79	IA Clarington Canadian Leaders Class - Series F	11.21
One Two...Infinity Ltd	12,108.08	IA Clarington Canadian Leaders Class - Series F	28.74
Pierrette Fortier	10,468.10	IA Clarington Dividend Growth Class - Series F6	45.95
Pierre Boivin	4,462.17	IA Clarington Dividend Growth Class - Series F6	19.58
Margaret Malone	15,289.19	IA Clarington Dividend Growth Class - Series F10	42.83
BMO Nesbitt Burns Inc.	19,504.24	IA Clarington Dividend Growth Class - Series F10	54.64
IA Clarington Investments Inc.	437.348	IA Clarington Global Equity Class - Series F	10.85
Jeannot Halle	465.88	IA Clarington Global Equity Class - Series F	11.56
Donald Reed	968.953	IA Clarington Global Equity Class - Series F	24.05
Julia & Robert Marson	2,157.47	IA Clarington Global Equity Class - Series F	53.54
Duffcorp Holding Ltd	31,567.13	IA Clarington Global Tactical Income Class - Series F	10.21
JRJC Family Holdings Ltd.	51,870.32	IA Clarington Global Tactical Income Class - Series F	16.77
Peter Broughall	36,142.40	IA Clarington Global Tactical Income Class - Series F	11.69
1085364 Ontario Limited	7,074.57	IA Clarington Global Tactical Income Class - Series F8	55.59
Amiralli Manji	2,844.62	IA Clarington Global Tactical Income Class - Series F8	22.35
Curtis Tansley	2,698.57	IA Clarington Global Tactical Income Class - Series F8	21.21
Faye Crowder	10,103.26	IA Clarington Global Tactical Income Class - Series L	31
S. Carol Rowe	5,091.60	IA Clarington Global Tactical Income Class - Series L	15.62
IA Clarington Investments Inc.	105.638	IA Clarington Global Tactical Income Class - Series L6	100
Doreen Neiss	3,270.07	IA Clarington Global Tactical Income Class - Series L8	96.82
Erica Frank	13,094.34	IA Clarington Inhance Canadian Equity SRI Class - Series F	27.42
Gordon Warrenchuck	5,650.89	IA Clarington Inhance Canadian Equity SRI Class - Series F	11.83

Pension Plan for Employees of Public Service Alliance of Canada	805,727.71	IA Clarington Inhance Canadian Equity SRI Class - Series V	99.87
IA Clarington Inhance Balanced SRI Portfolio	373,052.68	IA Clarington Inhance Canadian Equity SRI Class - Series I	26.07
IA Clarington Inhance Growth SRI Portfolio	960,203.90	IA Clarington Inhance Canadian Equity SRI Class - Series I	67.1
IA Clarington Inhance Balanced SRI Portfolio	386,781.32	IA Clarington Inhance Global Equity SRI Class - Series I	28.96
IA Clarington Inhance Growth SRI Portfolio	837,702.69	IA Clarington Inhance Global Equity SRI Class - Series I	62.72
Bruce Ralston	5,580.16	IA Clarington Inhance Global Equity SRI Class - Series F	21.85
Fiona Lam	7,631.10	IA Clarington Inhance Global Equity SRI Class - Series F	29.88
Adrienne Ross	4,164.69	IA Clarington Inhance Global Equity SRI Class - Series F	16.31
IA Clarington Investments Inc.	100	IA Clarington Inhance Global Equity SRI Class - Series V	25.91
Tran Chi Thanh	284.984	IA Clarington Inhance Global Equity SRI Class - Series V	73.84
3003195 N.S. Ltd	34,241.75	IA Clarington Tactical Bond Class - Series F	34
Peter Broughall	35,687.03	IA Clarington Tactical Bond Class - Series F	35.44
B. Gale Berry	3,027.37	IA Clarington Tactical Bond Class - Series F5	11.63
George Ivanoff	10,003.40	IA Clarington Tactical Bond Class - Series F5	38.44
Dale Berry	3,027.37	IA Clarington Tactical Bond Class - Series F5	11.63
Arthur Harding	6,455.99	IA Clarington Tactical Bond Class - Series F5	24.81
Moneylife Financial Corp.	1,990.74	IA Clarington Tactical Bond Class - Series L	95.19
IA Clarington Investments Inc.	104.912	IA Clarington Tactical Bond Class - Series L5	100
Groupe Dynamite Inc	438,131.82	IA Clarington Tactical Income Class - Series F6	25.08
Faye Crowder	8,686.09	IA Clarington Tactical Income Class - Series L	16.4
Connors Office Products Limited	12,745.12	IA Clarington Tactical Income Class - Series L	24.07
Jack Durant	3,935.96	IA Clarington Tactical Income Class - Series L6	98.03
IA Clarington Investments Inc.	82.502	IA Clarington Tactical Income Class - Series L8	12.73
Leonard McMurrer	565.692	IA Clarington Tactical Income Class - Series L8	87.27

As of June 23, 2011, the unitholders known to the Manager to own, of record or beneficially, directly or indirectly, more than 10% of the issued and outstanding units of any series of units of a Trust Fund are:

<u>Name</u>	<u>Number of Units</u>	<u>Name and Series of Fund</u>	<u>Percentage of Series</u>
IA Clarington Investments Inc.	102.101	Distinction Balanced Portfolio - Series I	100
IA Clarington Investments Inc.	73.512	Distinction Balanced Portfolio - Series L	100
IA Clarington Investments Inc.	95.156	Distinction Balanced Portfolio - Series LM	100

Industrial Alliance Insurance & Financial Services Inc.	1,947,377.38	Distinction Balanced Portfolio - Series O	89.83
IA Clarington GIF	220,454.92	Distinction Balanced Portfolio - Series O	10.17
IA Clarington Investments Inc.	100	Distinction Bold Portfolio - Series I	100
Industrial Alliance Insurance & Financial Services Inc.	249,730.43	Distinction Bold Portfolio - Series O	99.96
IA Clarington Investments Inc.	102.214	Distinction Conservative Portfolio - Series I	100
Marilyn L. Bubar	988.526	Distinction Conservative Portfolio - Series L	93.04
James Bubar	2,272.26	Distinction Conservative Portfolio - Series LM	96.05
Industrial Alliance Insurance & Financial Services Inc.	525,820.70	Distinction Conservative Portfolio - Series O	80.68
IA Clarington GIF	125,842.58	Distinction Conservative Portfolio - Series O	19.31
IA Clarington Investments Inc.	100	Distinction Growth Portfolio - Series I	100
IA Clarington Investments Inc.	84.067	Distinction Growth Portfolio - Series L	12.43
Jeff Sparling	139.813	Distinction Growth Portfolio - Series L	20.67
Peter Deruiter	122.145	Distinction Growth Portfolio - Series L	18.06
Chris Hilcox	77.838	Distinction Growth Portfolio - Series L	11.51
Kenneth Otto	126.27	Distinction Growth Portfolio - Series L	18.67
Timothy Schoelie	126.27	Distinction Growth Portfolio - Series L	18.67
IA Clarington Investments Inc.	97.065	Distinction Growth Portfolio - Series LM	100
Industrial Alliance Insurance & Financial Services Inc.	1,364,481.16	Distinction Growth Portfolio - Series O	84.86
IA Clarington GIF	243,280.97	Distinction Growth Portfolio - Series O	15.13
IA Clarington Investments Inc.	111.499	Distinction Monthly Income Portfolio - Series I	100
Industrial Alliance Insurance & Financial Services Inc.	376,205.03	Distinction Monthly Income Portfolio - Series O	99.97
IA Clarington Investments Inc.	104.368	Distinction Prudent Portfolio - Series I	100
Industrial Alliance Insurance & Financial Services Inc.	285,147.25	Distinction Prudent Portfolio - Series O	99.97
Shirley Mcauley	701.782	IA Clarington American Fund - Series F	31.31
Daniel Mcauley	1,303.31	IA Clarington American Fund - Series F	58.14
Industrial Alliance Insurance & Financial Services Inc.	5,367,980.21	IA Clarington American Fund - Series O	87.99
Distinction Prudent Portfolio	2,768,867.70	IA Clarington Bond Fund - Series I	18.58
Distinction Conservative Portfolio	3,009,401.84	IA Clarington Bond Fund - Series I	20.2
Distinction Balanced Portfolio	4,222,968.16	IA Clarington Bond Fund - Series I	28.34
Roland Ouellet	2,682.11	IA Clarington Bond Fund - Series L	47.98
A & J Dickie Investments Ltd.	2,822.17	IA Clarington Bond Fund - Series L	50.49
6895808 Canada Inc	650,827.60	IA Clarington Bond Fund - Series O	37.08
IA Clarington GIF	931,261.50	IA Clarington Bond Fund - Series O	53.05
Ella Agnew, In Trust PAA	78,071.16	IA Clarington Bond Fund - Series X	15.7
IA Clarington Investments	38,596.56	IA Clarington Canadian Balanced Fund - Series I	99.74

