

IA Clarington Investments Inc.

Simplified Prospectus

January 30, 2012

IA Clarington Global Equity Exposure Fund (Series I) (the “Fund”)

No securities regulatory authority has expressed an opinion about the merits of the Fund’s units and it is an offence to claim otherwise. The Fund and the units of the Fund offered under this Simplified Prospectus 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 and other IA Clarington mutual funds, which are each described in separate simplified prospectuses and annual information forms.

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Introduction

This simplified prospectus contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor. Throughout this simplified prospectus:

- “we”, “us”, “our”, “IA Clarington” or the “Manager” refers to IA Clarington Investments Inc.,
- “Industrial Alliance” refers to Industrial Alliance Insurance and Financial Services Inc.,
- “you” refers to everyone who invests in our Fund,
- “Fund” refers to IA Clarington Global Equity Exposure Fund, the mutual fund offered by IA Clarington under this simplified prospectus,
- “IA Clarington Funds” refers to the Fund, as well as to the IA Clarington Funds, IA Clarington Strategic Corporate Bond Fund and the IA Clarington Target Click Funds, which are offered by IA Clarington under separate simplified prospectuses,
- “unitholder” refers to an investor in the Fund, and
- “securities” refers to units or shares of the IA Clarington Funds.

This simplified prospectus contains information about the Fund and the risks of investing in mutual funds generally, as well as the names of the firms responsible for the management of the Fund.

Additional information about the Fund is available in the following documents:

- the Fund’s Annual Information Form,
- the Fund’s most recently filed Fund Facts (“Fund Facts”),
- the Fund’s most recently filed annual financial statements, once available,
- any interim financial statements of the Fund filed after those annual financial statements,
- the most recently filed annual management report of fund performance, once available, and
- any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this simplified prospectus, which means that they legally form part of this document just as if they were printed as part of this document. You can get a copy of these documents, at your request and at no cost, by calling us toll-free at **1-800-530-0204** or from your dealer.

Some of these documents are also available on IA Clarington's Internet site at www.iaclarington.com or by contacting the Fund at funds@iaclarington.com.

These documents and other information about the Fund are also available at www.sedar.com.

What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?

What is a Mutual Fund?

A mutual fund is a pool of money contributed by investors with similar investment objectives. Investors in the mutual fund share the income, expenses, gains and losses that the mutual fund makes on its investments according to the amount of the mutual fund they own.

There are several benefits to investing in a mutual fund as opposed to investing by yourself. An investment in a mutual fund gives you the opportunity to participate with other investors with similar investment objectives in professionally managed investment portfolios. Professional portfolio advisors make the investment decisions for the mutual fund in accordance with its investment objectives. Mutual funds also enable you to diversify your investment portfolio, which may be difficult for most individual investors to achieve.

How is a Mutual Fund Structured?

Trust or Corporation

A mutual fund may be set up as a trust or a corporation. The Fund is an open-ended mutual fund trust governed by a master declaration of trust under the laws of Ontario. The property and investments of the Fund are held in trust by IA Clarington as trustee. There is no limit to the number of units of the Fund you can buy.

Series of Units

The Fund offers one series of units: Series I units. Some of the other IA Clarington Funds offer other series of securities, including Series A, Series B, Series E, Series E5, Series E6, Series F, Series F5, Series F6, Series F8, Series F10, Series L, Series L5, Series L6, Series L8, Series L10, Series LM, Series M, Series M6, Series M8, Series O, Series Q, Series T5, Series T6, Series T8, Series T10, Series V, Series X and Series Y securities. A description of these securities can be found in the simplified prospectuses of the other IA Clarington Funds. A series of units may be viewed as a subdivision of the Fund for certain purposes (e.g. calculation of fees), but for other purposes (e.g. investment activity) the Fund remains undivided. See "*Purchases and Redemptions – Series of Units*" on page 6 for more information.

What are the General Risks of Investing in Mutual Funds?

