

IA Clarington Dividend Growth Class

Audited Annual Financial Statements

March 31, 2021

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Message to Investors

Dear Investor:

We are pleased to enclose the 2021 annual report for IA Clarington Corporate Class Funds. The accompanying financial statements contain important information about your investment for the period ended March 31, 2021.

We thank you for your ongoing trust and are committed to providing you with active management solutions that continue to serve your needs.

Should you have any questions or require further information, please contact your Financial Advisor, the IA Clarington Client Services Team at 1.800.530.0204, or visit our website at: www.iaclarington.com.

Sincerely,

A handwritten signature in black ink that reads "Adam Elliott". The signature is written in a cursive style with a long horizontal stroke at the end.

Adam Elliott

Chief Executive Officer

Management's Responsibility for Financial Reporting

Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by IA Clarington Investments Inc., the Manager of the Fund and approved by the board of directors of the Manager. The Manager is responsible for the information and representations contained in these financial statements and other sections of this report.

The Manager has maintained appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and include certain amounts that are based on estimates and judgements. The significant accounting policies which management believes are appropriate for the Fund are described in Generic Note 3 to the Financial Statements.

The Board is responsible for oversight of the financial reporting process and for reviewing and approving the financial statements of the Fund. The Board also reviews the adequacy of internal controls over the financial reporting process, auditing matters and financial reporting issues with management and the external auditors.



Adam Elliott
Chief Executive Officer



Nancy Cappadocia
Chief Financial Officer

June 03, 2021



Independent auditor's report

To the Shareholders of

Distinction Balanced Class	IA Clarington Inhance Canadian Equity SRI Class
Distinction Bold Class	IA Clarington Inhance Global Equity SRI Class
Distinction Conservative Class	IA Clarington Loomis Global Allocation Class (formerly IA Clarington Global Allocation Class)
Distinction Growth Class	IA Clarington Strategic Equity Income Class
Distinction Prudent Class	IA Clarington Tactical Income Class
IA Clarington Canadian Balanced Class	IA Clarington Thematic Innovation Class (formerly IA Clarington Focused U.S. Equity Class)
IA Clarington Canadian Conservative Equity Class	IA Clarington U.S. Equity Class (formerly IA Clarington Sarbit U.S. Equity Class (Unhedged))
IA Clarington Canadian Leaders Class	
IA Clarington Canadian Small Cap Class	
IA Clarington Dividend Growth Class	
IA Clarington Focused Balanced Class	
IA Clarington Global Opportunities Class	

(collectively, the Funds; individually, the Fund)

Our opinion

In our opinion, the accompanying financial statements of each Fund present fairly, in all material respects, the financial position of each Fund as at March 31, 2021 and March 31, 2020 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The financial statements of each Fund comprise:

- the statements of financial position as at March 31, 2021 and March 31, 2020;
- the statements of comprehensive income for the years then ended;
- the statements of changes in net assets attributable to holders of redeemable shares for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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"PwC" refers to PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., an Ontario limited liability partnership.



Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of each Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information of each Fund. The other information comprises the Management Report of Fund Performance of each Fund.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of each Fund, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of each Fund or our knowledge obtained in our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of each Fund in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of each Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of each Fund.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole for each Fund are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements of each Fund.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of each Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of each Fund.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each Fund to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of each Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause any Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of each Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Andrew Paterson.

PricewaterhouseCoopers LLP¹

Montréal, Quebec
June 3, 2021

¹ CPA auditor, CA, public accountancy permit No. A123633

IA Clarington Dividend Growth Class

Statements of Financial Position

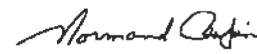
As at In thousands (except per share figures)	March 31 2021 \$	March 31 2020 \$
ASSETS		
CURRENT ASSETS		
Investments	1,310,045	1,223,638
Cash	1,090	9,366
Subscriptions receivable	321	9,527
Receivable for investments sold	5,306	1,936
Interest, dividends, distributions and other receivable	3,274	3,750
	1,320,036	1,248,217
LIABILITIES		
CURRENT LIABILITIES		
Derivative financial instruments		
Open currency contracts	51	3,215
Payable for investments purchased	1,334	5,824
Redemptions payable	1,773	229
Distributions payable	743	888
Expenses payable	397	389
	4,298	10,545
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES	1,315,738	1,237,672
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES BY SERIES		
Series A	3,746	3,288
Series E	526	552
Series E6	8,325	8,322
Series EF	2,365	1,812
Series EF6	2,066	1,857
Series EFX	510	500
Series EFX6	3,770	3,326
Series EX	956	714
Series EX6	2,037	1,998
Series F	15,865	11,778
Series F6	8,532	6,221
Series F10	2,913	2,719
Series I	1,071,304	1,040,645
Series L6	897	1,988
Series L10	87	87
Series O	49,198	12,485
Series T6	22,671	21,644
Series T10	119,970	117,736
SHARES OUTSTANDING		
Series A	304	346
Series E	49	67
Series E6	961	1,171
Series EF	211	212
Series EF6	233	256
Series EFX	37	48
Series EFX6	388	421
Series EX	76	73
Series EX6	216	257
Series F	1,202	1,172
Series F6	622	559
Series F10	379	410
Series I	47,346	61,022
Series L6	101	270
Series L10	18	21
Series O	2,189	736
Series T6	2,058	2,369
Series T10	17,227	19,517

As at In thousands (except per share figures)	March 31 2021 \$	March 31 2020 \$
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	12.31	9.51
Series E	10.77	8.29
Series E6	8.66	7.11
Series EF	11.22	8.54
Series EF6	8.87	7.25
Series EFX	13.70	10.41
Series EFX6	9.71	7.89
Series EX	12.65	9.73
Series EX6	9.43	7.78
Series F	13.20	10.05
Series F6	13.72	11.13
Series F10	7.68	6.64
Series I	22.63	17.05
Series L6	8.86	7.35
Series L10	4.78	4.15
Series O	22.47	16.97
Series T6	11.01	9.14
Series T10	6.96	6.03

Approved on behalf of the Board of Directors of IA Clarington Investments Inc.