Brenda Lewis	8,165.01	IA Clarington Canadian Balanced Fund - Series L	13.08
Carolyn Lanthier	7,019.18	IA Clarington Canadian Balanced Fund - Series L	11.25
Ken Fleming	9,509.47	IA Clarington Canadian Balanced Fund - Series L5	50.68
Jack Durant	4,876.44	IA Clarington Canadian Balanced Fund - Series L5	25.99
Pauline Brodeur Deziel	2,851.47	IA Clarington Canadian Balanced Fund - Series L5	15.2
Industrial Alliance Insurance &Financial Services Inc.	2,848,459.55	IA Clarington Canadian Balanced Fund - Series O	58.22
IA Clarington GIF	2,043,677.93	IA Clarington Canadian Balanced Fund - Series O	41.77
Totem Charitable Foundation	127,264.28	IA Clarington Canadian Balanced Fund - Series T5	20.32
Distinction Prudent Portfolio	410,448.18	IA Clarington Canadian Conservative Equity Fund - Series I	33.84
Distinction Conservative Portfolio	179,680.50	IA Clarington Canadian Conservative Equity Fund - Series I	14.81
Distinction Balanced Portfolio	406,199.79	IA Clarington Canadian Conservative Equity Fund - Series I	33.49
Shawn Springett	1,009.75	IA Clarington Canadian Conservative Equity Fund - Series L	10.41
Roland Ouellet	1,450.28	IA Clarington Canadian Conservative Equity Fund - Series L	14.95
Frederick Strahle	2,315.48	IA Clarington Canadian Conservative Equity Fund - Series L	23.87
Bud (Henry) Hauck	1,351.90	IA Clarington Canadian Conservative Equity Fund - Series L5	93.39
Industrial Alliance Insurance &Financial Services Inc.	6,720,439.93	IA Clarington Canadian Conservative Equity Fund - Series O	75.41
IA Clarington GIF	963,695.76	IA Clarington Canadian Conservative Equity Fund - Series O	10.81
Michael Huber	23,161.91	IA Clarington Canadian Conservative Equity Fund - Series T5	16.29
Claude Duperron	20,652.12	IA Clarington Canadian Conservative Equity Fund - Series T5	14.53
Susan Mckie	3,567.65	IA Clarington Canadian Dividend Fund - Series F6	17
Karen Kelly-White	2,214.83	IA Clarington Canadian Dividend Fund - Series F6	10.55
Kipling Grasse	5,743.57	IA Clarington Canadian Dividend Fund - Series F6	27.37
IA Clarington Investments Inc.	265.878	IA Clarington Canadian Dividend Fund - Series I	100
Cherie Hamel	5,374.58	IA Clarington Canadian Growth Fund - Series F	18.81
Distinction Conservative Portfolio	323,501.12	IA Clarington Canadian Growth Fund - Series I	16.09
Distinction Balanced Portfolio	697,804.67	IA Clarington Canadian Growth Fund - Series I	34.7
Distinction Growth Portfolio	553,829.20	IA Clarington Canadian Growth Fund - Series I	27.54
James Southwood	9,016.81	IA Clarington Canadian Income Fund - Series F8	10.31
IA Clarington Canadian Leaders Class	1,270,323.99	IA Clarington Canadian Leaders Fund - Series I	92.23
Carolyn Lanthier	1,894.85	IA Clarington Canadian Leaders Fund - Series L	15.8
Andren Investments	1,759.67	IA Clarington Canadian Leaders Fund - Series L	14.67
Brenda Lewis	4,036.40	IA Clarington Canadian Leaders Fund - Series L	33.65

Roger Moerman	1,453.65	IA Clarington Canadian Leaders Fund - Series L	12.12
Maria Moerman	1,653.14	IA Clarington Canadian Leaders Fund - Series L	13.78
Industrial Alliance Insurance & Financial Services Inc.	929,964.97	IA Clarington Canadian Leaders Fund - Series O	30.98
6895808 Canada Inc	1,509,349.03	IA Clarington Canadian Leaders Fund - Series O	50.29
6895816 Canada Inc	562,030.96	IA Clarington Canadian Leaders Fund - Series O	18.73
BNY Trust Company of Canada ITF Alitis I	54,635.63	IA Clarington Canadian Small Cap Fund - Series F	11.64
Distinction Balanced Portfolio	290,647.97	IA Clarington Canadian Small Cap Fund - Series I	36.89
Distinction Growth Portfolio	117,657.28	IA Clarington Canadian Small Cap Fund - Series I	14.93
IA Clarington Canadian Small Cap Class	307,978.27	IA Clarington Canadian Small Cap Fund - Series I	39.09
Frank Macneill	589.938	IA Clarington Canadian Small Cap Fund - Series L	10.07
Brenda Lewis	670.089	IA Clarington Canadian Small Cap Fund - Series L	11.43
Janice Cormier	836.231	IA Clarington Canadian Small Cap Fund - Series L	14.27
Mark Zavitz	645.24	IA Clarington Canadian Small Cap Fund - Series L	11.01
Industrial Alliance Insurance & Financial Services Inc.	776,484.42	IA Clarington Canadian Small Cap Fund - Series O	77.8
IA Clarington GIF	221,599.78	IA Clarington Canadian Small Cap Fund - Series O	22.2
Reta Lucy Jones	148,016.48	IA Clarington Dividend Growth Fund - Series F6	39.32
Patrick Carlson	39,799.17	IA Clarington Dividend Growth Fund - Series F6	10.57
Colin Pierce	83,353.02	IA Clarington Dividend Growth Fund - Series F10	31.31
IA Clarington Dividend Growth Class	2,477,326.55	IA Clarington Dividend Growth Fund - Series I	79.07
Constance Ramsay	988.625	IA Clarington Dividend Growth Fund - Series L6	10.14
W. Howard Wright	2,310.53	IA Clarington Dividend Growth Fund - Series L6	23.71
James Ross	2,311.25	IA Clarington Dividend Growth Fund - Series L6	23.72
Lois Ross	2,332.79	IA Clarington Dividend Growth Fund - Series L6	23.94
Leona Pawlowski	18,752.94	IA Clarington Dividend Growth Fund - Series LT	15.48
Industrial Alliance Insurance & Financial Services Inc.	60,992,636.61	IA Clarington Dividend Growth Fund - Series O	94.61
Patrick Carlson	24,048.25	IA Clarington Dividend Income Fund - Series F6	21.11
Distinction Prudent Portfolio	2,592,744.26	IA Clarington Dividend Income Fund - Series I	27.34
Distinction Conservative Portfolio	1,694,430.61	IA Clarington Dividend Income Fund - Series I	17.87
Distinction Balanced Portfolio	2,399,078.13	IA Clarington Dividend Income Fund - Series I	25.3
Distinction Growth Portfolio	999,609.57	IA Clarington Dividend Income Fund - Series I	10.54
Industrial Alliance Insurance & Financial Services Inc.	18,057,841.56	IA Clarington Dividend Income Fund - Series O	91.45
Patrick Carlson	36,708.41	IA Clarington Global Dividend Fund - Series F6	12.19
Distinction Balanced Portfolio	2,649,787.77	IA Clarington Global Dividend Fund - Series I	42.18
Distinction Growth Portfolio	1,567,496.79	IA Clarington Global Dividend Fund - Series I	24.95
Distinction Bold Portfolio	835,212.86	IA Clarington Global Dividend Fund - Series I	13.29

Industrial Alliance Insurance & Financial Services Inc.	1,755,926.88	IA Clarington Global Dividend Fund - Series O	88.26
IA Clarington GIF	233,249.42	IA Clarington Global Dividend Fund - Series O	11.72
Distinction Balanced Portfolio	981,439.53	IA Clarington Global Equity Fund - Series I	30.33
Distinction Growth Portfolio	560,264.08	IA Clarington Global Equity Fund - Series I	17.31
IA Clarington Monthly Income Balanced Fund	370,439.94	IA Clarington Global Equity Fund - Series I	11.45
IA Clarington Canadian Income Fund	589,311.97	IA Clarington Global Equity Fund - Series I	18.21
Industrial Alliance Insurance & Financial Services Inc.	587,867.88	IA Clarington Global Equity Fund - Series O	86.2
IA Clarington GIF	88,169.05	IA Clarington Global Equity Fund - Series O	12.93
IA Clarington Investments	2,622.44	IA Clarington Global Small Cap Fund - Series I	96.02
Brian Marsh	42,565.39	IA Clarington Global Tactical Income Fund - Series F8	10.75
Pamela Beaton	45,813.92	IA Clarington Global Tactical Income Fund - Series F8	11.57
Michael Rooks	72,542.34	IA Clarington Global Tactical Income Fund - Series F8	18.32
Distinction Monthly Income Portfolio	545,411.61	IA Clarington Global Tactical Income Fund - Series I	10.65
Bank of Montreal	4,401,050.94	IA Clarington Global Tactical Income Fund - Series I	85.9
Willy Dewinter	2,942.64	IA Clarington Global Tactical Income Fund - Series L	11.76
Frank Macneill	2,563.87	IA Clarington Global Tactical Income Fund - Series L6	11.62
Holly Mills	2,450.40	IA Clarington Global Tactical Income Fund - Series L6	11.11
Holly Mills	2,858.98	IA Clarington Global Tactical Income Fund - Series L6	12.96
Paul Pfister	3,208.52	IA Clarington Global Tactical Income Fund - Series L6	14.55
Flora Veel	3,975.20	IA Clarington Global Tactical Income Fund - Series L6	18.02
Les Ventes Simply Red Inc.	4,267.71	IA Clarington Global Tactical Income Fund - Series L6	19.35
Splish Splash Ltd.	19,217.29	IA Clarington Global Tactical Income Fund - Series L8	96.63
Industrial Alliance Insurance & Financial Services Inc.	8,090,950.76	IA Clarington Global Tactical Income Fund - Series O	99.27
Industrial Alliance Fund Management Inc.	128.788	IA Clarington Global Value Fund - Series F	100
IA Clarington Monthly Income Balanced Fund	1,807,137.68	IA Clarington Global Value Fund - Series I	43.28
IA Clarington Canadian Income Fund	2,368,478.32	IA Clarington Global Value Fund - Series I	56.72
Industrial Alliance Insurance	8,629,515.60	IA Clarington Global Value Fund - Series O	99.77