Mutual funds own different types of investments, depending upon their investment objectives. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions and market and company news. As a result, the value of a mutual fund's securities may go up and down and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

Securities held by the Fund that are traded on a public exchange are generally valued based on their most recent closing sale price. If the price is not available or if the price is not a true reflection of the value of the security, we will use another method to determine the value. This practice is called fair value pricing. It may happen for many reasons, including where the value is affected by events that occur after a market where the security is principally traded has closed or where there has been minimal or infrequent trading in a security.

We use fair value pricing for all non-North American equity securities held by the Fund to avoid stale prices being used in calculating the net asset value of the Fund.

The full amount of your investment in any IA Clarington Fund is not guaranteed. Unlike bank accounts or GICs, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Under exceptional circumstances, a mutual fund may suspend redemptions. Please see "*Purchases and Redemptions*" on page 6 for more information.

Different Mutual Funds have Different Risks

All investments, including mutual funds, carry the risk that you will lose money or not make money. The degree of risk from one mutual fund to another varies considerably. Generally speaking, investments with the highest potential return carry the greatest risk.

In deciding how much risk you are prepared to take, you should consider how soon you will need the money you are investing. The longer you can leave your money invested, the more time there is for short-term market declines to be reversed.

What are the Specific Risks Associated with Mutual Funds?

Below are some of the specific risks that can affect the value of your investments in the Fund.

Credit Risk

This is the risk that the issuer of debt securities purchased by the Fund will not pay that obligation. This includes the risk that an issuer may suffer adverse changes in its financial condition, causing the credit rating of its securities to lower and increasing the volatility of the securities' price. Changes in the credit rating of a security can affect its liquidity, making it more difficult to sell. If any of these events occurs, the Fund may suffer a loss.

Currency Risk

This is the risk that changes in the value of the Canadian dollar, compared to foreign currencies, will affect the value of securities in the Fund.

Derivatives Risk

A derivative is a contract between two parties, the value of which is based on the performance of other investments, such as equities, bonds, currencies or a market index. Derivatives may be traded in the over-the-counter market or on a stock exchange. A derivative is commonly a future or a forward contract or an option, but there are other types of derivative instruments as well. Futures or forward contracts are agreements to buy or sell a security, commodity or currency for a certain price on a certain future date. Options give the buyer the right to buy or sell a security, commodity or currency for a certain price on a certain future date. Derivatives may be used to limit, or hedge against, losses that may occur because of the Fund's investment in a security or exposure to a currency or market. This is called hedging. Derivatives may also be used to obtain exposure to financial markets, reduce transaction costs, create liquidity or increase the speed of portfolio transactions. These investments are made for non-hedging purposes. The following risks are associated with using derivatives:

- the use of derivatives for hedging may not be effective,
- a derivative contract may not be obtained when desired by the Fund because: (i) there may be a lack of parties wanting to buy or sell a derivative contract, or (ii) the exchanges on which some derivatives are traded may set daily trading limits on futures contracts, preventing the Fund from closing a contract,
- the other party to the derivative contract may not be able to meet its obligations and may default,
- if an exchange halts trading in a certain stock option, the Fund may not be able to close its position in that option,
- the cost of the derivative contract may increase,
- the price of a derivative may not accurately reflect the value of the underlying security or index,
- the *Income Tax Act (Canada)* (the "Tax Act"), or its interpretation, may change in respect of the tax treatment of derivatives and
- a large percentage of the assets of the Fund may be placed on deposit with one or more counterparties, which exposes the Fund to the credit risk of those counterparties.

Foreign Investment Risk

This is a risk that investments in foreign companies outside Canada and the United States will be affected by world economic factors in addition to changes in the value of the Canadian dollar. In

addition, information about foreign companies may not be as complete and may not be subject to the same extensive accounting, auditing, financial reporting standards and practices and other disclosure requirements that apply in Canada and the United States.

Different financial, political, social and environmental factors can significantly affect the value of the Fund's investment. Foreign markets may be volatile or lack liquidity, which may cause Fund prices to fluctuate more than if the Fund limited its investments to Canadian and United States securities. The costs of buying, selling and holding securities in foreign markets may be higher than those involved in domestic transactions.

