

2021 iA Clarington Fund Changes Advisor Q&A

As at April 12

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1. What changes are being made?

- On April 12, iA Clarington is announcing:
 - o 20 fund mergers (includes PM changes on two funds on April 19)
 - o 2 fund terminations
 - o Expanded series on 2 funds
 - o Portfolio manager addition and investment strategy update
 - o 3 GIF name changes
 - o 2 GIF mergers

Summary of changes

Fund mergers (effective August 27, 2021, subject to necessary approvals)

Terminating Fund	Continuing Fund	Continuing Fund portfolio manager	Investor vote required
IA Clarington Canadian Balanced Class	IA Clarington Strategic Income Fund	Dan Bastasic, IA Clarington Investments Inc.	Yes
IA Clarington Canadian Balanced Fund	IA Clarington Strategic Income Fund	Dan Bastasic, IA Clarington Investments Inc.	No
IA Clarington Canadian Conservative Equity Class	IA Clarington Dividend Growth Class	Donny Moss, iA Investment Management Inc. ¹	Yes
IA Clarington Canadian Conservative Equity Fund	IA Clarington Dividend Growth Class	Donny Moss, iA Investment Management Inc. ¹	Yes
IA Clarington Focused Balanced Class	IA Clarington Strategic Income Fund	Dan Bastasic, IA Clarington Investments Inc. ¹	Yes
IA Clarington Focused Balanced Fund	IA Clarington Strategic Income Fund	Dan Bastasic, IA Clarington Investments Inc. ¹	No
IA Clarington Global Bond Fund	IA Clarington Loomis Global Multisector Bond Fund	Loomis, Sayles & Company, L.P. ²	Yes
IA Clarington Global Multi-Asset Fund	IA Clarington Loomis Global Allocation Fund	Loomis, Sayles & Company, L.P. ²	No
IA Clarington Global Opportunities Class	IA Clarington Loomis Global Equity Opportunities Fund	Loomis, Sayles & Company, L.P. ¹	Yes
IA Clarington Global Opportunities Fund	IA Clarington Loomis Global Equity Opportunities Fund	Loomis, Sayles & Company, L.P. ¹	No
IA Clarington Global Yield Opportunities Fund	IA Wealth Conservative Portfolio	Clément Gignac & Sébastien Mc Mahon, iA Investment Management Inc. ³	No
IA Clarington Real Return Bond Fund	IA Wealth Core Bond Pool	Alexandre Morin, iA Investment Management Inc. ¹	Yes
IA Clarington U.S. Dividend Growth Registered Fund	IA Clarington U.S. Dividend Growth Fund	Donny Moss, iA Investment Management Inc. ¹	No
IA Clarington Strategic U.S. Growth & Income Fund	IA Clarington Strategic Income Fund	Dan Bastasic, IA Clarington Investments Inc. ¹	Yes
IA Clarington Yield Opportunities Fund	IA Wealth Conservative Portfolio	Clément Gignac & Sébastien Mc Mahon, iA Investment Management Inc. ³	No
Distinction Balanced Class	IA Wealth Balanced Portfolio	Clément Gignac & Sébastien Mc Mahon, iA Investment Management Inc.	Yes

Terminating Fund	Continuing Fund	Continuing Fund portfolio manager	Investor vote required
Distinction Bold Class	IA Wealth High Growth Portfolio	Clément Gignac & Sébastien Mc Mahon, iA Investment Management Inc.	Yes
Distinction Conservative Class	IA Wealth Moderate Portfolio	Clément Gignac & Sébastien Mc Mahon, iA Investment Management Inc.	Yes
Distinction Growth Class	IA Wealth Growth Portfolio	Clément Gignac & Sébastien Mc Mahon, iA Investment Management Inc.	Yes
Distinction Prudent Class	IA Wealth Moderate Portfolio	Clément Gignac & Sébastien Mc Mahon, iA Investment Management Inc.	Yes

Effective April 12, 2021, the proposed Terminating Funds will be closed to new purchases and switches. Please note some Funds were closed to new purchases and switches prior to April 12. ¹The Terminating Fund and the Continuing Fund are managed by the same portfolio manager(s). ²Loomis Sayles will assume portfolio management responsibilities for the Terminating Fund on April 19. ³The Terminating Fund and the Continuing Fund are managed by the same lead portfolio manager.