&Financial Services Inc.			
Helen Davis	24,859.17	IA Clarington Inhance Balance SRI Portfo - Series T6	12.3
IA Clarington Investments Inc.	100.158	IA Clarington Inhance Balance SRI Portfolio - Series I	100
Industrial Alliance Insurance &Financial Services Inc.	297,126.75	IA Clarington Inhance Balance SRI Portfolio - Series O	99.97
Canada-India Village Aid Association	21,246.37	IA Clarington Inhance Growth SRI Portfolio - Series F	17
Bruce Ralston	17,817.10	IA Clarington Inhance Growth SRI Portfolio - Series F	14.26
Kathryn-Jane Hazel	13,273.57	IA Clarington Inhance Growth SRI Portfolio - Series F	10.62
Vancity Community Foundation	441,575.73	IA Clarington Inhance Growth SRI Portfolio - Series V	45.21
Vancity Retirement Plan	484,108.76	IA Clarington Inhance Growth SRI Portfolio - Series V	49.56
Glasswaters Foundation	46,814.78	IA Clarington Inhance Monthly Income SRI - Series F	34.95
Nichola Pollock	18,919.67	IA Clarington Inhance Monthly Income SRI - Series F	14.12
IA Clarington Inhance Conservative SRI Portfolio	167,662.37	IA Clarington Inhance Monthly Income SRI - Series I	18.06
IA Clarington Inhance Balanced SRI Portfolio	312,074.87	IA Clarington Inhance Monthly Income SRI - Series I	33.62
IA Clarington Inhance Growth SRI Portfolio	448,378.91	IA Clarington Inhance Monthly Income SRI - Series I	48.31
Lloyd Widdifield	2,846.93	IA Clarington Inhance Monthly Income SRI - Series V	96.53
Industrial Alliance Fund Management Inc.	922,580.03	IA Clarington Money Market Fund - Series B	75.93
IA Clarington Investments Inc.	223,972.39	IA Clarington Money Market Fund - Series B	18.43
Distinction Prudent Portfolio	563,490.86	IA Clarington Money Market Fund - Series I	27.86
Distinction Conservative Portfolio	517,049.48	IA Clarington Money Market Fund - Series I	25.56
Lombard Odier Darier Hentsch (Canada), Securities Inc. In Trust	763,825.25	IA Clarington Money Market Fund - Series I	37.76
Ruth A. Dinsmore	1,700.02	IA Clarington Money Market Fund - Series L	29.42
Barbara Mcwilliams	1,078.66	IA Clarington Money Market Fund - Series L	18.67
Ross Mcwilliams	900.009	IA Clarington Money Market Fund - Series L	15.57
Ruth Dinsmore	2,000.02	IA Clarington Money Market Fund - Series L	34.61
IA Clarington GIF	266,227.17	IA Clarington Money Market Fund - Series O	99.96
Todd Gash	35,147.56	IA Clarington Money Market Fund - Series Q	90.14
Robin Sloan	14,782.77	IA Clarington Monthly Income Balanced Fund - Series F6	37.11
Rosalind Yim Ho Woo	4,013.95	IA Clarington Monthly Income Balanced Fund - Series F6	10.08

9124-6157 Quebec Inc	8,613.93	IA Clarington Monthly Income Balanced Fund - Series F6	21.62
Yasmin Jackson	6,918.02	IA Clarington Monthly Income Balanced Fund - Series F8	21.8
John A Morris	18,970.59	IA Clarington Monthly Income Balanced Fund - Series F8	59.78
Susan Rolleston	5,605.81	IA Clarington Monthly Income Balanced Fund - Series F8	17.67
Industrial Alliance Fund Management Inc.	132.992	IA Clarington Monthly Income Balanced Fund - Series I	32.99
IA Clarington Investments Inc.	270.104	IA Clarington Monthly Income Balanced Fund - Series I	67.01
6895808 Canada Inc	3,922,235.71	IA Clarington Monthly Income Balanced Fund - Series O	79
6895816 Canada Inc	1,042,482.75	IA Clarington Monthly Income Balanced Fund - Series O	21
Ed Bray	16,296.91	IA Clarington Real Return Bond Fund - Series F	20.47
CIBC In Trust For CJ	9,863.87	IA Clarington Real Return Bond Fund - Series F	12.39
Nancy I. Bicknell	4,257.69	IA Clarington Real Return Bond Fund - Series L	51.1
Rana Martins	3,169.54	IA Clarington Real Return Bond Fund - Series L	38.04
Industrial Alliance Insurance & Financial Services Inc.	4,775,838.59	IA Clarington Sarbit U.S. Equity Fund - Series O	99.99
1182530 Ontario Limited	19,978.50	IA Clarington Sarbit US Equity Fund - Series F6	21.56
IA Clarington Investments	63,670.15	IA Clarington Sarbit US Equity Fund - Series I	98.95
IA Clarington Investments Inc.	149.627	IA Clarington Sarbit US Equity Fund - Series L6	33.59
William Baker	191.806	IA Clarington Sarbit US Equity Fund - Series L6	43.06
Distinction Prudent Portfolio	1,144,741.36	IA Clarington Short Term Bond Fund - Series I	30.66
Distinction Conservative Portfolio	522,501.69	IA Clarington Short Term Bond Fund - Series I	13.99
Pauline R Lanoue	135,667.88	IA Clarington Short-Term Bond Fund - Series A	17.95
Kevin Mcgrath	15,147.46	IA Clarington Short-Term Bond Fund - Series F	82.44
Erin J Dstilly	2,526.72	IA Clarington Short-Term Bond Fund - Series F	13.75
Distinction Balanced Portfolio	1,065,133.95	IA Clarington Short-Term Bond Fund - Series I	28.53
Distinction Growth Portfolio	436,302.90	IA Clarington Short-Term Bond Fund - Series I	11.69
D & S Osmond Joint Partner Tr #1	37,282.24	IA Clarington Tactical Bond Fund - Series F	32.35
101120095 Saskatchewan Ltd.	15,059.05	IA Clarington Tactical Bond Fund - Series F	13.07
Distinction Prudent Portfolio	1,121,049.94	IA Clarington Tactical Bond Fund - Series I	14
Distinction Balanced Portfolio	2,161,908.95	IA Clarington Tactical Bond Fund - Series I	27
Distinction Growth Portfolio	886,578.08	IA Clarington Tactical Bond Fund - Series I	11.07
Bank of Montreal	2,330,734.91	IA Clarington Tactical Bond Fund - Series I	29.1
Tony Ottenhof	500.777	IA Clarington Tactical Bond Fund - Series L	29.75
Phyllis Ottenhof	500.777	IA Clarington Tactical Bond Fund - Series L	29.75
Lester D'eon	582.025	IA Clarington Tactical Bond Fund - Series L	34.57

Industrial Alliance Insurance & Financial Services Inc.	202,393.08	IA Clarington Tactical Bond Fund - Series O	99.95
Bank of Montreal	23,036,248.41	IA Clarington Tactical Income Fund - Series I	99.65
Roland Ouellet	3,004.10	IA Clarington Tactical Income Fund - Series L6	18.19
Kristina French	6,343.06	IA Clarington Tactical Income Fund - Series L6	38.4
W. Howard Wright	2,506.49	IA Clarington Tactical Income Fund - Series L6	15.17
Ken Fleming	8,263.06	IA Clarington Tactical Income Fund - Series L8	70.55
Bud (Henry) Hauck	1,833.78	IA Clarington Tactical Income Fund - Series L8	15.66
Nelson J Gallant	1,279.25	IA Clarington Tactical Income Fund - Series L8	10.92
Industrial Alliance Insurance & Financial Services Inc.	13,392,372.84	IA Clarington Tactical Income Fund - Series O	73.96
IA Clarington GIF	4,716,046.27	IA Clarington Tactical Income Fund - Series O	26.04