Pursuant to new U.S. tax rules, starting in 2014, unitholders of the Fund may be required to provide identity and residency information to the Fund, which may be provided by the Fund to U.S. tax authorities in order to avoid a U.S. withholding tax being imposed on U.S. and certain non-U.S. source income and proceeds of disposition received by the Fund or on certain amounts (including distributions) paid by the Fund to certain unitholders.

Interest Rate Risk

Income trusts, bonds or other fixed income securities held in the Fund's portfolio will tend to be affected by changes in interest rates. If interest rates increase, the value of the income trust, bond or other fixed income security purchased tends to fall.

Large Transaction Risk

Units of the Fund may be purchased by another IA Clarington Fund or a third party mutual fund (as part of that mutual fund's "fund-of-funds" portfolio), by large investors or by or in respect of other investment products. For example, banks or other institutional investors may purchase units of the Fund for their own investment products. This could result in large investments in the Fund. Any significant transaction made by a large investor could significantly impact the Fund's cash flow. If the investor buys large amounts of units of the Fund, the Fund could temporarily have a high cash balance. Conversely, if the investor redeems large amounts of units of the Fund, the Fund may be required to fund the redemption by selling securities from its portfolio at an inopportune time. This could include selling investments in a market cycle downturn when many investments have declined in value or at any other time when a particular investment may have to be sold below its anticipated worth. This can have a negative impact on the performance of the Fund.

Market Risk

This is the risk that the market value of the Fund's investments will rise or fall based on overall stock market conditions rather than each company's performance. The value of the market can vary with changes in the general economic and financial conditions. Political, social and environmental factors can also significantly affect the value of any investment.

Transaction Costs Risk

The asset allocation process used by the Fund may result in additional transaction costs. This process can have an adverse effect on the performance of the Fund during periods of increased equity market volatility. In addition, the investment strategy used by the Fund may result in the

Fund having a higher portfolio turnover rate. Portfolio turnover refers to the frequency of portfolio transactions and the percentage of portfolio assets being bought and sold during the year.

Certain Changes without Unitholder Approval

The Fund may engage in a reorganization or transfer of assets with another mutual fund managed by us or an affiliate that meets certain criteria set out in National Instrument 81-102 – *Mutual Funds*, without unitholder approval, if the reorganization or transfer is approved by the Fund’s IRC and the Fund sends written notice of the change to its unitholders at least 60 days prior to making the change.

Purchases and Redemptions

The Fund is intended to be used as an underlying investment for other investment vehicles or as part of certain investment strategies. Accordingly, units of the Fund may only be purchased by other mutual funds and institutional investors. Units of the Fund are purchased or redeemed through registered dealers. Units of the Fund are not distributed through brokers and dealers who service individual or “retail” investors. The units are qualified for sale in all Canadian jurisdictions.

Units are purchased or redeemed at their net asset value per unit. See “*Valuation of the Fund*” below for details on how to calculate the net asset value for the units. If we receive a completed purchase or redemption 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 net asset value per unit on that day. If we receive the order after that time, it will be processed at the net asset value per unit calculated on the next business day.

Valuation of the Fund

The value of a mutual fund is its net asset value (“NAV”). We calculate a separate NAV for each series of units of the Fund. The NAV per series is calculated by adding together the total of the series’ share of the Fund’s assets and subtracting the total of the liabilities allocated to that series of units. Currently, the Fund only offers one series.

The NAV of each series of units of the Fund is calculated at the close of business on each day that the Toronto Stock Exchange is open for trading. Once the NAV of a series of units of the Fund is determined, the NAV for each unit of that series can be calculated by dividing the series NAV by the total number of units outstanding in that series of the Fund.

Further details concerning the valuation of the Fund’s units are included in the Annual Information Form.

The Fund is valued in Canadian dollars for the purposes of purchases and redemptions.

Series of Units

The Fund is permitted to have an unlimited number of series of units and may issue an unlimited number of units of each series. The Fund offers one series of units: Series I units.