Adam Elliott, Chief Executive Officer



Normand Pépin, Director

The accompanying Notes to the Financial Statements are an integral part of these statements.

IA Clarington Dividend Growth Class

Statements of Comprehensive Income

For the periods ended March 31 In thousands (except per share figures)	2021 \$	2020 \$
INCOME		
Interest for distribution purposes	9	618
Dividends	42,578	57,256
Securities lending	17	98
Income from income trusts	697	770
Foreign exchange gain (loss) on cash	(177)	418
Other changes in fair value of investments and derivative financial instruments		
Investments:		
Net realized gain (loss)	59,849	56,954
Net change in unrealized appreciation (depreciation)	276,840	(306,495)
Net gain (loss) in fair value of investments	336,689	(249,541)
Derivative financial instruments:		
Net realized gain (loss)	7,033	(2,393)
Net change in unrealized appreciation (depreciation)	3,164	(3,043)
Net gain (loss) in fair value of derivative financial instruments	10,197	(5,436)
Total other changes in fair value of investments and derivative financial instruments	346,886	(254,977)
	390,010	(195,817)
EXPENSES		
Management fees	3,709	5,045
Fixed Administration fees	528	664
Independent Review Committee fees	3	3
Transaction costs	919	579
Foreign withholding taxes	678	608
	5,837	6,899
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES	384,173	(202,716)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES BY SERIES		
Series A	1,008	(584)
Series E	163	(17)
Series E6	2,434	(2,001)
Series EF	626	(296)
Series EF6	573	(314)
Series EFX	153	(94)
Series EFX6	1,041	(563)
Series EX	241	(138)
Series EX6	600	(382)
Series F	4,013	(2,050)
Series F6	2,228	(1,353)
Series F10	868	(501)
Series I	319,831	(167,318)
Series L6	287	(521)
Series L10	25	(13)
Series O	9,228	(970)
Series T6	6,485	(3,975)
Series T10	34,369	(21,626)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	3.09	(1.70)
Series E	3.14	(1.18)
Series E6	2.30	(1.65)
Series EF	2.98	(1.36)
Series EF6	2.48	(1.23)
Series EFX	3.53	(1.16)
Series EFX6	2.69	(1.37)
Series EX	3.24	(1.62)
Series EX6	2.56	(1.45)
Series F	3.49	(2.06)
Series F6	3.73	(2.80)
Series F10	2.30	(1.30)
Series I	6.15	(2.83)
Series L6	2.11	(1.34)
Series L10	1.27	(0.49)
Series O	6.23	(1.98)
Series T6	2.90	(1.54)
Series T10	1.88	(1.03)

The accompanying Notes to the Financial Statements are an integral part of these statements.

Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the periods ended March 31 In thousands	2021 \$	2020 \$
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES AT THE BEGINNING OF THE PERIOD		
Series A	3,288	4,185
Series E	552	108
Series E6	8,322	10,692
Series EF	1,812	2,470
Series EF6	1,857	2,457
Series EFX	500	1,140
Series EFX6	3,326	4,107
Series EX	714	1,016
Series EX6	1,998	2,820
Series F	11,778	9,807
Series F6	6,221	5,618
Series F10	2,719	3,550
Series I	1,040,645	1,209,024
Series L6	1,988	3,820
Series L10	87	190
Series O	12,485	11,597
Series T6	21,644	33,385
Series T10	117,736	187,340
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	1,008	(584)
Series E	163	(17)
Series E6	2,434	(2,001)
Series EF	626	(296)
Series EF6	573	(314)
Series EFX	153	(94)
Series EFX6	1,041	(563)
Series EX	241	(138)
Series EX6	600	(382)
Series F	4,013	(2,050)
Series F6	2,228	(1,353)
Series F10	868	(501)
Series I	319,831	(167,318)
Series L6	287	(521)
Series L10	25	(13)
Series O	9,228	(970)
Series T6	6,485	(3,975)
Series T10	34,369	(21,626)
DIVIDENDS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income:		
Series A	(94)	(154)
Series E	(15)	(6)
Series E6	(226)	(415)
Series EF	(59)	(82)
Series EF6	(53)	(91)
Series EFX	(15)	(44)
Series EFX6	(94)	(161)
Series EX	(24)	(40)
Series EX6	(57)	(97)
Series F	(375)	(496)
Series F6	(218)	(273)
Series F10	(79)	(134)
Series I	(26,842)	(47,437)
Series L6	(30)	(147)
Series L10	(2)	(4)
Series O	(1,319)	(363)
Series T6	(631)	(1,136)
Series T10	(3,349)	(6,175)