Fund terminations (effective July 16, 2021)

Terminating Fund
IA Clarington Emerging Markets Bond Fund
IA Clarington International Equity Fund

Effective April 12, 2021, the Funds will be closed to purchases and transfers in.

Expanded series

Fund	New series
IA Clarington Inhance Conservative SRI Portfolio	A (FE, DSC, LL) F (Fee based)
IA Clarington Inhance Monthly Income SRI Portfolio	A (FE, DSC, LL) F (Fee based)

Portfolio manager addition & investment strategy update

Fund	Changes
IA Clarington Canadian Leaders Class	<ul style="list-style-type: none"> Jean-Pierre Chevalier, iA Investment Management Inc. (iAIM), has been appointed portfolio manager, joining lead portfolio manager Marc Gagnon, iAIM. The Fund's investment strategy has been updated to increase the allowable foreign content from 30% to 49%.

GIF name & portfolio manager changes

Previous name	New name	New portfolio managers
IA Clarington Distinction Balanced Portfolio GIF	IA Clarington Balanced Portfolio GIF	Clément Gignac & Sébastien Mc Mahon, iA Investment Management Inc.
IA Clarington Distinction Conservative Portfolio GIF	IA Clarington Moderate Portfolio GIF	
IA Clarington Distinction Growth Portfolio GIF	IA Clarington Growth Portfolio GIF	

Changes are effective August 27, 2021, subject to investor approval of mutual fund mergers.

GIF mergers

Terminating Fund	Continuing Fund	Continuing Fund portfolio manager
IA Clarington Canadian Conservative Equity GIF ¹	IA Clarington Dividend Growth GIF	Donny Moss, iA Investment Management Inc. ²
IA Clarington Canadian Balanced GIF	IA Clarington Strategic Income GIF	Dan Bastasic, IA Clarington Investments Inc.

¹Change is effective August 27, 2021, subject to investor approval of mutual fund merger. ²The Terminating Fund and the Continuing Fund are managed by the same portfolio manager.

- For information on specific changes to mandates that are merging, terminating or have a name change, please visit iaclarington.com/FundChanges2021

2. Why is iA Clarington making these changes?

- Our goal with these changes is to simplify our product shelf and ensure optimal positioning for the opportunities and complexities of evolving markets.

3. How will these changes be announced?

- On April 12, 2021:
 - o At 9:00 a.m., a press release will be issued.
 - o At 10:00 a.m., all advisors with > \$1 in an affected fund will be notified via email.

4. What does this mean for advisors?

- Fund mergers and terminations may require action by advisors.
- For information on specific changes to each mandate, please see the investor-friendly pieces at iaclarington.com/FundChanges2021

5. What does this mean for investors?

- Fund mergers and terminations may require action by investors.
- Investor notifications will be sent for mergers and terminations.
- For information on specific changes to each mandate, please see the investor-friendly pieces at iaclarington.com/FundChanges2021

6. Why is an investor vote required for some of the mergers?

- The *Income Tax Act* requires an investor vote for taxable mergers.
- This applies to 12 of the 20 proposed mergers.
- There is no tax impact for clients who hold units or shares of terminating funds in registered accounts.
- The vote for the proposed merger of IA Clarington Strategic U.S. Growth & Income Fund into IA Clarington Strategic Income Fund relates to the investment objective only, as this is not a taxable merger.

7. How do investors vote?

- Investors will receive a mailing that will provide several voting options. The simplest way to cast a vote is online, using the web address and unique identifier code provided. Investors may also vote in one of the following ways:
 - o Complete the proxy form that accompanies the information circular and mail it to the address provided.
 - o Complete the proxy form and fax it to the number provided.
 - o During the online Special Meeting, announced in the information circular.

8. What is the timeline for the mergers?

- For mergers that require an investor vote:

Date	Action
April 12, 2021	Merger announcement via press release.
July 5, 2021 (no later than)	Investor mailing will be sent to clients who hold units/shares of the impacted funds. The mailing will include the Notice of Special Meetings, a Management Information Circular and a proxy form.
August 9, 2021 (on or about)	Security holder meetings; location and timing will be included in the investor mailing.
August 27, 2021	Implementation of approved mergers.

- For mergers that do not require an investor vote:

Date	Action
April 12, 2021	Merger announcement via press release.
Mid-June	Investor mailing will be sent to clients who hold units of the impacted funds.
August 27, 2021	Implementation of the mergers.