Series I units are special purpose units not sold to the general public. They are used in fund of fund arrangements and are available to such investors as we may determine from time to time on a case-by-case basis. No management fees are charged to the Fund with respect to Series I units. Instead, each investor negotiates a separate management fee that is paid directly to us and enters into an agreement with us governing the investment in Series I units. Series I units are not generally available for sale through most dealers. There are no sales commissions payable to dealers on the sale of these units. If a top fund managed by us purchases Series I units of the Fund, no management fee is paid by the top fund in respect of those units.

How to Purchase the Fund

You may purchase units of the Fund through your dealer. Series I units do not have a minimum purchase threshold, but are only available to investors who enter into a Series I agreement with us.

Once you have given a purchase order to your dealer, the dealer must send your order to us on the same day it is received, if received by the dealer within normal business hours, and 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 your dealer to transmit orders to us in a timely manner and to assume all associated costs.

We have the right to accept or reject any purchase order within one business day of receiving the order. If an order is rejected, any amounts received will be returned to your dealer immediately. If your cheque for the purchase of units 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 of receiving the order. If the payment and all necessary documents are not received within three business days, securities regulations require us to redeem the units 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. We will pay any shortfall to the Fund, but we may 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.

We may at any time suspend or cease sales of the Fund or of any series of units of the Fund. This is commonly called a “cap” of the Fund or the series of the Fund. Even if we cap the Fund or a series of units of the Fund, we may re-open it for investment at our discretion.

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

How to Redeem the Fund

You may redeem your units of the Fund at any time. The amount you will receive is the NAV of the units redeemed less any redemption fee, short-term trading fees and/or withholding taxes that may apply.

You must give redemption instructions in writing. The instructions must also 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. For security reasons, we may refuse to accept a redemption request sent by you directly through telecommunications facilities. Additional documentation may be required if the investor is a corporation, partnership, agent, a trustee acting for someone else or a surviving joint owner.

Your dealer must forward your redemption request on the same day it is received, if received by the dealer during normal business hours, and 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.

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 to repurchase the units on the tenth business day at the NAV per unit calculated that day. The redemption proceeds will be applied to the payment of the issue price of the units. If the cost to repurchase the units is less than the redemption proceeds, the difference will belong to the Fund. We will pay any shortfall to the Fund, but we may 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.

We may suspend the right to redeem units of the Fund or postpone the date of payment upon redemption:

- during any period when normal trading is suspended on any exchange on which securities or specified derivatives are listed which 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
- with the prior permission of the Canadian securities regulatory authorities.

During any period of suspension there will be no calculation of NAV and no units will be issued or redeemed by the Fund. The calculation of the NAV per unit will resume when trading resumes on the exchange or with the permission of the Canadian securities regulatory authorities.

If the right to redeem units of the 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 units will be redeemed by the Fund in accordance with the redemption request at the NAV first calculated following the end of the suspension period.

Short-Term Trading

An investment in the Fund is intended to be a long-term investment, and the Fund is not generally appropriate for short-term investment or speculation. In order to deter short-term trading in the Fund we have imposed short-term trading fees. These fees are payable to the Fund.

If you redeem units of the Fund within 30 days of purchase, you will be charged a short-term trading fee of 2% of the value of the units redeemed. If you redeem units of the Fund 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 units redeemed. We may waive these fees at our discretion in special circumstances.

Short-term trading fees are paid to the Fund from which the units are redeemed and are in addition to any other redemption fees that may be payable by you, as set out in the Series I agreement with us.

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 orders if we determine that your trading activities may be detrimental to the Fund or the other IA Clarington Funds.

Fees and Expenses

This table lists the fees and expenses that you may have to pay if you invest in the Fund. You may have to pay some of these fees and expenses directly. The Fund may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in the Fund. Unitholder approval is not required to effect a change to the basis of the calculation of a fee or expense that is charged to the Fund or its unitholders by an arm's length party that could result in an increase in charges to the Fund or its unitholders. However, any such change will only be made if unitholders are given at least 60 days' written notice before the change takes effect.