IA Clarington Dividend Growth Class

Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares *(continued)*

For the periods ended March 31 In thousands	2021 \$	2020 \$	For the periods ended March 31 In thousands	2021 \$	2020 \$
From return of capital:			Redemption of redeemable shares:		
Series A	-	-	Series A	(1,164)	(2,243)
Series E	-	-	Series E	(327)	-
Series E6	(541)	(626)	Series E6	(2,839)	(3,225)
Series EF	-	-	Series EF	(109)	(498)
Series EF6	(133)	(153)	Series EF6	(519)	(295)
Series EFX	-	-	Series EFX	(296)	(546)
Series EFX6	(232)	(247)	Series EFX6	(601)	(223)
Series EX	-	-	Series EX	-	(165)
Series EX6	(143)	(161)	Series EX6	(541)	(421)
Series F	-	-	Series F	(2,787)	(2,173)
Series F6	(474)	(388)	Series F6	(707)	(1,238)
Series F10	(348)	(373)	Series F10	(1,766)	(1,513)
Series I	-	-	Series I	(332,305)	(113,049)
Series L6	(78)	(235)	Series L6	(1,644)	(2,636)
Series L10	(10)	(14)	Series L10	(16)	(79)
Series O	-	-	Series O	(21,567)	(12,110)
Series T6	(1,610)	(1,941)	Series T6	(6,148)	(8,834)
Series T10	(13,725)	(15,856)	Series T10	(23,732)	(38,405)
	(50,776)	(77,249)		(255,331)	24,311
REDEEMABLE SHARES TRANSACTIONS			NET INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Proceeds from redeemable shares issued:			Series A	458	(897)
Series A	614	1,930	Series E	(26)	444
Series E	138	461	Series E6	3	(2,370)
Series E6	573	3,067	Series EF	553	(658)
Series EF	36	136	Series EF6	209	(600)
Series EF6	207	85	Series EFX	10	(640)
Series EFX	153	-	Series EFX6	444	(781)
Series EFX6	4	5	Series EX	242	(302)
Series EX	1	1	Series EX6	39	(822)
Series EX6	-	2	Series F	4,087	1,971
Series F	2,861	6,194	Series F6	2,311	603
Series F6	843	3,254	Series F10	194	(831)
Series F10	1,292	1,421	Series I	30,659	(168,379)
Series I	43,133	111,988	Series L6	(1,091)	(1,832)
Series L6	266	1,325	Series L10	-	(103)
Series L10	-	-	Series O	36,713	888
Series O	49,052	13,968	Series T6	1,027	(11,741)
Series T6	939	1,364	Series T10	2,234	(69,604)
Series T10	568	1,340	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES AT END OF THE PERIOD		
Reinvestments of dividends to holders of redeemable shares:			Series A	3,746	3,288
Series A	94	154	Series E	526	552
Series E	15	6	Series E6	8,325	8,322
Series E6	602	830	Series EF	2,365	1,812
Series EF	59	82	Series EF6	2,066	1,857
Series EF6	134	168	Series EFX	510	500
Series EFX	15	44	Series EFX6	3,770	3,326
Series EFX6	326	408	Series EX	956	714
Series EX	24	40	Series EX6	2,037	1,998
Series EX6	180	237	Series F	15,865	11,778
Series F	375	496	Series F6	8,532	6,221
Series F6	639	601	Series F10	2,913	2,719
Series F10	227	269	Series I	1,071,304	1,040,645
Series I	26,842	47,437	Series L6	897	1,988
Series L6	108	382	Series L10	87	87
Series L10	3	7	Series O	49,198	12,485
Series O	1,319	363	Series T6	22,671	21,644
Series T6	1,992	2,781	Series T10	119,970	117,736
Series T10	8,103	11,118			

The accompanying Notes to the Financial Statements are an integral part of these statements.

IA Clarington Dividend Growth Class

Statements of Cash Flows

For the periods ended March 31	2021	2020
In thousands	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	384,173	(202,716)
Adjustments		
Interest for distribution purposes	(9)	(618)
Dividends	(42,578)	(57,256)
Income from income trusts	(697)	(770)
Foreign withholding taxes	678	608
Foreign exchange loss (gain) on cash	177	(418)
Net realized loss (gain) of investments and derivative financial instruments	(66,882)	(54,561)
Net change in unrealized depreciation (appreciation) of investments and derivative financial instruments	(280,004)	309,538
Transaction costs	919	579
Proceeds from sale and maturity of investments	1,195,537	712,152
Purchases of investments	(946,984)	(696,851)
Increase / (decrease) in expenses payable	8	(164)
Decrease / (increase) in other receivable	(25)	22
Interest received (paid)	(7)	135
Dividends received, net of withholding taxes	42,404	56,637
Income from income trusts received	693	773
CASH FLOWS FROM OPERATING ACTIVITIES	287,403	67,090
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to holders of redeemable shares net of reinvested dividends	(9,864)	(12,013)
Proceeds from issuances of redeemable shares	100,680	146,541
Change in subscriptions receivable	9,206	(8,947)
Issuance of shares from other series	(2,734)	(11,573)
Proceeds from redemption of redeemable shares	(397,068)	(187,653)
Change in redemptions payable	1,544	(1,711)
Redemption of shares from other series	2,734	11,573
CASH FLOWS FROM FINANCING ACTIVITIES	(295,502)	(63,783)
Foreign exchange gain (loss) on cash	(177)	418
NET INCREASE (DECREASE) IN CASH	(8,276)	3,725
Cash (Bank Overdraft) at Beginning of the Period	9,366	5,641
CASH (BANK OVERDRAFT) AT END OF THE PERIOD	1,090	9,366

The accompanying Notes to the Financial Statements are an integral part of these statements.

IA Clarington Dividend Growth Class

Schedule of Investment Portfolio

As at March 31, 2021
In thousands (except number of securities)

	Number of Securities	Average Cost \$	Carrying Value \$
CANADIAN EQUITIES (84.96%)			
COMMUNICATION SERVICES (6.30%)			
BCE Inc.	505,264	25,505	28,664
Rogers Communications Inc., Class B	352,620	23,706	20,434
Shaw Communications Inc., Class B	280,760	9,562	9,175
TELUS Corp.	982,910	21,218	24,602
		79,991	82,875
CONSUMER DISCRETIONARY (2.56%)			
Canadian Tire Corporation Ltd.	66,328	9,529	11,828
Magna International Inc.	197,390	12,945	21,847
		22,474	33,675
CONSUMER STAPLES (2.01%)			
Alimentation Couche-Tard Inc., Class B, SV	415,170	17,067	16,823
Empire Co. Ltd., NV	246,840	8,836	9,671
		25,903	26,494
ENERGY (13.27%)			
Canadian Natural Resources Ltd.	958,360	34,337	37,232
Enbridge Inc.	1,098,645	51,646	50,296
Parkland Corp/Canada	294,785	12,242	11,131
Suncor Energy Inc.	1,553,668	54,046	40,815
TC Energy Corp.	609,686	31,808	35,124
		184,079	174,598
FINANCIALS (37.40%)			
Bank of Montreal	386,420	30,663	43,287
Bank of Nova Scotia	670,309	44,259	52,700
Brookfield Asset Management Inc.	1,047,793	29,888	58,572
Canadian Imperial Bank of Commerce	248,146	25,924	30,534
Element Fleet Management Corp.	720,750	8,627	9,910
Intact Financial Corp.	165,990	22,329	25,562
Manulife Financial Corp.	1,449,043	34,142	39,168
National Bank of Canada	177,490	9,655	15,152
Royal Bank of Canada	742,100	61,286	85,987
Sun Life Financial Services of Canada Inc.	768,431	33,060	48,803
The Toronto-Dominion Bank	1,005,920	58,078	82,445
		357,911	492,120
INDUSTRIALS (8.55%)			
Boyd Group Services Inc.	41,576	8,154	8,853
Canadian National Railway Co.	220,238	17,657	32,120
Canadian Pacific Railway Co.	57,110	19,395	27,413
Cargojet Inc.	85,300	16,370	13,839
TFI International Inc.	81,370	6,886	7,665
Thomson Reuters Corp.	51,850	5,693	5,708
Transcontinental Inc., Class 'A', SV	283,170	6,013	6,264
WSP Global Inc.	89,410	10,658	10,690
		90,826	112,552
INFORMATION TECHNOLOGY (1.69%)			
Open Text Corp.	371,128	19,976	22,238
MATERIALS (4.42%)			
Agnico-Eagle Mines Ltd.	158,471	10,492	11,513
Barrick Gold Corp.	215,440	7,048	5,371
CCL Industries Inc., Class B, NV	73,490	4,504	5,109
Franco-Nevada Corp.	41,742	5,808	6,574
Nutrien Ltd.	337,850	21,048	22,872
Teck Resources Ltd., Class B, SV	277,130	7,385	6,671
		56,285	58,110