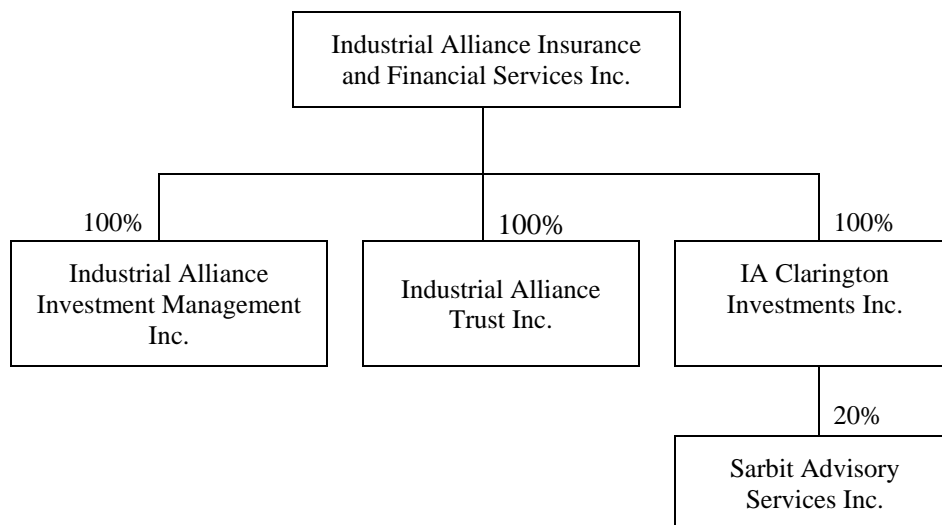
As of July 12, 2011, the directors and senior officers of the Manager as a group beneficially owned, directly or indirectly, less than 1% of the outstanding units of each Trust Fund, and less than 1% of the outstanding shares of each Corporate Class Fund. As at that date, the independent review committee members, as a group, beneficially owned, directly or indirectly, less than 1% of the outstanding securities of any of the Funds, did not own shares of the Manager or Industrial Alliance, and owned less than 0.5% of the outstanding securities of any class of voting or equity securities issued by any other person or company that provides services to the Funds or IA Clarington.

Affiliated Entities

As of the date of this annual information form, the only persons or companies that are an “affiliated entity” of the Manager and provide services to the Funds or to the Manager in relation to the Funds are IAIM and Industrial Alliance. IAIM is the Portfolio Advisor for all of the Funds, other than IA Clarington Tactical Income Class, IA Clarington Global Tactical Income Class and IA Clarington Tactical Bond Class, as described under the heading “Portfolio Advisors”, and receives a portion of the management fee for acting as the Portfolio Advisor for the Funds. Industrial Alliance provides fund accounting and portfolio valuation services in connection with the Funds, and provides certain back office and administration services to the Manager. The amount of fees received from a Fund by IAIM and/or Industrial Alliance in a financial year is in the applicable audited annual financial statements of the Fund. Certain of the officers and directors of the Manager are also officers and/or directors of Industrial Alliance and/or IAIM. Particulars of these relationships are shown in the table starting on page 77.

In addition, IA Clarington owns 20% of the shares of SASI and has the right to elect one of its three directors. Although SASI is not an “affiliated entity” of IA Clarington within the meaning of securities legislation, IA Clarington has significant influence on the conduct of its affairs.

The following diagram shows the corporate relationship between the Manager, Industrial Alliance and IAIM as at the date of this annual information form:



Fund Governance

The responsibility for governance of the Funds lies with the board of directors of the Manager for the Trust Funds and the board of directors of Clarington Sector Fund Inc. for the Corporate Class Funds. All of the directors of the Manager are directors of Clarington Sector Fund Inc. A list of these directors is set out under “*Management of the Funds*” on page 45. The Manager considers that a board member is independent (an “Independent Member”) if the individual is not employed as an officer of the Manager or an affiliate of the Manager and is free from any material interest or relationship that could interfere with the director’s independent judgment. The boards of directors currently consist of eight individuals, of whom the following individuals are Independent Members: André Dubuc, John Gill, Theresa Currie, Yvon Côté and Adrian Brouwers.

The audit committee of the board of directors of the Manager assists it in fulfilling its oversight responsibilities. The audit committee is comprised of André Dubuc, John Gill and Theresa Currie and oversees the audit process, the financial reporting process and the systems of internal control over financial reporting. The audit committee reviews on a regular basis the Manager’s compliance with all policies and procedures relating to external audits and evaluates the Manager’s monitoring of internal controls. Regular reports and recommendations are provided by the audit committee to the Manager’s board of directors respecting audit activities and related issues.

The Funds also have an IRC, comprised of three individuals, each of whom is independent from the Manager and its affiliates. The mandate of the IRC is to review any matter that involves a conflict of interest between the Manager and the Funds within the meaning of National Instrument 81-107 – Independent Review Committee for Investment Funds. The Manager has developed and implemented policies governing conflicts of interest and the referral of conflict of interest matters to the IRC. For the year ended December 31, 2010, an aggregate amount of \$68,656 was paid as compensation to the IRC members for acting as the IRC of all of the

investment funds managed by the Manager, of which \$63,399 was allocated to the Funds and the Funds reimbursed expenses of the IRC members in the aggregate amount of \$62,031.

Policies Regarding Derivatives

In order to hedge against currency exchange rate risks, any Fund may enter into forward currency exchange contracts (“currency forwards”) not exceeding one year in duration as described below. A Fund may also conduct its currency transactions on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market.

A Fund may enter into currency forwards to attempt to minimize the risk to the Fund from adverse changes in the relationship between the Canadian dollar and other currencies. A currency forward is an obligation to purchase or sell a specific currency for an agreed price at a future date that is individually negotiated and privately traded by currency traders and their customers.

A Fund may enter into a currency forward, for example, when it enters into a contract for the purchase or sale of a security denominated in a currency other than the Canadian dollar in order to “lock in” the Canadian dollar price of the security. When a Portfolio Advisor or Sub-Advisor of a Fund believes that a currency may suffer a substantial decline against the Canadian dollar, it may enter into a currency forward to sell an amount of that currency or another currency that acts as a proxy for that currency approximating the market value of some or all of the Fund’s portfolio securities denominated in that currency. When the Portfolio Advisor or Sub-Advisor believes that the Canadian dollar may suffer a substantial decline against another currency, the Fund may also enter into a currency forward to buy that currency for a fixed Canadian dollar amount. Currency forwards may limit potential gain from a positive change in the relationship between the Canadian dollar and other currencies.

The objectives and goals for derivative trading are described in the Simplified Prospectus and risk management procedures in connection therewith are regularly reviewed by management. The Funds follow the investment restrictions and practices set out in National Instrument 81-102 – Mutual Funds with respect to the use of derivatives for hedging and non-hedging purposes. An analysis of derivative instruments is performed regularly to ensure the mark-to-market value with any one counterparty does not exceed, for a period of 30 days, 10% of the NAV of the Fund. The Manager monitors trading activities in conjunction with the Portfolio Advisor or Sub-Advisor and is responsible for applying trading limits, if any, and other controls, if required.

Except as described above, there are no other written policies with respect to derivative use. The Portfolio Advisor or Sub-Advisor (as applicable) of each Fund is responsible for establishing trading limits and other controls on derivative trading. The risk exposure of a Fund’s derivatives trades are not generally independently monitored.

Policies Regarding Securities Lending and Repurchase and Reverse Repurchase Transactions

Each Fund is permitted to enter into securities lending agreements or may enter into such agreements after giving investors 60 days’ prior written notice as permitted under applicable securities laws. All of the Funds other than IA Clarington Money Market Fund, IA Clarington Tactical Bond Class, IA Clarington Dividend Growth Class, IA Clarington Tactical Income

Class, IA Clarington Global Tactical Income Class, IA Clarington Canadian Small Cap Class and the funds listed under “Distinction Portfolios” on the cover page are permitted to enter into securities lending agreements. Funds that are not currently permitted to enter into securities lending agreements may do so upon 60 days’ prior written notice to investors.

The Fund’s custodian or sub-custodian acts as the agent for the Fund in administering the securities lending transactions of the Fund. The risks associated with these transactions are managed by requiring that the Fund’s agent enter into such transactions for the Fund with reputable and well-established Canadian and foreign brokers, dealers and institutions. The agent is required to maintain internal controls, procedures and records, including a list of approved third parties based on generally accepted creditworthiness standards, transaction and credit limits for each third party and collateral diversification standards.

The Manager, Clarington Sector Fund Inc. and RBC Dexia have established certain policies and procedures to ensure that the risks associated with securities lending agreements will be properly managed. RBC Dexia is required to ensure that all securities lending transactions are done in accordance with securities lending rules outlined in applicable securities legislation, including the requirement that the value of securities on loan will not exceed 50% of the Fund’s total assets. The Manager will ensure that RBC Dexia is notified of any related parties so that securities lending agreements will not be executed with related borrowers. RBC Dexia will also be responsible for ensuring that each loan is over-collateralized to at least 102% on each business day. The Manager will monitor, on a regular basis, the Funds’ securities lending activities. RBC Dexia reviews its policies and procedures relating to securities lending transactions on a regular basis.