FEES AND EXPENSES PAYABLE BY THE FUND	
Management Fees	The Fund does not pay us a management fee. Instead, any management fees are paid directly by each investor. Management fees are subject to applicable taxes, such as GST or HST.
Operating Expenses	The Fund pays all expenses needed to operate and carry on its business. These expenses include: <ul style="list-style-type: none">• accounting, audit, legal, transfer agent and custodial fees,• taxes and brokerage commissions,

- operating and administrative fees, costs and expenses,
- expenses for the issue and redemption of units,
- costs of investor reports and prospectuses,
- expenses payable in connection with the Fund’s independent review committee (“IRC”), and
- other expenses.

The expenses of the Fund’s IRC include the compensation payable to the members of the committee and the expenses incurred by the IRC in the course of its affairs, including insurance, travel costs and the cost of outside advisors. The members of the committee are paid an annual retainer of \$21,000 and the chair is paid an additional \$5,250. In addition, each IRC member is entitled to a payment of \$1,500 (\$500 for a meeting with a single agenda item) for each meeting in excess of four scheduled meetings. The compensation is allocated among all of the investment funds for which the IRC acts. The committee may change its compensation from time to time as it sees fit.

FEES AND EXPENSES PAYABLE DIRECTLY BY YOU

Sales Charges	Nil.
Switch Fees	Nil.
Redemption Fees	Nil.
Short-Term Trading Fees	The Fund charges a short-term trading fee of 2% of the value of the units redeemed or switched within 30 days of purchase. For units redeemed or switched within 31-90 days of purchase, the Fund may charge a short-term trading fee of 2% of the value of the units redeemed or switched.
Management Fees	Management fees are negotiated and paid directly by each investor, not by the Fund. There is no maximum percentage management fee that could be payable by investors.

Impact of Sales Charges

No sales charges or fees are payable for investing in the Fund.

Dealer Compensation

Sales Commissions

No sales commissions are payable by an investor to the dealer in connection with an investment in units of the Fund.

Other Sales Incentives

We may assist dealers with marketing and educational programs by paying a portion of the cost of such programs. We may also provide promotional items of minimal value to representatives of dealers. These activities are in compliance with applicable laws and regulations and any costs incurred by them will be paid by us and not the Fund.

Equity Interests

IA Clarington Investments Inc. is wholly owned by Industrial Alliance. Industrial Alliance is a public company listed on the Toronto Stock Exchange. Industrial Alliance owns, directly or indirectly, 100% of each of FundEx Investments Inc., Investia Financial Services Inc. and Dundee Private Investors Ltd., each a registered mutual fund dealer, and 100% of Industrial Alliance Securities Inc., an investment dealer.

Dealer Compensation from Management Fees

For the financial year ended December 31, 2011, IA Clarington paid total cash compensation (sales commissions, trailer fees and support of their marketing, fund promotion or educational activities) to dealers who distribute securities of the IA Clarington Funds representing approximately 49.0% of the total management fees received by IA Clarington from all of the IA Clarington Funds.

Income Tax Considerations for Investors

The following is a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act. In this summary, we assume that you are a holder of units of the Fund, and at all relevant times, for purposes of the Tax Act, you are or are deemed to be resident in Canada, that you deal at arm's length and are not affiliated with the Fund, and hold the units of the Fund as capital property.

This summary is based on the current provisions of the Tax Act and the regulations thereunder (the "Regulations") in force at the date of this simplified prospectus, and the current administrative policies and assessing practices of the Canada Revenue Agency (the "CRA") published in writing prior to the date of this simplified prospectus. This summary also takes into account all specific proposals to amend the Tax Act and the Regulations that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this simplified prospectus (the "Tax Proposals"). No assurances can be given that the Tax Proposals will be enacted as proposed, if at all. This summary does not otherwise take into account or anticipate any changes in law, whether

by legislative, governmental or judicial decision or action, or change in the CRA's administrative policies and assessing practices, nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the units of the Fund. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular unitholder. Consequently, a unitholder should consult the unitholder's own tax advisor for advice with respect to the tax consequences of an investment in the units of the Fund, based on the unitholder's own circumstances.