As at March 31, 2021
In thousands (except number of securities)

	Number of Securities	Average Cost \$	Carrying Value \$	
REAL ESTATE (2.04%)				
Canadian Apartment Properties Real Estate Investment Trust	271,192	11,830	14,606	
InterRent Real Estate Investment Trust	827,210	11,474	12,234	
		23,304	26,840	
UTILITIES (6.71%)				
Algonquin Power & Utilities Corp.	732,780	13,087	14,590	
Boralex Inc.	137,863	5,248	5,448	
Brookfield Renewable Partners LP	232,502	6,378	12,474	
Emera Inc.	309,675	14,912	17,320	
Fortis Inc.	309,682	11,916	16,887	
Northland Power Inc.	224,030	9,817	10,205	
Superior Plus Corp.	802,460	10,040	11,411	
		71,398	88,335	
TOTAL CANADIAN EQUITIES		932,147	1,117,837	
U.S. EQUITIES (12.88%)				
CONSUMER DISCRETIONARY (0.47%)				
Lowe's Companies Inc.	25,890	5,772	6,188	
CONSUMER STAPLES (1.50%)				
Costco Wholesale Corp.	19,030	8,772	8,431	
Procter & Gamble Co.	66,527	8,560	11,324	
		17,332	19,755	
HEALTH CARE (4.98%)				
Abbvie Inc.	113,820	14,777	15,481	
Johnson & Johnson	102,210	17,311	21,113	
Medtronic PLC	52,180	7,781	7,747	
Thermo Fisher Scientific Inc.	2,340	1,325	1,342	
UnitedHealth Group Inc.	42,415	17,472	19,835	
		58,666	65,518	
INDUSTRIALS (2.85%)				
Union Pacific Corp.	35,330	6,055	9,787	
Waste Connections Inc.	204,000	19,512	27,697	
		25,567	37,484	
INFORMATION TECHNOLOGY (2.79%)				
Apple Inc.	39,770	4,528	6,106	
Broadcom Inc.	21,870	10,353	12,745	
Microsoft Corp.	60,160	13,555	17,827	
		28,436	36,678	
REAL ESTATE (0.29%)				
Brookfield Property Partners LP	173,650	3,894	3,881	
TOTAL U.S. EQUITIES		139,667	169,504	
	Country	Number of Securities	Average Cost \$	Carrying Value \$
FOREIGN EQUITIES (0.37%)				
MATERIALS (0.37%)				
Wheaton Precious Metals Corp.	Brazil	101,179	5,947	4,857

IA Clarington Dividend Growth Class

Schedule of Investment Portfolio *(continued)*

As at March 31, 2021 In thousands	Face Value \$	Average Cost \$	Carrying Value \$
SHORT-TERM INVESTMENTS (1.36%)			
Government of Canada			
0.098%, 2021-06-10	8,950	8,948	8,949
0.085%, 2021-06-23	5,750	5,749	5,749
0.086%, 2021-07-15	3,150	3,149	3,149
TOTAL SHORT-TERM INVESTMENTS	17,846		17,847
TOTAL INVESTMENT PORTFOLIO (99.57%)	1,095,607		1,310,045
DERIVATIVE LIABILITIES (0.00%)			(51)
OTHER ASSETS LESS LIABILITIES (0.43%)			5,744
TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES (100.00%)			1,315,738

IA Clarington Dividend Growth Class

Discussion of Financial Instrument Risk Management

March 31, 2021 (Generic Notes 3 and 5, in thousands of \$, except per share figures)

In the sections Discussion of Financial Instrument Risk Management and Supplementary Notes to Financial Statements - Fund Specific Information, Net Assets is defined as "Net Assets Attributable to Holders of Redeemable Shares", please refer to Generic Note 3.

Fair Value Measurements

For more information on fair value measurements and inputs, and the aggregation into the fair value hierarchy levels, please refer to Methods and Assumptions Used to Estimate Fair Values of Financial Instruments section in Generic Note 5 Management of Financial Risks.

The following tables present the hierarchy of financial instruments recorded at fair value, based on the hierarchy levels of input used at measurement date.

As at March 31, 2021

	Financial Instruments at Fair Value			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
ASSETS				
Investments				
Equities	1,292,198	-	-	1,292,198
Investment funds	-	-	-	-
Bonds	-	-	-	-
Short-term investments	-	17,847	-	17,847
	1,292,198	17,847	-	1,310,045
Derivatives				
Derivative financial instruments	-	-	-	-
LIABILITIES				
Derivatives				
Derivative financial instruments	-	(51)	-	(51)
Total	1,292,198	17,796	-	1,309,994

As at March 31, 2020

	Financial Instruments at Fair Value			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
ASSETS				
Investments				
Equities	1,203,547	-	-	1,203,547
Investment funds	-	-	-	-
Bonds	-	-	-	-
Short-term investments	-	20,091	-	20,091
	1,203,547	20,091	-	1,223,638
Derivatives				
Derivative financial instruments	-	-	-	-
LIABILITIES				
Derivatives				
Derivative financial instruments	-	(3,215)	-	(3,215)
Total	1,203,547	16,876	-	1,220,423

There were no significant transfers between the levels for the periods ending March 31, 2021 and March 31, 2020.