Currently, none of the Funds intend to enter into repurchase or reverse repurchase transactions, although certain Funds are permitted to do so under securities legislation. The Funds may enter into repurchase and reverse repurchase agreements in the future, as described in the Simplified Prospectus. The Funds that are not currently permitted to engage in repurchase and reverse repurchase transactions would be required to give investors 60 days’ prior written notice prior to engaging in such transactions. The Funds may enter into these transactions only as permitted under securities law. In the event the Funds commence repurchase and reverse repurchase transactions, similar controls, policies and procedures will be put in place for those transactions as described above for securities lending agreements.

Policies Regarding Proxy Voting

The Manager assigns all securities voting responsibilities in respect of the securities held by a Fund to the Portfolio Advisor or Sub-Advisor (as applicable) of the Fund and expects that each Portfolio Advisor or Sub-Advisor (as applicable) exercises that responsibility in accordance with the best economic interests of the applicable Fund and the Fund’s investors. Generally, the Manager expects that the Portfolio Advisor or Sub-Advisor (as applicable) will vote for proposals that enhance the investment value of the relevant security and against proposals that increase the risk level and reduce the overall investment value of the security. However, each vote is ultimately cast on a case-by-case basis, with the Portfolio Advisor or Sub-Advisor taking into consideration the relevant facts and circumstances at the time of the vote.

Each year, as part of its annual review process, the Manager reviews the proxy voting policies and procedures provided to it by each Portfolio Advisor or Sub-Advisor (as applicable). Although each Portfolio Advisor and Sub-Advisor has its own set of proxy voting policies and procedures, there are a number of similarities between these policies. Generally, the proxy voting policies and procedures of each Portfolio Advisor and Sub-Advisor provide that:

- on routine matters, such as the appointment of directors and auditors and the remuneration of the auditors, the Portfolio Advisor or Sub-Advisor will generally vote in accordance with management's recommendation;
- generally, the Portfolio Advisor or Sub-Advisor will deviate from this policy where it has a conflict of interest in voting its proxies or where it has determined that it is necessary, in the circumstances, to do so in order to further the best interests of the investors in the Fund;
- for non-routine matters (the definition of which varies with each policy, but generally includes matters such as significant corporate transactions, security-based compensation plans and corporate governance changes), the Portfolio Advisor or Sub-Advisor will take steps to evaluate the proposal on its merits (which steps may include engagement of a third party advisor or legal counsel, referral of the matter to a proxy voting review committee or voting in accordance with pre-determined criteria for evaluating such proposals) and will vote based on its judgment of the effect of the proposal on the investment value of the relevant security;
- the Portfolio Advisor or Sub-Advisor may abstain from voting a proxy on a routine or non-routine matter if it concludes that:
 - the effect on securityholders' economic interests or the value of the Fund holdings is indeterminable or insignificant, or
 - the cost of voting is disproportionate to the economic impact the vote would have on the Fund holdings;
- any material conflict between the interest of securityholders and those of the Manager, the Portfolio Advisor or Sub-Advisor, any affiliate or associate of a Fund, or any affiliate or associate of the Manager or Portfolio Advisor or Sub-Advisor, will be resolved in the best interests of the securityholders. Where an underlying fund held by a Fund is managed by the Manager, the Portfolio Advisor or Sub-Advisor or an affiliate or associate of the Manager or the Portfolio Advisor or Sub-Advisor, the Portfolio Advisor or Sub-Advisor will not vote the securities of the underlying fund. The Manager may choose to flow-through the proxy voting rights attached to securities of the underlying fund to investors in the Fund; and
- the Portfolio Advisor or Sub-Advisor will take steps to ensure that the custodian of the portfolio securities held by a Fund votes the relevant securities in accordance with the instructions of the Portfolio Advisor or Sub-Advisor. The Manager obtains an annual report to determine how the Funds' portfolio securities were voted.

Each Portfolio Advisor and Sub-Advisor is required to act in the best interests of each applicable Fund in any vote that involves a conflict of interest between the Fund, on the one hand, and the

Manager, the Portfolio Advisor, the Sub-Advisor or any of their affiliates, on the other hand. The policies of each Portfolio Advisor and Sub-Advisor relating to conflicts of interest vary, but generally require the Portfolio Advisor or Sub-Advisor to take some or all of the following steps: (a) notify the Manager of any proposed proxy vote where the Portfolio Advisor or Sub-Advisor has a conflict of interest in voting, and, in some cases, obtain the Manager's approval prior to voting, (b) vote in accordance with the recommendations of a third-party proxy administrator and/or (c) vote in accordance with predetermined voting guidelines established by the Portfolio Advisor or Sub-Advisor or, alternatively, obtain the approval of an internal proxy voting committee for any deviation from such predetermined criteria.

Where IA Clarington is the manager of both a top fund and an underlying fund, it will not vote the securities of the underlying fund held directly by the top fund. Instead, where applicable, IA Clarington may arrange for such securities to be voted by the beneficial securityholders of the applicable top fund.

The policies and procedures that a Fund follows when voting proxies relating to portfolio securities are available on request, at no cost, by calling us toll-free at 1-800-530-0204 or e-mailing us at proxyvoting@iaclarington.com. A Fund's proxy voting record for the annual period from July 1, 2010 to June 30, 2011 will be available free of charge to any investor of the Fund upon request at any time after August 31, 2011. The Fund's proxy voting record is available on our Internet site at www.iaclarington.com.

Management Fee Distributions or Rebates

To encourage large investments in the Funds or to accommodate special situations, we may reduce or rebate the management fees we charge. The reduction or rebate is usually based on the cumulative size of your investments in Front End Securities (or, in exceptional cases, Series F securities) of any of the Funds, with the exception of investments in IA Clarington Short-Term Bond Fund, IA Clarington Short-Term Income Class, IA Clarington Money Market Fund and the Target Click Funds. Investments in these Funds are not included in the calculation of your investments in the Funds for this purpose and do not qualify for a reduction in management fees.

If your investments qualify, we will calculate the reduction in, or rebate of the management fees according to a fixed schedule that we may change at our discretion. If we reduce our usual management fee for a Trust Fund, the Trust Fund will give you the reduction in the form of a special distribution, which is called a management fee distribution. In connection with a Corporate Class Fund, we will rebate a portion of the management fee directly to you.

We calculate management fee distributions or rebates on each calendar day. They are distributed or paid regularly to eligible investors. We will reinvest the distribution or rebate in additional securities of the Fund.

For the Trust Funds, management fee distributions are made first out of net income and net realized capital gains and then out of capital. Generally, investors in the Corporate Class Funds are required to include any management fee rebates received from the Manager in their income. See "*Income Tax Considerations*" below for information on the tax consequences of management fee distributions and management fee rebates.

Income Tax Considerations

The following summarizes fairly the principal Canadian federal income tax considerations with respect to acquiring, owning and disposing of securities of the Funds. It applies to an individual investor (other than a trust), who, for the purposes of the Tax Act is resident in Canada, deals at arm's length with and is not affiliated with the Funds and holds the securities as capital property.

This is a general summary and is not intended to be advice to any investor. You should seek independent advice about the income tax consequences of investing in securities of the Funds, based on your own circumstances.

This summary is based on the current provisions of the Tax Act, the regulations thereunder ("Regulations"), specific proposals to amend the Tax Act and Regulations publicly announced by the Minister of Finance (Canada) ("Minister") prior to the date of this Annual Information Form and the published administrative practices and assessing policies of Canada Revenue Agency. This summary does not take into account or anticipate any other changes in law whether by legislative, regulatory, administrative or judicial action. Furthermore, this summary does not take into account provincial or foreign income tax legislation or considerations.

Each of the Trust Funds currently qualifies, and is expected to continue to qualify at all times, as a mutual fund trust under the Tax Act. This summary assumes that each of the Trust Funds will, at all material times, qualify as a mutual fund trust under the Tax Act.

Clarington Sector Fund Inc. currently qualifies, and is expected to continue to qualify at all material times, as a mutual fund corporation under the Tax Act. This summary assumes that Clarington Sector Fund Inc. will, at all material times, qualify as a mutual fund corporation under the Tax Act.

This summary assumes that Clarington Sector Fund Inc. has elected under subsection 39(4) of the Tax Act to have all gains and losses on disposition of "Canadian securities" taxed as capital gains and losses.

Taxation of the Trust Funds

In each taxation year, the Trust Funds are subject to tax under Part I of the Tax Act on the amount of their income for tax purposes for the taxation year, including net taxable capital gains, less the portion thereof that is paid or payable to unitholders. The Manager will ensure that each Trust Fund distributes to unitholders in each calendar year enough of its net income and net realized capital gains so that it should not be liable for tax under Part I of the Tax Act for any taxation year. Generally, gains and losses from the use of derivative securities and short sales will be realized on income account rather than on capital account. In certain circumstances, capital losses realized by the Distinction Portfolios may be suspended and, as a result, would be unavailable to shelter capital gains. IA Clarington Real Return Bond Fund may be required to include an amount in income for a taxation year as deemed interest on a real return bond, or other indexed debt obligation, even though there is no entitlement to receive interest on the bond in that taxation year.

All of a Trust Fund's deductible expenses, including expenses common to all series of the Trust Fund and management fees and other expenses specific to a particular series of the Trust Fund, will be taken into account in determining the income or loss of the Trust Fund as a whole.