9. What is the tax impact for the taxable mergers?

- 12 of the 20 fund mergers are taxable for investors with units/shares in non-registered accounts.
- The table below shows how the average client will be impacted:

Fund	Total fund AUM	Number of unregistered accounts in gain position	Median taxable gain of unregistered accounts
IA Clarington Canadian Balanced Class	\$24.8M	126	\$1,014
IA Clarington Canadian Conservative Equity Class	\$6.3M	41	\$810
IA Clarington Canadian Conservative Equity Fund	\$88.9	581	\$1,470
IA Clarington Focused Balanced Class	\$2.9	51	\$1,703
IA Clarington Global Bond Fund	\$33.2	194	\$660
IA Clarington Global Opportunities Class	\$18.7	118	\$807
IA Clarington Real Return Bond Fund	\$6.7	24	\$119
Distinction Balanced Class	\$24.8M	126	\$1,014
Distinction Bold Class	\$6.1M	36	\$2,831
Distinction Conservative Class	\$9.8M	86	\$1,083
Distinction Growth Class	\$20.7	82	\$1,080
Distinction Prudent Class	\$12.6	126	\$2,939

Data as at February 28, 2021. Please note that the tax situation may change between now and the merger.

- Please call Client Services at 1-800-530-0204 if you require additional information.

10. Are new series being launched to accommodate the mergers?

- We are launching 38 new series to ensure clients continue to experience the same or lower management and/or administrative fees in their current fund.
- Current investors in the terminating series who are transitioned to the new series will be able to continue to purchase new units, and PACs will continue.
- The new series ending with an X and Series P will be soft-capped, meaning they will be unavailable to new investors.

Terminating Series	Continuing Series	Series start date	Available for sale
IA Clarington Canadian Conservative Equity Class A	IA Clarington Dividend Growth Class X	27-Aug	
IA Clarington Canadian Conservative Equity Class E5	IA Clarington Dividend Growth Class EX5	27-Aug	
IA Clarington Canadian Conservative Equity Class EF5			
IA Clarington Canadian Conservative Equity Class F5	IA Clarington Strategic Income Fund Series F5	27-Aug	
IA Clarington Canadian Conservative Equity Fund F5			
IA Clarington Canadian Conservative Equity Class L	IA Clarington Dividend Growth Class LX	27-Aug	
IA Clarington Canadian Conservative Equity Fund L			
IA Clarington Canadian Conservative Equity Class L5	IA Clarington Dividend Growth Class LX5	27-Aug	
IA Clarington Canadian Conservative Equity Fund L5			
IA Clarington Canadian Conservative Equity Class T5	IA Clarington Dividend Growth Class X5	27-Aug	
IA Clarington Canadian Conservative Equity Fund T5			
IA Clarington Global Multi-Asset Fund E5	IA Clarington Loomis Global Allocation Fund E5	30-Apr	Y
IA Clarington Global Multi-Asset Fund F5	IA Clarington Loomis Global Allocation Fund F5	30-Apr	Y
IA Clarington Global Multi-Asset Fund L5	IA Clarington Loomis Global Allocation Fund L5	30-Apr	Y
IA Clarington Global Multi-Asset Fund L	IA Clarington Loomis Global Allocation Fund LX	27-Aug	
IA Clarington Global Multi-Asset Fund T5	IA Clarington Loomis Global Allocation Fund T5	30-Apr	Y
IA Clarington Global Multi-Asset Fund A	IA Clarington Loomis Global Allocation Fund X	27-Aug	
IA Clarington Global Opportunities Fund EX	IA Clarington Loomis Global Equity Opportunities Fund EX	27-Aug	
IA Clarington Global Opportunities Fund FX	IA Clarington Loomis Global Equity Opportunities Fund FX	27-Aug	
IA Clarington Global Opportunities Class L	IA Clarington Loomis Global Equity Opportunities Fund L	30-Apr	Y
IA Clarington Global Opportunities Fund L			
IA Clarington Global Opportunities Class P	IA Clarington Loomis Global Equity Opportunities Fund P	27-Aug	
IA Clarington Global Opportunities Class T6	IA Clarington Loomis Global Equity Opportunities Fund T6	30-Apr	Y
IA Clarington Global Opportunities Class T8	IA Clarington Loomis Global Equity Opportunities Fund T8	30-Apr	Y
IA Clarington Global Bond Fund E5	IA Clarington Loomis Global Multisector Bond Fund E5	30-Apr	Y
IA Clarington Global Bond Fund F5	IA Clarington Loomis Global Multisector Bond Fund F5	30-Apr	Y
IA Clarington Global Bond Fund L	IA Clarington Loomis Global Multisector Bond Fund L	30-Apr	Y
IA Clarington Global Bond Fund L5	IA Clarington Loomis Global Multisector Bond Fund L5	30-Apr	Y
IA Clarington Global Bond Fund T5	IA Clarington Loomis Global Multisector Bond Fund T5	30-Apr	Y