Credit Risk

As at March 31, 2021 and March 31, 2020, the Fund, through its direct holdings and its reference fund, did not invest a significant portion of its holdings in debt instruments, therefore the Fund had no significant exposure to credit risk.

Concentration Risk

The following table summarizes, through its direct holdings and its reference fund, the Fund's concentration risk:

Market Segments	Percentage of Net Assets As at March 31, 2021 (%)	Percentage of Net Assets As at March 31, 2020 (%)
Financials	37.40	34.68
Energy	13.27	12.42
Industrials	11.40	12.14
Utilities	6.71	8.34
Communication Services	6.30	7.17
Health Care	4.98	2.42
Materials	4.79	7.14
Information Technology	4.48	4.79
Consumer Staples	3.52	4.46
Consumer Discretionary	3.03	2.45
Real Estate	2.33	1.24
Short-Term Investments	1.36	1.62
Cash and Other Net Assets	0.43	1.13

IA Clarington Dividend Growth Class

Discussion of Financial Instrument Risk Management *(continued)*

March 31, 2021 (Generic Notes 3 and 5, in thousands of \$, except per share figures)

Liquidity Risk

As at March 31, 2021 and March 31, 2020, the Fund's redeemable shares are due on demand. All other financial liabilities of the Fund have maturities of less than 30 days. Refer to Generic Note 5 for further information.

The Fund may hold derivatives assets or liabilities. These assets or liabilities may have a contractual maturity date of greater than 30 days.

Interest Rate Risk

As at March 31, 2021 and March 31, 2020, the majority of the Fund's financial assets and liabilities were, through its direct holdings and its reference fund, non-interest bearing and, accordingly, the Fund was not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Currency Risk

As at March 31, 2021 and March 31, 2020, the Fund, through its direct holdings and its reference fund, held currency contracts which mitigated its exposure to currency risk, therefore no currency risk tables are shown for the Fund. Please refer to Supplemental Notes to Financial Statements - Fund Specific Information for additional information concerning these contracts.

Price Risk

As at March 31, 2021 and March 31, 2020, the estimated impact on the Net Assets of the Fund due to a reasonably possible change in benchmark, with all other variables held constant, is presented in the tables below. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

As at March 31, 2021

Benchmark	Change in Benchmark (%)	Exposure to Benchmark (%)	Impact on Net Assets (%)	Impact on Net Assets (\$)
S&P/TSX 60 Index	10.00	100.00	9.82	129,215

As at March 31, 2020

Benchmark	Change in Benchmark (%)	Exposure to Benchmark (%)	Impact on Net Assets (%)	Impact on Net Assets (\$)
S&P/TSX 60 Index	10.00	100.00	9.70	120,033

IA Clarington Dividend Growth Class

Supplemental Notes to Financial Statements - Fund Specific Information

March 31, 2021 (Generic Note 1b, in thousands of \$, except per share figures)

Investment Objectives

The Fund aims to provide a return that is similar to the return of a Canadian dividend mutual fund by investing primarily in units of a Canadian dividend fund managed by IA Clarington Investments Inc. The Fund may also invest in securities similar to those held by a Canadian dividend mutual fund. The Fund may invest up to 30% of its assets in foreign securities.

The Fund

The series of shares of the Fund were established on the following dates:

	Dates of Inception MM/DD/YY
Series A	06/20/16
Series E	09/25/17
Series E6	09/25/17
Series EF	09/25/17
Series EF6	09/25/17
Series EFX	06/25/15
Series EFX6	06/25/15
Series EX	11/03/14
Series EX6	02/05/14
Series F	06/20/16
Series F6	01/26/09
Series F10	01/26/09
Series I	02/05/14
Series L6	02/05/14
Series L10	02/05/14
Series O	02/05/14
Series T6	01/26/09
Series T10	01/26/09

Open Currency Contracts*

The Fund entered into currency contracts to reduce its foreign currency exposure. No cash collateral was pledged for the below currency contracts, therefore no cash collateral information will be shown. The details of these currency contracts are as follows:

As at March 31, 2021

Settlement Date	Number of Contracts	To Purchase (\$)	To Sell (\$)	Unrealized Gain (Loss) - CAD (\$)	Counterparty	Credit Rating
April 1, 2021	1	USD 524	CAD 663	(3)	National Bank Financial	A
April 21, 2021	1	CAD 78,631	USD 62,602	(48)	Toronto Dominion Securities Inc.	A
	2			(51)		

Management of Financial Risks

See Generic Note 5

Investments in Unconsolidated Structured Entities

The Fund has no significant interests in unconsolidated structured entities to disclose.

Offsetting Financial Assets and Liabilities

The following tables present offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts were to arise. No amounts were offset in the financial statements, therefore the Gross Amount represents the amounts shown in the Statements of Financial Position.

As at March 31, 2021

	Gross Amount (\$)	Amounts Eligible for Offset		Net amount (\$)
		Financial Instruments (\$)	Collateral Received/Pledged (\$)	
Financial assets - by type				
Open currency contracts	-	-	-	-
Total	-	-	-	-
Financial liabilities - by type				
Open currency contracts	51	-	-	51
Total	51	-	-	51

As at March 31, 2020

	Gross Amount (\$)	Amounts Eligible for Offset		Net amount (\$)
		Financial Instruments (\$)	Collateral Received/Pledged (\$)	
Financial assets - by type				
Open currency contracts	-	-	-	-
Total	-	-	-	-
Financial liabilities - by type				
Open currency contracts	3,215	-	-	3,215
Total	3,215	-	-	3,215

IA Clarington Dividend Growth Class

Supplemental Notes to Financial Statements - Fund Specific Information *(continued)*

March 31, 2021 (Generic Note 1b, in thousands of \$, except per share figures)