Taxation of Unitholders in the Trust Funds

Unitholders, generally, will be required to include in computing their income the amount (computed in Canadian dollars) of the net income and the taxable portion of the net realized capital gains as is paid or payable to them by a Trust Fund in the year (which may include management fee distributions), even though such amounts may have been reinvested in additional units. Unitholders may be taxable on undistributed income and realized capital gains and accrued but unrealized capital gains that are in a Trust Fund at the time the units are purchased.

Provided that appropriate designations are made by the Trust Funds, the amount, if any, of foreign source income, net taxable capital gains and taxable dividends from taxable Canadian corporations of the Funds that are paid or payable to unitholders (including such amounts invested in additional units) will, effectively, retain their character for tax purposes and be treated as foreign source income, taxable capital gains and taxable dividends of the unitholders. An enhanced gross-up and dividend tax credit is available for certain eligible dividends from Canadian corporations. Foreign source income received by the Trust Funds will generally be net of any taxes withheld in the foreign jurisdiction. The taxes so withheld will be included in the determination of income under the Tax Act. To the extent that the Trust Funds so designate in accordance with the Tax Act, unitholders will, for the purpose of computing foreign tax credits, be entitled to treat their proportionate share of such taxes withheld as foreign taxes paid by the unitholders. Generally, gains and losses realized by a Trust Fund from the use of derivative securities will result in the distribution of income rather than capital gains.

To the extent that distributions (including management fee distributions) to a unitholder by a Trust Fund in any year exceed that unitholder's share of the net income and net realized capital gains of that Fund allocated to that unitholder for that year, those distributions (except to the extent that they are proceeds of disposition of a unit as described below) will generally be a return of capital and will not be taxable to the unitholder but will reduce the adjusted cost base of the unitholder's units. Distributions on Series T, Series E5, Series E6, Series F5, Series F6, Series F8, Series F10, Series L5, Series L6, Series L8, Series L10, Series M6 and Series M8 securities of any Fund and Series A, F, and X securities of IA Clarington Canadian Dividend Fund are expected to include returns of capital. If the adjusted cost base of a unitholder's units would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the unitholder from the disposition of the units and the adjusted cost base will be increased by the amount of such gain.

Management fees paid directly by the unitholder to the Manager in respect of Series I or Series O units will not be deductible by the unitholder.

Capital Gains and Alternative Minimum Tax for Unitholders of the Trust Funds

Upon the redemption or other disposition or deemed disposition by a unitholder of units of a Trust Fund (including pursuant to a switch of units for securities of another Fund and a deemed disposition on death), a capital gain (or capital loss) will be realized by the unitholder to the extent that the proceeds of disposition, net of any costs of disposition, exceed (or are exceeded by) the unitholder's adjusted cost base of the units immediately before the disposition. A redesignation of units of one series of a Trust Fund into units of another series of the same Trust Fund will not, in itself, result in a disposition for tax purposes.

Generally, one-half of a capital gain (or capital loss) is included in determining a unitholder's taxable capital gain (or allowable capital loss). Capital gains and dividends from Canadian corporations may give rise to a liability for alternative minimum tax under the Tax Act.

Taxation of Clarington Sector Fund Inc.

In each taxation year, Clarington Sector Fund Inc. is taxable at corporate tax rates applicable to a mutual fund corporation on its taxable income (which generally does not include taxable dividends from taxable Canadian corporations) and is also subject to a 33-1/3% refundable tax (the "Refundable Tax") on taxable dividends received by it from taxable Canadian corporations. The Refundable Tax is refunded when Clarington Sector Fund Inc. pays taxable dividends to its shareholders at a rate of \$1 of refund for every \$3 of taxable dividends paid. In addition, Clarington Sector Fund Inc. may receive a refund (calculated on a formula basis) of taxes paid on realized capital gains when it pays capital gains dividends or when shares are redeemed. Generally, gains and losses from the use of derivative securities and short sales will be realized on income account rather than on capital account; however, gains and losses from short sales of "Canadian securities" will be treated as capital gains and losses. In certain cases capital losses realized by Clarington Sector Fund Inc. may be suspended and, as a result, would be unavailable to shelter capital gains.

Because Clarington Sector Fund Inc. is a mutual fund corporation, its tax position will include, among other things, the revenues, deductible expenses, capital gains and capital losses of the investment portfolios attributable to all the Corporate Class Funds and the various series of shares of the Corporate Class Funds. For example, the net losses or net capital losses in respect of the investment portfolio of a particular Corporate Class Fund may be applied to reduce the net income or net realized capital gains of Clarington Sector Fund Inc. as a whole. Generally, this will benefit the investors in the Corporate Class Funds other than the particular Corporate Class Fund. Clarington Sector Fund Inc. will, on a discretionary basis, allocate its income or loss and the applicable taxes payable to each class and series of Clarington Sector Fund Inc. Clarington Sector Fund Inc. may pay capital gains dividends to shareholders of any series of a Corporate Class Fund so that it can receive a refund of capital gains taxes it has paid. Capital gains taxes may arise when a shareholder of one Corporate Class Fund switches shares to another Corporate Class Fund.

If Clarington Sector Fund Inc. delivers "Canadian securities" to the counterparty in settlement of a forward contract entered into in connection with IA Clarington Tactical Bond Class, IA Clarington Dividend Growth Class, IA Clarington Tactical Income Class, IA Clarington Global

Tactical Income Class or IA Clarington Canadian Balanced Class, Clarington Sector Fund Inc. will realize a capital gain or loss. If the forward is not settled by the delivery of the Canadian securities, the proceeds realized by Clarington Sector Fund Inc. would likely be treated as ordinary income, rather than a capital gain.

Taxation of Shareholders in Clarington Sector Fund Inc.

Shareholders, generally, will be required to include in computing their income any dividends paid to them by Clarington Sector Fund Inc. whether or not the dividend is automatically reinvested in additional securities. An investor who purchases shares may be taxed on income, accrued but unrealized capital gains and realized but undistributed capital gains that are in the corporation at the time the shares are purchased and that are reflected in the purchase price of the shares.

To the extent that such dividends constitute capital gains dividends under the Tax Act, the dividend will be deemed to be a capital gain of the shareholder. Clarington Sector Fund Inc. may pay capital gains dividends to shareholders of any of its Corporate Class Funds so that it can receive a refund of capital gains taxes it has paid. To the extent that any dividends paid to a shareholder do not constitute capital gains dividends, they will constitute taxable dividends and will be subject to the applicable gross-up and dividend tax credit rules. An enhanced gross-up and dividend tax credit is available for certain eligible dividends paid by Clarington Sector Fund Inc.

Returns of capital received by a shareholder will not be included in income. Instead, returns of capital will reduce the adjusted cost base of the shareholder's shares of the related Fund. To the extent that the adjusted cost base of the shares would otherwise be a negative amount, the shareholder will be deemed to have realized a capital gain from the disposition of the shares equal to the negative amount, and the adjusted cost base of the shares will be increased to nil. The Manager expects that distributions on Series E5, Series E6, Series F5, Series F6, Series F8, Series F10, Series L5, Series L6, Series L8, Series M6, Series M8 and Series T shares of the Corporate Class Funds will include a return of capital.

Generally, shareholders are required to include management fee rebates received from the Manager in their income. However, in certain circumstances, a shareholder may be able to instead elect to have the amount of the rebate reduce the cost of the related shares.

Management fees paid directly by a shareholder to the Manager in respect of Series I or Series O shares are not deductible for tax purposes.

Capital Gains and Alternative Minimum Tax for Shareholders in Clarington Sector Fund Inc.

Upon the redemption or other disposition or deemed disposition by a shareholder of a share of a Corporate Class Fund (including pursuant to a switch of shares to a Trust Fund and a deemed disposition on death), a capital gain (or capital loss) will be realized by the shareholder to the extent that the proceeds of disposition, net of any costs of disposition, exceed (or are exceeded by) the shareholder's adjusted cost base of the shares immediately before the disposition. Generally, one-half of a capital gain (or capital loss) is included in determining a shareholder's taxable capital gain (or allowable capital loss).

If a shareholder switches shares of one Corporate Class Fund into shares of another Corporate Class Fund, the shareholder will not be considered to have disposed of the shares so switched for the purposes of the Tax Act. The cost to the shareholder of the shares received on the switch will be deemed to be the adjusted cost base to the shareholder of the shares that were switched. In certain circumstances, if a shareholder switches shares of one Corporate Class Fund into another Corporate Class Fund, Clarington Sector Fund Inc. may have to pay capital gains dividends to shareholders in order that Clarington Sector Fund Inc. can obtain a refund of capital gains taxes resulting from the switch.

Capital gains and dividends from Clarington Sector Fund Inc. may give rise to a liability for alternative minimum tax under the Tax Act.

Eligibility of the Securities for Registered Plans

Securities of the Funds are “qualified investments” under the Tax Act for Registered Plans. Annuitants of RRSPs and RRIFs, and holders of TFSAs, should consult with their own tax advisors as to whether securities of the Funds would be prohibited investments under the Tax Act in their particular circumstances.

Investors who choose to purchase securities of a Fund through a Registered Plan should consult their own professional advisors regarding the tax treatment of contributions to and acquisitions of property by such Registered Plan.