A unitholder should not invest in units of the Fund through a registered retirement savings plan ("RRSP"), registered retirement income fund ("RRIF"), deferred profit sharing plan ("DPSP"), registered education savings plan ("RESP"), registered disability savings plan ("RDSP") or taxfree savings account ("TFSA") because units of the Fund are not qualified investments for such plans and funds. Material adverse tax consequences will arise if an RRSP, RRIF, DPSP, RESP, RDSP or TFSA acquires units of the Fund. This summary assumes units of the Fund will not be held through an RRSP, RRIF, DPSP, RESP, RDSP or TFSA.

When You Earn Income

If you hold units of the Fund, you earn income on your investment:

- when the Fund pays a distribution out of net income or net realized capital gains and
- when you redeem your units of the Fund and realize a capital gain.

Adjusted Cost Base

The adjusted cost base ("ACB") of your units is an important concept for income tax considerations. This term is used throughout this summary and can be calculated according to the following formula in most situations:

Calculation of ACB

- The amount of your initial investment, plus
 - additional investments, plus
 - reinvested distributions, less
 - the portion of the distribution that is a return of capital, less
 - the ACB of any previous redemptions
- equals
- the aggregate ACB of your units of the Fund.

Distributions

Distributions of income and capital gains from the Fund are taxable in the year they are paid or payable by the Fund. This is the case even though distributions from the Fund are reinvested in additional units. The amount of reinvested distributions is added to the ACB of your units. Generally, your units are consolidated immediately after a distribution is reinvested so that the number of units of the Fund you hold after the consolidation is the same as before the distribution. This will not result in a disposition of units. On the consolidation, the aggregate ACB of your units of the Fund will not change, but the ACB per unit will increase.

Distributions may include interest income, foreign source income and capital gains; however, most of the distributions from the Fund are expected to consist of ordinary income. Generally, these types of distributions are taxed as if you had received the amounts directly. Returns of capital, if any, are not taxable to you, but will reduce the ACB of the related units by the amount of the return of capital. If the ACB of your units is reduced to less than zero, you will realize a capital gain. We will provide detailed information about the distributions paid to you.

The price of units of the Fund may include income and capital gains that it has earned and/or realized but not yet distributed. If you invest in units of the Fund before a distribution date, you will have to pay tax on any distributions paid to you. However, the amount of the distribution reinvested in additional units will be added to your ACB. This may be particularly significant if you are purchasing units late in the year.

Unitholders should consult with their own tax advisors as to the deductibility of management fees paid by them.

Redeeming Units

If you redeem units, you will realize a capital gain (or loss). The capital gain (loss) will be equal to the difference between the amount you receive for the redemption, net of any costs and the ACB of the units. One-half of such a capital gain must be included in determining your income. One-half of such a capital loss may generally be deducted only from taxable capital gains realized by you in the taxation year, in the three preceding taxation years, or in any subsequent taxation years, to the extent provided in the Tax Act.

You will be provided with details on the proceeds from the redemption after the transaction. However, in order to calculate your gain or loss, you need to know the ACB of your units before disposition.

Alternative Minimum Tax

In general terms, net income of the Fund, paid or payable, or deemed to be paid or payable, to a unitholder who is an individual or trust (other than certain specified trust) and that is designated as net taxable capital gains and capital gains realized on the disposition of your units may give rise to a liability for alternative minimum tax under the Tax Act.

High Portfolio Turnover Rate

The higher the Fund's portfolio turnover rate, the greater the likelihood the Fund will incur capital gains or losses. In the event the Fund realizes capital gains, the gains will, in most cases, be distributed to you and must be included in computing your income for tax purposes for that year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

What Are Your Legal Rights?

Securities legislation in some provinces gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the Simplified Prospectus, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund securities and get your money back, or to make a claim for damages, if the Simplified Prospectus, Annual Information Form or financial statements misrepresent any facts about the Fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.

Specific Information about IA Clarington Global Equity Exposure Fund

Organization and Management of IA Clarington Global Equity Exposure Fund

IA Clarington Investments Inc. is wholly owned by Industrial Alliance, a leading financial institution in Canada and an industry leader in the insurance and financial services sectors. Industrial Alliance is listed on the Toronto Stock Exchange under the symbol “IAG”.