As at March 31, 2020

Settlement Date	Number of Contracts	To Purchase (\$)	To Sell (\$)	Unrealized Gain (Loss) - CAD (\$)	Counterparty	Credit Rating
April 15, 2020	1 CAD	85,878 USD	62,602	(3,215)	Toronto Dominion Securities Inc.	AA
	1			(3,215)		

* See Generic Note 6 for counterparty information

Related Party Transactions

See Generic Note 7

Management Fees

As at March 31, 2021 and March 31, 2020, the annualized management fee rate applicable for each series of the Fund, net of waivers, if any, is as follows:

Series	Management Fee as at March 31, 2021 (%)	Management Fee as at March 31, 2020 (%)
Series A	1.95	1.95
Series E	1.71	1.71
Series E6	1.71	1.71
Series EF	0.71	0.71
Series EF6	0.71	0.71
Series EFX	0.60	0.60
Series EFX6	0.60	0.60
Series EX	1.60	1.60
Series EX6	1.60	1.60
Series F	0.80	0.80
Series F6	0.80	0.80
Series F10	0.80	0.80
Series I	-	-
Series L6	1.95	1.95
Series L10	1.95	1.95
Series O	-	-
Series T6	1.95	1.95
Series T10	1.95	1.95

The amount of management fees incurred during the period end is included in "Management Fees" in the Statement of Comprehensive Income.

Fixed Administration Fees

As at March 31, 2021 and March 31, 2020, the rate of the annual Fixed Administration Fee for each series of the Fund, net of waivers, if any, is as follows:

Series	Fixed Administration Fees as at March 31, 2021 (%)	Fixed Administration Fees as at March 31, 2020 (%)
Series A	0.26	0.26
Series E	0.14	0.14
Series E6	0.14	0.14
Series EF	0.14	0.14
Series EF6	0.14	0.14
Series EFX	0.14	0.14
Series EFX6	0.14	0.14
Series EX	0.14	0.14
Series EX6	0.14	0.14
Series F	0.11	0.11
Series F6	0.11	0.11
Series F10	0.11	0.11
Series I	-	-
Series L6	0.26	0.26
Series L10	0.26	0.26
Series O	0.15	0.15
Series T6	0.26	0.26
Series T10	0.25	0.25

The amount of fixed administration fees incurred during the period end is included in "Fixed Administration Fees" in the Statement of Comprehensive Income.

Brokerage Commissions

During the periods ended March 31, 2021 and March 31, 2020, the Fund paid the following brokerage commissions to iA Private Wealth Inc. (formerly, Industrial Alliance Securities Inc.), a wholly owned subsidiary of Industrial Alliance:

March 31, 2021 (\$)	March 31, 2020 (\$)
55	28

IA Clarington Dividend Growth Class

Supplemental Notes to Financial Statements - Fund Specific Information (continued)

March 31, 2021 (Generic Note 1b, in thousands of \$, except per share figures)

Investments in the Fund

IA Clarington Investments Inc. and Industrial Alliance Insurance and Financial Services Inc. (Industrial Alliance) had investments in the Fund, at fair value, as at the following dates:

As at March 31, 2021	As at March 31, 2020
42,131	6,124

The preceding table excludes investments from other funds, including those managed by Industrial Alliance Investment Management Inc. ("IAIM"), a wholly-owned subsidiary of Industrial Alliance and related party to IA Clarington.

Redeemable Shares

See Generic Note 8

For the periods ended March 31, 2021 and March 31, 2020, the following shares were issued/reinvested and redeemed:

	Period ended	Beginning of Period	Issued/Reinvested during Period	Redeemed during Period	End of Period	Weighted Average Shares
Series A	2021	346	63	105	304	326
	2020	355	188	197	346	345
Series E	2021	67	16	34	49	52
	2020	11	56	-	67	15
Series E6	2021	1,171	147	357	961	1,058
	2020	1,152	421	402	1,171	1,214
Series EF	2021	212	10	11	211	210
	2020	237	22	47	212	217
Series EF6	2021	256	42	65	233	231
	2020	260	27	31	256	255
Series EFX	2021	48	13	24	37	43
	2020	90	4	46	48	81
Series EFX6	2021	421	37	70	388	388
	2020	402	41	22	421	411
Series EX	2021	73	3	-	76	74
	2020	85	3	15	73	85
Series EX6	2021	257	20	61	216	235
	2020	277	24	44	257	264
Series F	2021	1,172	271	241	1,202	1,150
	2020	800	554	182	1,172	997
Series F6	2021	559	118	55	622	597
	2020	391	268	100	559	484

	Period ended	Beginning of Period	Issued/Reinvested during Period	Redeemed during Period	End of Period	Weighted Average Shares
Series F10	2021	410	211	242	379	377
	2020	392	194	176	410	386
Series I	2021	61,022	3,404	17,080	47,346	52,025
	2020	58,623	7,761	5,362	61,022	59,129
Series L6	2021	270	48	217	101	136
	2020	393	182	305	270	391
Series L10	2021	21	1	4	18	20
	2020	33	2	14	21	28
Series O	2021	736	2,538	1,085	2,189	1,481
	2020	565	786	615	736	491
Series T6	2021	2,369	286	597	2,058	2,237
	2020	2,766	350	747	2,369	2,587
Series T10	2021	19,517	1,302	3,592	17,227	18,245
	2020	22,775	1,585	4,843	19,517	21,098

Soft Dollar Commissions

See Generic Note 9

In addition to paying for the cost of brokerage services in respect to security transactions, commissions paid to certain brokers may also cover research services provided to the investment manager. The value of the research services included in the commissions paid by the Fund to those brokers are as follows:

For the period ended March 31, 2021 (\$)	For the period ended March 31, 2020 (\$)
6	10

Securities Lending

See Generic Note 10

For the periods ended March 31, 2021 and March 31, 2020, the Fund's securities lending income, net of withholding tax, was as follows:

	2021 (\$)	2020 (\$)
Gross securities lending income	23	140
Securities lending charges	(6)	(42)
Net securities lending income received by the Fund	17	98

During the period from April 1, 2020 to January 31, 2021, securities lending charges paid to the Fund's custodian, RBC Investor & Treasury Services, represented approximately 30% of the gross securities lending income. During the period from February 1, 2021 to March 31, 2021, securities lending charges paid to the Fund's custodian, CIBC Mellon Trust Company, represented approximately 18% of the gross securities lending income.