Material Contracts

The material contracts for the Funds are as follows:

1. Master Declarations of Trust as described under “*Formation and History of the Funds*” on page 2;
2. Articles of Clarington Sector Fund Inc. as described under “*Formation and History of the Funds*” on page 2;
3. Master Management Agreement as described under “*Management of the Funds*” on page 45;
4. Investment advisory agreements and sub-advisory agreements as described under “*Portfolio Advisors*” on page 49; and
5. Custodial Agreement as described under “*Custodian*” on page 67.

Copies of the material contracts mentioned above may be inspected during ordinary business hours on any business day at the office of the Funds at 522 University Avenue, Suite 700, Toronto, Ontario.

Independent Auditor's Consent

Fixed Income Funds

IA Clarington Bond Fund (Series A, F, I, L, O and X)
IA Clarington Money Market Fund (Series A, B, I, L, O, Q and X)
IA Clarington Short-Term Bond Fund (Series A, F and I)
IA Clarington Short-Term Income Class* (Series A)
IA Clarington Real Return Bond Fund (Series A, F, I and L)
IA Clarington Tactical Bond Fund (Series A, F, I, L and O)
IA Clarington Tactical Bond Class* (Series A, F, F5, L, L5 and T5)

Canadian Cash Distribution Funds

IA Clarington Canadian Dividend Fund (Series A, F, F6, I, T6 and X)
IA Clarington Canadian Income Fund (Series F8 and T8)
IA Clarington Dividend Growth Fund (Series E6, F6, F10, I, L6, L10, O, T6 and T10)
IA Clarington Dividend Growth Class* (Series F6, F10, T6 and T10)
IA Clarington Dividend Income Fund (Series F6, I, O, T4 and T6)
IA Clarington Tactical Income Fund (Series A, E, E6, F, F6, F8, I, L, L6, L8, O, T6 and T8)
IA Clarington Tactical Income Class* (Series A, E, E6, F, F6, F8, L, L6, L8, T6 and T8)
IA Clarington Monthly Income Balanced Fund (Series F6, F8, I, O, T6, T8 and X)

Global Cash Distribution Funds

IA Clarington Global Dividend Fund (Series F6, I, O, T6 and T8)
IA Clarington Global Tactical Income Fund (Series A, F, F6, F8, I, L, L6, L8, O, T6 and T8)
IA Clarington Global Tactical Income Class* (Series A, F, F6, F8, L, L6, L8, T6 and T8)

Canadian Funds

IA Clarington Canadian Balanced Fund (Series A, F, F5, I, L, L5, O and T5)
IA Clarington Canadian Balanced Class* (Series A, E, E5, F, F5, L, L5 and T5)
IA Clarington Canadian Conservative Equity Fund (Series A, F, F5, I, L, L5, O and T5)
IA Clarington Canadian Conservative Equity Class* (Series A, E, E5, F, F5, L, L5 and T5)
IA Clarington Canadian Growth Fund (Series A, F and I)
IA Clarington Canadian Growth Class* (Series A)
IA Clarington Canadian Leaders Fund (Series A, F, I, L and O)
IA Clarington Canadian Leaders Class* (Series A and F)
IA Clarington Canadian Small Cap Fund (Series A, F, I, L, O and

X)

IA Clarington Canadian Small Cap Class* (Series A and F)
IA Clarington Energy Class* (Series A and F)

U.S. and Global Funds

IA Clarington American Fund (Series A, F, I and O)
IA Clarington Global Equity Fund (Series A, F, I and O)
IA Clarington Global Equity Class* (Series A and F)
IA Clarington Global Small Cap Fund (Series A, F and I)
IA Clarington Global Value Fund (Series A, F, I and O)
IA Clarington Sarbit U.S. Equity Fund (Series A, F, F6, I, L, L6, O and T6)
IA Clarington Sarbit U.S. Equity Class (Unhedged)*⁽¹⁾ (Series A, E, F, F6, L, L6 and T6)

Distinction Portfolios

Distinction Prudent Portfolio (Series A, I, M and O)
Distinction Prudent Class* (Series A and M)
Distinction Conservative Portfolio (Series A, I, L, LM, M and O)
Distinction Conservative Class* (Series A and M)
Distinction Balanced Portfolio (Series A, I, L, LM, M and O)
Distinction Balanced Class* (Series A and M)
Distinction Growth Portfolio (Series A, I, L, LM, M and O)
Distinction Growth Class* (Series A and M)
Distinction Bold Portfolio (Series A, I, M and O)
Distinction Bold Class* (Series A and M)
Distinction Monthly Income Portfolio (Series I, M6, M8, O and T6)
Distinction Monthly Income Class* (Series M6, M8 and T6)

Inhance SRI Funds

IA Clarington Inhance Monthly Income SRI Fund (Series F6, I, T6 and V)
IA Clarington Inhance Canadian Equity SRI Class* (Series A, F, I and V)
IA Clarington Inhance Global Equity SRI Class* (Series A, F, I and V)
IA Clarington Inhance Conservative SRI Portfolio (Series T6)
IA Clarington Inhance Balanced SRI Portfolio (Series A, T6, I and O)
IA Clarington Inhance Growth SRI Portfolio (Series A, F and V)

*each a class of shares of Clarington Sector Fund Inc.

⁽¹⁾ A preliminary annual information form for this fund was filed under the name IA Clarington Sarbit U.S. Equity Class

(collectively, the "Funds")

We have read the Simplified Prospectus of the Funds dated July 12, 2011, and the documents specifically incorporated by reference therein relating to the sale and issue of the above-mentioned series of securities of the Funds. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to being named in and to use, through incorporation by reference in the above-mentioned Simplified Prospectus, of our Independent Auditor's reports dated March 10, 2011 and July 12, 2011 described below. We have reported to the unitholders/shareholders of the Funds, other than IA Clarington Short-Term Bond Fund, IA Clarington Tactical Bond Fund, IA Clarington Tactical Bond Class, IA Clarington Global Tactical Income Class and IA Clarington Energy Class ("the Funds

created on July 6, 2010), IA Clarington Canadian Balanced Class, IA Clarington Canadian Conservative Equity Class and IA Clarington Sarbit U.S. Equity Class (Unhedged) (the “New Funds”), on the following statements of each of the Funds:

- Statement of Investment Portfolio as at December 31, 2010;
- Statements of Net Assets as at December 31, 2010 and 2009, and
- Statements of Operations and Changes in Net Assets for the years ended December 31, 2010 and 2009.

We have also reported to the unitholders/shareholders of the Funds created on July 6, 2010 on the Statements of Investment Portfolio and Net Assets as at December 31, 2010 and the Statement of Operations and Changes in Net Assets for the period from the creation date to December 31, 2010. Our Independent Auditor’s Report was dated March 10, 2011.

We have further reported to the shareholders of the New Funds on the Statements of Net Assets as at July 12, 2011. Our Independent Auditor’s Reports were dated July 12, 2011.

(signed) “PricewaterhouseCoopers LLP”

Québec City, Québec, Canada

July 12, 2011

¹ Chartered accountant auditor permit No. 9614

Certificate of the Funds, Manager and Promoter

Fixed Income Funds

IA Clarington Bond Fund (Series A, F, I, L, O and X)
IA Clarington Money Market Fund (Series A, B, I, L, O, Q and X)
IA Clarington Short-Term Bond Fund (Series A, F and I)
IA Clarington Short-Term Income Class* (Series A)
IA Clarington Real Return Bond Fund (Series A, F, I and L)
IA Clarington Tactical Bond Fund (Series A, F, I, L and O)
IA Clarington Tactical Bond Class* (Series A, F, F5, L, L5 and T5)

Canadian Cash Distribution Funds

IA Clarington Canadian Dividend Fund (Series A, F, F6, I, T6 and X)
IA Clarington Canadian Income Fund (Series F8 and T8)
IA Clarington Dividend Growth Fund (Series E6, F6, F10, I, L6, L10, O, T6 and T10)
IA Clarington Dividend Growth Class* (Series F6, F10, T6 and T10)
IA Clarington Dividend Income Fund (Series F6, I, O, T4 and T6)
IA Clarington Tactical Income Fund (Series A, E, E6, F, F6, F8, I, L, L6, L8, O, T6 and T8)
IA Clarington Tactical Income Class* (Series A, E, E6, F, F6, F8, L, L6, L8, T6 and T8)
IA Clarington Monthly Income Balanced Fund (Series F6, F8, I, O, T6, T8 and X)

Global Cash Distribution Funds

IA Clarington Global Dividend Fund (Series F6, I, O, T6 and T8)
IA Clarington Global Tactical Income Fund (Series A, F, F6, F8, I, L, L6, L8, O, T6 and T8)
IA Clarington Global Tactical Income Class* (Series A, F, F6, F8, L, L6, L8, T6 and T8)