Terminating Series	Continuing Series	Series start date	Available for sale
IA Clarington Canadian Balanced Class T5 IA Clarington Canadian Balanced Fund T5 IA Clarington Focused Balanced Class T5 IA Clarington Focused Balanced Fund T5	IA Clarington Strategic Income Fund T5	30-Apr	Y
Distinction Balanced Class I	IA Wealth Balanced Portfolio I	30-Apr	Y
Distinction Balanced Class LM	IA Wealth Balanced Portfolio LX	27-Aug	
Distinction Balanced Class M	IA Wealth Balanced Portfolio X	27-Aug	
Distinction Conservative Class M	IA Wealth Moderate Portfolio X	27-Aug	
IA Clarington Yield Opportunities Fund P	IA Wealth Conservative Portfolio P	27-Aug	
IA Clarington Yield Opportunities Fund A	IA Wealth Conservative Portfolio X	27-Aug	
IA Clarington Yield Opportunities Fund T5	IA Wealth Conservative Portfolio X5	27-Aug	
IA Clarington Real Return Bond Fund L	IA Wealth Core Bond Pool LX	27-Aug	
Distinction Growth Class I	IA Wealth Growth Portfolio I	30-Apr	Y
Distinction Conservative Class I	IA Wealth Moderate Portfolio I	30-Apr	Y
Distinction Conservative Class LM	IA Wealth Moderate Portfolio LX	27-Aug	
IA Clarington U.S. Dividend Growth Registered Fund F	IAC U.S. Dividend Growth Fund FX	27-Aug	
IA Clarington U.S. Dividend Growth Registered Fund L	IAC U.S. Dividend Growth Fund LX	27-Aug	
IA Clarington U.S. Dividend Growth Registered Fund A	IAC U.S. Dividend Growth Fund X	27-Aug	

- There are also a number of USD purchase options being created to facilitate the mergers:

Terminating Series	Continuing Series	Series start date	Available for sale
IA Clarington Global Multi-Asset Fund (USD) E5	IA Clarington Loomis Global Allocation Fund (USD) E5	30-Apr	Y
IA Clarington Global Multi-Asset Fund (USD) F5	IA Clarington Loomis Global Allocation Fund (USD) F5	30-Apr	Y
IA Clarington Global Multi-Asset Fund (USD) L5	IA Clarington Loomis Global Allocation Fund (USD) L5	30-Apr	Y
IA Clarington Global Multi-Asset Fund (USD) L	IA Clarington Loomis Global Allocation Fund (USD) LX	27-Aug	
IA Clarington Global Multi-Asset Fund (USD) T5	IA Clarington Loomis Global Allocation Fund (USD) T5	30-Apr	Y
IA Clarington Global Multi-Asset Fund (USD) A	IA Clarington Loomis Global Allocation Fund (USD) X	27-Aug	
IA Clarington Global Opportunities Class (USD) A	IA Clarington Loomis Global Equity Opportunities Fund (USD) A	30-Apr	Y
IA Clarington Global Opportunities Fund (USD) A		30-Apr	Y
IA Clarington Global Opportunities Class (USD) EF	IA Clarington Loomis Global Equity Opportunities Fund (USD) F	30-Apr	Y
IA Clarington Global Opportunities Class (USD) F		30-Apr	Y
IA Clarington Global Opportunities Fund (USD) FX	IA Clarington Loomis Global Equity Opportunities Fund (USD) FX	27-Aug	
IA Clarington Global Opportunities Class (USD) L	IA Clarington Loomis Global Equity Opportunities Fund (USD) L	30-Apr	
IA Clarington Strategic U.S. Growth & Income Fund (USD) A	IA Clarington Strategic Income Fund (USD) A	27-Aug	
IA Clarington Strategic U.S. Growth & Income Fund (USD) T6	IA Clarington Strategic Income Fund (USD) T6	27-Aug	

11. What is the timing for the terminations?

Date	Action
April 12, 2021	Termination announcement via press release. Funds are closed to new purchases and switches in.
Mid-May	Investor mailing will be sent to clients who hold units/shares of the impacted funds.
July 16, 2021 (on or about)	Terminations become effective.