During the period ended March 31, 2020, securities lending charges paid to the Fund's custodian, RBC Investor & Treasury Services, represented approximately 30% of the gross securities lending income.

IA Clarington Dividend Growth Class

Supplemental Notes to Financial Statements - Fund Specific Information *(continued)*

March 31, 2021 (Generic Note 1b, in thousands of \$, except per share figures)

As at March 31, 2021 and March 31, 2020, the fair value of the loaned securities of the Fund included in the investments is as follows:

As at March 31, 2021

Aggregate Value of Securities on Loan (\$)	Aggregate Value of Collateral for Loan (\$)
82,208	86,324

As at March 31, 2020

Aggregate Value of Securities on Loan (\$)	Aggregate Value of Collateral for Loan (\$)
71,667	75,251

The collateral held for the loaned securities may consist of bonds, treasury bills, banker's acceptances and letters of credit.

Generic Notes to the Financial Statements

March 31, 2021

(also see Supplemental Notes to the Financial Statements - Fund Specific Information)

1. General Information

a) The Funds

The funds (the "Funds") are comprised of classes of shares of Clarington Sector Fund Inc., a mutual fund corporation ("CSFI" or the "Corporation"). IA Clarington Investments Inc. ("IA Clarington" or the "Manager") is the manager of the Funds. The Manager is a wholly-owned subsidiary of Industrial Alliance Insurance and Financial Services Inc. ("IA").

CSFI is authorized to issue an unlimited number of redeemable, restricted voting, convertible shares of various designated classes, and an unlimited number of common shares. Each designated class of shares has the right to be redeemed for its proportionate share of net assets attributable to holders of redeemable shares, allocated specifically to that class of shares. Each class of shares has a right of conversion to any other class of shares of CSFI.

The Funds invest primarily in different types of securities depending on their investments policies. Refer to the Schedule of Investment Portfolio specific to each fund for further details on their investments.

The Financial Statements are presented in Canadian dollars (CAD). The Canadian dollar is the Funds' functional and reporting currency.

These financial statements were authorized for issue by the Manager on June 03, 2021.

The address of the Funds' administrative office is 522 University Avenue, Suite 700, Toronto, Ontario, Canada, M5G 1Y7.

b) Financial reporting dates

The Statements of Financial Position are as at March 31, 2021 and March 31, 2020. The Statements of Comprehensive Income, the Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares and the Statements of Cash Flows are for the 12-month periods ended March 31, 2021 and March 31, 2020.

These financial statements only present the financial information of the Funds, which includes the shares of the Corporation as its own reporting entity. If the Corporation cannot satisfy its obligations related to other classes, it may be required to satisfy them using assets attributable to the Funds. The Manager believes that the risk of such cross-class liability is remote.

2. Basis of Presentation

These audited financial statements have been prepared in compliance with International Financial Reporting Standards by the International Accounting Standards Board ("IFRS").

3. Summary of Significant Accounting Policies

The significant accounting policies are as follows:

a) Significant judgments and assumptions

The preparation of financial statements requires the Manager to use judgment in applying its accounting policies and make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses during the reporting periods and complementary information. The most significant estimates and judgments include the fair value of financial instruments, the classification and measurements of investments and application of the fair value option.

The Funds hold financial instruments that are not quoted in active markets, including derivative financial instruments. Fair values of such instruments are determined using established valuation techniques. Actual results may differ from the Manager's best estimates. Estimates and assumptions are periodically reviewed according to changing facts and circumstances. Changes in assumptions could affect the reported fair values of financial instruments.

i) *Classification and Measurement of Investments*

In classifying and measuring financial instruments held by the Funds, the Manager is required to make significant judgments in determining the most appropriate classification in accordance with IFRS 9. IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit and loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Assessment and decision on the business model approach used is an accounting judgement.

b) Financial Instruments

i) *Classification of Financial Instruments*

The Funds initially recognize financial instruments at fair value, plus transaction costs in the case of financial instruments measured at amortized cost. Ongoing purchases and sales of financial assets are recognized at their trade date, with the exception of term loans which are recognized on their settlement date.

The Funds classify their investments (equity securities, investment funds and bonds), short-term investments, and derivative financial instruments at fair value through profit or loss.

The Funds' accounting policies for measuring the fair value of their investments and derivative financial instruments are identical to those used in measuring their Net Asset Value ("NAV") for transactions with shareholders.

The Funds' obligation for net assets attributable to holders of redeemable shares which are classified as an "other financial liability", is presented at the redemption amount, which approximates fair value. All other financial assets and liabilities are measured at amortized cost. Under this method, the financial assets and liabilities reflect the amount required to be received or paid, discounted when appropriate, at the contract's effective rates.

Generic Notes to the Financial Statements

March 31, 2021

(also see Supplemental Notes to the Financial Statements - Fund Specific Information)

As at March 31, 2021 and March 31, 2020, there were no differences between the Funds' net asset value per share for transactions and their net assets attributable to holders of redeemable shares per share in accordance with IFRS.

ii) *Fair Value Measurements*

Fair value is the price that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In circumstances where the last traded price for equities and the mid price for bonds is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances, and in cases where the last traded price has a traded volume lower than 100, the mid price is used.

iii) *Impairment of Financial Assets*

At each reporting period, the Funds assess whether the credit risk of a financial asset classified at amortized cost has increased significantly since the initial recognition and whether an expected credit loss needs to be recognized. To assess this, the funds compare the impairment risk of the financial instrument on the reporting date with the impairment risk on the initial recognition date. Considering the short-term nature of financial instruments at amortized cost, the Funds apply the simplified method to recognize expected credit losses. The amount recognized as expected credit loss corresponds to the expected shortfall in discounted cash flows over the lifetime of the financial instrument.

iv) *Derecognition*

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or the Funds have substantially transferred all risks and rewards of ownership. Financial liabilities at fair value through profit or loss are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

c) **Short Term Investments**

Short term investments consist of banker's acceptances, Treasury bills and bank guaranteed asset-backed commercial paper with maturities of less than one year at the acquisition date.

d) **Cash & Margin**

Cash is comprised of deposits with financial institutions.