Companies that Work with the Fund

Manager IA Clarington Investments Inc. 522 University Avenue, Suite 700 Toronto, Ontario, M5G 1Y7 1-888-860-9888 www.iaclarington.com	We manage the overall business of the Fund, including administration services, promoting sales of the Fund’s units, arranging for the provision of other services and hiring the Fund’s portfolio advisor.
Trustee IA Clarington Investments Inc. Toronto, Ontario	The Fund is organized as a trust. When you invest in the Fund, you buy units of a trust. The trustee holds legal title to the property of the Fund for the benefit of all of the unitholders of the Fund.
Portfolio Advisor Industrial Alliance Investment Management Inc. Québec City, Québec	The portfolio advisor has been retained to manage the investment portfolio of the Fund.
Custodian RBC Dexia Investor Services Trust Montréal, Québec	<p>The custodian is responsible for the safekeeping of the assets of the Fund. It may retain the services of subcustodians in Canada and throughout the world to hold the investments of the Fund.</p> <p>The custodian of the Fund is not in any way related to the manager of the Fund.</p>

Registrar and Transfer Agent
IA Clarington Investments Inc.
Toronto, Ontario

The registrar and transfer agent keeps track of the owners of units of the Fund, processes purchase and redemption orders and issues investor account statements, trade confirmations and annual tax reporting information.

Auditor
PricewaterhouseCoopers LLP
Québec City, Québec

The auditor audits the annual financial statements of the Fund.

The auditor of the Fund is not in any way related to the manager of the Fund.

Unitholder approval will not be required for a change of auditor of the Fund if the IRC of the Fund has approved the change and notice of the change is sent to unitholders of the Fund at least 60 days before the change.

Independent Review Committee
Stephen J. Griggs (Chair)
Jean Morissette
S. Robert Munroe

The IRC reviews matters that involve a conflict of interest within the meaning of National Instrument 81-107 – *Independent Review Committee for Investment Funds*. The IRC provides an annual report of its activities, which is available on IA Clarington’s website at www.iaclarington.com or, at your request and at no cost, by contacting us at funds@iaclarington.com or calling us toll free at 1-800-530-0204. Additional information about the IRC is available in the Fund’s Annual Information Form.

Fund Details

<i>Type of Fund</i>
Global Equity
<i>Date Fund Started</i>
January 30, 2012
<i>Units Offered</i>
Series I units of a mutual fund trust
<i>Eligible for Registered Plans</i>
No

What Does the Fund Invest In?

Investment Objectives

The Fund's objective is to achieve long-term capital appreciation by obtaining an enhanced exposure to equity markets around the world through the use of derivatives.

The fundamental investment objective may only be changed with the approval of a majority of securityholders at a meeting called for that purpose.

Investment Strategies

The Fund:

- will obtain enhanced exposure to global equity markets through a combination of investing in exchange traded funds or derivatives that track equity market indices and purchasing options that are based on those indices or exchange traded funds,
- will generally write out-of-the-money call options on the indices or exchange traded funds to which it is exposed in order to fund the purchase of call options on those same indices or funds,
- will generally seek to obtain exposure to equity markets in Europe, the Americas and the Far East, although the portfolio advisor may deviate from this allocation if the portfolio advisor considers the deviation warranted,
- may allocate its exposure to equity markets in the above regions based on the portfolio advisor's assessment of the efficiency and pricing of the relevant options market and the opportunity for growth in the relevant equity market,
- will generally seek to magnify the positive return of the relevant markets between the strike price of the options purchased by the Fund and the strike price of the options written by the

Fund, and will generally not participate in any appreciation in the markets above the strike price of the options written by the Fund,

- will use derivatives for hedging and non-hedging purposes. If used for non-hedging purposes, the derivatives acquired will be consistent with the investment objectives of the Fund and securities law. Options acquired for non-hedging purposes will not constitute more than 10% of the net assets of the Fund. When the Fund purchases derivatives for non-hedging purposes, it holds sufficient positions, cash and cash equivalents to cover its positions.