12. What are investors' options with the terminations?

For mutual fund series:

- On April 12, funds being terminated will be closed to new purchases, switches in and pre-authorized contribution (PAC) plans.
- Investors may redeem or switch out until the close of business on July 16, 2021.
- For investors who still have holdings at the close of business on July 16, 2021:
 - Holdings in non-registered accounts will be redeemed and investors will be paid the proceeds.
 - Holdings in registered accounts will be automatically transferred into IA Clarington Money Market Fund.
- Investors will not be charged redemption fees or sales charges for redemptions or the termination of the Fund.

For Active ETF Series:

- Investors may continue to place trades until the close of business on July 16.
- For investors still in the Fund at the close of business on July 16, holdings will be redeemed and investors will be paid the proceeds.
- A formal notice will be mailed to investors in early to mid-May regarding the delisting.

13. What about the outgoing portfolio managers?

- As a result of these changes, iA Clarington has ended its sub-advisory relationship with PineBridge Investments LLC.

14. Are there any fee changes?

- With all of these changes, investors will experience the same or lower fees.
- Pricing reductions were made to:
 - Certain series of IA Clarington Global Bond Fund to align more closely with IA Clarington Loomis Global Multisector Bond Fund.

Fund	Series	Current pre-tax fee	Fee waiver	Post waiver pre-tax fee
IA Clarington Global Bond Fund	A	1.70%	-0.36%	1.34%
	E	1.34%	-0.10%	1.24%
	E5	1.34%	-0.10%	1.24%
	F	0.84%	0.00%	0.84%
	F5	0.84%	0.00%	0.84%
	I	0.00%	0.00%	0.00%
	L	1.70%	-0.36%	1.34%
	L5	1.70%	-0.36%	1.34%
	T5	1.70%	-0.46%	1.24%

- o Certain series of IA Clarington Global Multi-Asset Fund to align more closely with IA Clarington Loomis Global Allocation Fund.

Fund	Series	Current pre-tax fee	Fee waiver	Post waiver pre-tax fee
IA Clarington Global Multi-Asset Fund	A	2.15%	0.00%	2.15%
	E	1.99%	-0.04%	1.95%
	E5	1.99%	-0.04%	1.95%
	F	0.99%	-0.04%	0.95%
	F5	0.99%	-0.04%	0.95%
	L	2.20%	0.00%	2.20%
	L5	2.20%	0.00%	2.20%
	T5	2.15%	0.00%	2.15%

- For IA Clarington U.S. Dividend Growth Registered Fund, the pre-tax MER is being reduced by 20 basis points to help offset the merger into a Fund with a different tax structure.

15. Why add more series to select IA Clarington Inhance SRI Funds?

- More series are being added to the IA Clarington Inhance SRI Funds for consistency of offering across the suite.
- The new series will be available for purchase on April 30, 2021.

Fund codes (CCM)

Fund	Series A			Fee based
	FE	DSC	LL	
IA Clarington Inhance Conservative SRI Portfolio	9792	9793	9794	9795
IA Clarington Inhance Monthly Income SRI Fund	9500	9501	9502	9503

16. Are there any considerations for the Active ETF Series that are impacted by these changes?

- With the announced changes, retail investors will be able to continue to place trades in the Active ETF Series of IA Clarington Global Bond Fund (ticker: IGLB) and IA Clarington Emerging Markets Bond Fund (ticker: IEMB) until their respective merger and termination dates.
- For investors in the Active ETF Series of IA Clarington Global Bond Fund, there may be times when the bid/ask spreads are wider compared to historical norms during the merger transition. As noted above, the merger is subject to investor and regulatory approval.
- IA Clarington is launching an Active ETF Series for the IA Clarington Loomis Global Multisector Bond Fund (ticker: ILGB) on or about August 27, pending approval of the merger. If the IA Clarington Global Bond Fund merger is approved, investor holdings in IGLB will be merged into ILGB.

17. Are more changes planned?

- As mentioned, we constantly strive to ensure that our funds are optimally positioned for the opportunities and complexities of evolving markets; this includes ongoing due diligence on our portfolio managers and sub-advisors.

18. How do I receive a list of impacted clients?

- Your sales team will be making proactive calls and will have access to client lists.
- You can also call Client Services at 1-800-530-0204 to receive information on impacted clients.

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