Canadian Funds

IA Clarington Canadian Balanced Fund (Series A, F, F5, I, L, L5, O and T5)
IA Clarington Canadian Balanced Class* (Series A, E, E5, F, F5, L, L5 and T5)
IA Clarington Canadian Conservative Equity Fund (Series A, F, F5, I, L, L5, O and T5)
IA Clarington Canadian Conservative Equity Class* (Series A, E, E5, F, F5, L, L5 and T5)
IA Clarington Canadian Growth Fund (Series A, F and I)
IA Clarington Canadian Growth Class* (Series A)
IA Clarington Canadian Leaders Fund (Series A, F, I, L and O)
IA Clarington Canadian Leaders Class* (Series A and F)
IA Clarington Canadian Small Cap Fund (Series A, F, I, L, O and X)
IA Clarington Canadian Small Cap Class* (Series A and F)

IA Clarington Energy Class* (Series A and F)

U.S. and Global Funds

IA Clarington American Fund (Series A, F, I and O)
IA Clarington Global Equity Fund (Series A, F, I and O)
IA Clarington Global Equity Class* (Series A and F)
IA Clarington Global Small Cap Fund (Series A, F and I)
IA Clarington Global Value Fund (Series A, F, I and O)
IA Clarington Sarbit U.S. Equity Fund (Series A, F, F6, I, L, L6, O and T6)
IA Clarington Sarbit U.S. Equity Class (Unhedged)*⁽¹⁾ (Series A, E, F, F6, L, L6 and T6)

Distinction Portfolios

Distinction Prudent Portfolio (Series A, I, M and O)
Distinction Prudent Class* (Series A and M)
Distinction Conservative Portfolio (Series A, I, L, LM, M and O)
Distinction Conservative Class* (Series A and M)
Distinction Balanced Portfolio (Series A, I, L, LM, M and O)
Distinction Balanced Class* (Series A and M)
Distinction Growth Portfolio (Series A, I, L, LM, M and O)
Distinction Growth Class* (Series A and M)
Distinction Bold Portfolio (Series A, I, M and O)
Distinction Bold Class* (Series A and M)
Distinction Monthly Income Portfolio (Series I, M6, M8, O and T6)
Distinction Monthly Income Class* (Series M6, M8 and T6)

Inhance SRI Funds

IA Clarington Inhance Monthly Income SRI Fund (Series F6, I, T6 and V)
IA Clarington Inhance Canadian Equity SRI Class* (Series A, F, I and V)
IA Clarington Inhance Global Equity SRI Class* (Series A, F, I and V)
IA Clarington Inhance Conservative SRI Portfolio (Series T6)
IA Clarington Inhance Balanced SRI Portfolio (Series A, T6, I and O)
IA Clarington Inhance Growth SRI Portfolio (Series A, F and V)

*each a class of shares of Clarington Sector Fund Inc.

(1) A preliminary annual information form for this fund was filed under the name IA Clarington Sarbit U.S. Equity Class

(collectively, the “Funds”)

This Annual Information Form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each of the provinces and territories of Canada and do not contain any misrepresentations.

Dated: July 12, 2011.

(signed) "Normand Pépin"

Normand Pépin
Chief Executive Officer
IA Clarington Investments Inc. and
Clarington Sector Fund Inc.

(signed) "Nancy Cappadocia"

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

**On behalf of the Board of Directors of IA Clarington Investments Inc. as
Trustee of the Funds except the classes of Clarington Sector
Fund Inc. and as Manager and Promoter of the Funds**

(signed) "David Scandiffio"

David Scandiffio
Director

(signed) "Yvon Charest"

Yvon Charest
Director

On behalf of the Board of Directors of Clarington Sector Fund Inc.

(signed) "David Scandiffio"

David Scandiffio
Director

(signed) "Yvon Charest"

Yvon Charest
Director

IA Clarington Investments Inc.

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 T4, Series T5, Series T6, Series T8, Series T10, Series V and Series X units or shares as indicated below:

Fixed Income Funds

IA Clarington Bond Fund (Series A, F, I, L, O and X)
IA Clarington Money Market Fund (Series A, B, I, L, O, Q and X)
IA Clarington Short-Term Bond Fund (Series A, F and I)
IA Clarington Short-Term Income Class* (Series A)
IA Clarington Real Return Bond Fund (Series A, F, I and L)
IA Clarington Tactical Bond Fund (Series A, F, I, L and O)
IA Clarington Tactical Bond Class* (Series A, F, F5, L, L5 and T5)

Canadian Cash Distribution Funds

IA Clarington Canadian Dividend Fund (Series A, F, F6, I, T6 and X)
IA Clarington Canadian Income Fund (Series F8 and T8)
IA Clarington Dividend Growth Fund (Series E6, F6, F10, I, L6, L10, O, T6 and T10)
IA Clarington Dividend Growth Class* (Series F6, F10, T6 and T10)
IA Clarington Dividend Income Fund (Series F6, I, O, T4 and T6)
IA Clarington Tactical Income Fund (Series A, E, E6, F, F6, F8, I, L, L6, L8, O, T6 and T8)
IA Clarington Tactical Income Class* (Series A, E, E6, F, F6, F8, L, L6, L8, T6 and T8)
IA Clarington Monthly Income Balanced Fund (Series F6, F8, I, O, T6, T8 and X)

Global Cash Distribution Funds

IA Clarington Global Dividend Fund (Series F6, I, O, T6 and T8)
IA Clarington Global Tactical Income Fund (Series A, F, F6, F8, I, L, L6, L8, O, T6 and T8)
IA Clarington Global Tactical Income Class* (Series A, F, F6, F8, L, L6, L8, T6 and T8)

Canadian Funds

IA Clarington Canadian Balanced Fund (Series A, F, F5, I, L, L5, O and T5)
IA Clarington Canadian Balanced Class* (Series A, E, E5, F, F5, L, L5 and T5)
IA Clarington Canadian Conservative Equity Fund (Series A, F, F5, I, L, L5, O and T5)
IA Clarington Canadian Conservative Equity Class* (Series A, E, E5, F, F5, L, L5 and T5)
IA Clarington Canadian Growth Fund (Series A, F and I)
IA Clarington Canadian Growth Class* (Series A)
IA Clarington Canadian Leaders Fund (Series A, F, I, L and O)
IA Clarington Canadian Leaders Class* (Series A and F)
IA Clarington Canadian Small Cap Fund (Series A, F, I, L, O and X)
IA Clarington Canadian Small Cap Class* (Series A and F)

IA Clarington Energy Class* (Series A and F)

U.S. and Global Funds

IA Clarington American Fund (Series A, F, I and O)
IA Clarington Global Equity Fund (Series A, F, I and O)
IA Clarington Global Equity Class* (Series A and F)
IA Clarington Global Small Cap Fund (Series A, F and I)
IA Clarington Global Value Fund (Series A, F, I and O)
IA Clarington Sarbit U.S. Equity Fund (Series A, F, F6, I, L, L6, O and T6)
IA Clarington Sarbit U.S. Equity Class (Unhedged)*⁽¹⁾ (Series A, E, F, F6, L, L6 and T6)

Distinction Portfolios

Distinction Prudent Portfolio (Series A, I, M and O)
Distinction Prudent Class* (Series A and M)
Distinction Conservative Portfolio (Series A, I, L, LM, M and O)
Distinction Conservative Class* (Series A and M)
Distinction Balanced Portfolio (Series A, I, L, LM, M and O)
Distinction Balanced Class* (Series A and M)
Distinction Growth Portfolio (Series A, I, L, LM, M and O)
Distinction Growth Class* (Series A and M)
Distinction Bold Portfolio (Series A, I, M and O)
Distinction Bold Class* (Series A and M)
Distinction Monthly Income Portfolio (Series I, M6, M8, O and T6)
Distinction Monthly Income Class* (Series M6, M8 and T6)

Inhance SRI Funds

IA Clarington Inhance Monthly Income SRI Fund (Series F6, I, T6 and V)⁽²⁾
IA Clarington Inhance Canadian Equity SRI Class* (Series A, F, I and V)
IA Clarington Inhance Global Equity SRI Class* (Series A, F, I and V)
IA Clarington Inhance Conservative SRI Portfolio (Series T6)⁽³⁾
IA Clarington Inhance Balanced SRI Portfolio (Series A, T6, I and O)
IA Clarington Inhance Growth SRI Portfolio (Series A, F and V)

*each a class of shares of Clarington Sector Fund Inc.

(1) A preliminary annual information form for this fund was filed under the name IA Clarington Sarbit U.S. Equity Class

(2) Series A and F units of IA Clarington Inhance Monthly Income SRI Fund will be redesignated as Series T6 and Series F6 units of the Fund, respectively, effective July 18, 2011

(3) Series A units of IA Clarington Inhance Conservative SRI Portfolio will be redesignated as Series T6 units of the Fund, effective July 18, 2011.

(collectively, the "Funds")

Additional information about the Funds is available in the Funds' Simplified Prospectus, Fund Facts, management reports of fund performance, if any, and financial statements.

You can get a copy of these documents at no cost by calling us toll free at **1-800-530-0204**, from your dealer or by e-mail at **funds@iaclarington.com**.

These documents and other information about the Funds, such as information circulars and material contracts, are also available on IA Clarington Investments Inc.'s Internet site at **www.iaclarington.com** or are available at the Internet site of SEDAR (the System for Electronic Document Analysis and Retrieval) at **www.sedar.com**.

MANAGER OF THE FUNDS

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