The Fund's portfolio turnover rate may be high. The higher the Fund's portfolio turnover rate:

- the greater the chance that you may receive a distribution from the Fund that must be included in determining your taxable income for tax purposes and
- the higher the Fund's trading costs, which are an expense of the Fund and are paid out of the Fund's assets, so that your returns may be reduced.

What are the Risks of Investing in this Fund?

The risks of investing in the Fund are:

- credit risk
- currency risk
- derivatives risk
- foreign investment risk
- interest rate risk
- large transaction risk
- market risk
- transaction costs risk

You will find an explanation of each risk under "*What are the Specific Risks Associated with Mutual Funds?*" beginning on page 3 of this document.

As at January 30, 2012, the Manager owned 100% of the units of the Fund.

Investment Risk Classification Methodology

The Fund's investment risk level is based on the standard deviation of the Fund's investment returns. The use of standard deviation as a measurement tool allows for a reliable and consistent

quantitative comparison of the Fund's relative volatility and related risk. Standard deviation is widely used to measure volatility of return.

The Fund's risk is measured using rolling one, three and five year standard deviation and comparing these values against those of the other mutual funds offered by IA Clarington and by using an industry standard framework, such as the Risk Classification Guidelines produced by the Investment Fund Industry of Canada. The standard deviation represents, generally, the level of volatility in returns that a mutual fund has historically experienced over the set measurement periods. Because the Fund is new, the Manager will use an appropriate benchmark index to estimate the expected volatility and therefore the expected risk level of the Fund.

- **Low** – standard deviation of 0 to 6 percentage points from the average return; typically associated with money market funds or Canadian fixed income funds;
- **Low to Medium** – standard deviation of 6 to 11 percentage points from the average return; typically associated with balanced funds or global or high yield fixed income funds;
- **Medium** – standard deviation of 11 to 16 percentage points from the average return; typically associated with equity funds that are diversified among larger Canadian or global equities;
- **Medium to High** – standard deviation of 16 to 20 percentage points from the average return; typically associated with equity funds that have concentrated investments in specific regions or economic sectors, or in smaller companies; and
- **High** – standard deviation over 20 percentage points from the average return; typically associated with equity funds that may have concentrated investments in specific regions and/or in particular sectors of the economy where there is a considerable risk of loss.

The Fund's risk level is reviewed at least once a year and each time a material change is made to the Fund's investment strategies and/or investment objective.

Details of the methodology used are available on request, at no cost by calling us toll-free at 1-800-530-0204 or e-mailing us at funds@iaclarington.com or by writing us at the address on the back cover of this document.

Who Should Invest in this Fund?

As indicated, the Fund is intended for investment by other mutual funds, including the Target Click Funds, and institutional investors. It is an appropriate investment for investors:

- seeking capital appreciation through exposure to the global equity markets,
- with high risk tolerance,
- planning to invest for the long term, and

- not investing directly in the Fund through a registered plan.

The description of suitability in this section is of a general nature only, and may not be applicable to the circumstances of any particular investor.

Distribution Policy

The Fund will distribute any income and capital gains annually in December. The Fund may also make distributions of income, capital gains and capital at such other times as we consider appropriate. We automatically invest distributions in additional units of the Fund and consolidate the units of the Fund immediately after that distribution, so that the total number of outstanding units after the distribution is the same as the number of outstanding units immediately before the distribution.

Fund Expenses Indirectly Borne by Investors

As explained in “*Fees and Expenses Payable by the Fund*” on page 9, the Fund pays us a management fee and all expenses needed to operate and carry on its business. The Fund’s management expense ratio is the fees and expenses payable by the Fund divided by its average net asset value over a year.

Because the Fund has not existed for a complete financial year, we are unable to provide an example of the expenses of the mutual fund indirectly borne by investors.

IA Clarington Investments Inc.

IA Clarington Global Equity Exposure Fund

(the “Fund”)

Additional information about the Fund is available in the Fund’s Annual Information Form, Fund Facts, management reports of fund performance, once available, and financial statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.

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

These documents and other information about the Fund, 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 IA Clarington Global Equity Exposure Fund

IA Clarington Investments Inc.

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