A portion of the assets of a Fund which holds derivative financial instruments are held by broker as margin or collateral. There are no restrictions on these assets other than as set out in the Special Custody Agreements between the Fund, the Custodian and the broker. There is no impact on the Fund's Net Asset Value ("NAV") based on the holding.

e) **Income Recognition**

Dividend income is recorded on the ex-dividend date. Distributions from investment funds and income from income trusts are recognized on the distribution date. The latter income may include dividends, interest, capital gains and return of capital. The proceeds of distributions may be used to purchase additional units of the reference funds.

Interest for distribution purposes shown on the Statements of Comprehensive Income represents the coupon interest received by the fund accounted for on an accrual basis.

Realized gains or losses and unrealized appreciation and depreciation on investments are calculated on an average cost basis, without giving effect to transaction costs.

Gains or losses from daily valuation of derivative financial instruments are included in Derivative financial instruments: Net change in unrealized appreciation (depreciation) until the contracts are settled or expired. Realized gains or losses from settlement or expiration are included in Derivative financial instruments: Net realized gain (loss).

f) **Other Financial Assets and Liabilities**

All financial assets and liabilities of each Fund, other than investments, derivative financial instruments and each Fund's obligation for net assets attributable to holders of redeemable shares, are carried at amortized cost which approximates fair value due to their short term nature. Each Fund's obligation for net assets attributable to holders of redeemable shares is presented at the redemption amount which approximates fair value.

g) **Foreign Currency Translation**

The fair value of portfolio investments denominated in foreign currency, foreign currency holdings and other assets and liabilities are translated into the functional currency at the exchange rate applicable on the measurement date. Investment transactions, income and expenses are translated at the exchange rates on the dates of such transactions.

Foreign exchange gains and losses relating to cash are presented as "Foreign exchange gain (loss) on cash", and those relating to other financial assets and liabilities as well as realized and unrealized foreign currency gains or losses on investments or derivative financial instruments are presented within "Total other changes in fair value of investments and derivative financial instruments", in the Statements of Comprehensive Income.

h) **Foreign currency contracts**

Foreign currency contracts, if purchased or sold, are valued at the current market value thereof on the valuation date. The value of these currency contracts is the gain or loss that would be realized if, on the valuation date, the positions were to be closed out. It is reported in the Statement of Comprehensive Income and in the Statements of Financial Position. For spot contracts and when currency contracts are closed out or expire, realized gains or losses are recognized and are included in the Statements of Comprehensive Income. The Canadian dollar value of currency contracts is determined using currency contracts exchange rates supplied by an independent service provider.

The Funds may enter into currency contracts primarily with the intention to offset or reduce exchange rate risks associated with the investments and also, periodically, to enhance returns to the portfolio. Losses may arise due to a change in the value of the currency contracts or if the counterparty fails to perform under the contract.

i) **Expenses**

All expenses are recognized in the Statements of Comprehensive Income on the accrual basis.

Generic Notes to the Financial Statements

March 31, 2021

(also see Supplemental Notes to the Financial Statements - Fund Specific Information)

j) Net Assets Attributable to Holders of Redeemable Shares

Shares of the Funds are issued and redeemed at their NAV per Share. The NAV per Share is determined at the end of each day the Toronto Stock Exchange is open for trading. The NAV of a particular series of Shares of a Fund is computed by calculating the value of that series' proportionate share of the assets and liabilities of the Fund common to all series, less the liabilities of the Fund attributable only to that series. Income, non-series specific expenses, realized and unrealized gains (losses) of investments, and foreign currency and transaction costs are allocated proportionately to each series based upon the relative NAV of each series of the Fund. Expenses directly attributable to a series are charged directly to that series.

Redeemable shares can be redeemed at any time for cash equal to a proportionate share of the Fund's net asset value attributable to the share series. The redeemable shares are classified as financial liabilities and are measured at their redemption amount.

The increase (decrease) in net assets attributable to holders of redeemable shares per share reported in the Statement of Comprehensive Income represents the increase (decrease) in net assets attributable to holders of redeemable shares by series for the period, divided by the weighted average number of shares of the series outstanding during the period.

Dividends to holders of redeemable shares are recognized in the Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares.

k) Investments in Subsidiaries, Joint Ventures and Associates

In determining whether the Funds are an investment entity, the Manager may be required to make significant judgements about whether the Funds have the typical characteristics of an investment entity. An investment entity is an entity that may hold only one investment, an underlying fund, however, consistent with the investment entity definition, the Funds primarily obtains funds from one or more investors for the purpose of providing them with investment management services, commits to its investors that the business purpose is to invest the funds solely for returns from capital appreciation, investment income or both, and measures and evaluates the performance of its investments on a fair value basis.

The Funds have determined that they meet the definition of an investment entity and are required to account for investments in associates, joint ventures and subsidiaries at fair value through profit and loss.

Subsidiaries are all entities, including investments in other investment entities, over which a fund has control. A fund is deemed to control an entity when it has rights to or is entitled to variable returns from its involvement with the entity, and has the ability to affect those returns through its power over the entity. The Funds are investment entities and therefore account for investments in subsidiaries, if any, at fair value through profit and loss. The Funds also designate any investments in associates and joint ventures at fair value through profit and loss.

l) Transaction Costs

The transaction costs related to investments are expensed as incurred in the Statements of Comprehensive Income in the item line "Transaction costs". Transaction costs are incremental costs that are directly attributable to the acquisition, issuance or disposal of an investment, including fees and commissions paid to agents, advisors, brokers and dealers.

4. New Accounting Policies

On January 23, 2020, the IASB published an amendment to IAS-1 "Presentation of Financial Statements". The amendment concerns the classification of liabilities as current or non-current and only affects the presentation of liabilities in the statement of financial position, and not the amount or timing of recognition of any asset, liability income or expense, or the information that entities disclose about those items. The provisions of this amendment will apply retrospectively to financial statements beginning on or after January 1, 2022. Early adoption is permitted. The Company has evaluated this amendment and has determined that there is no impact on the Fund's financial statements.

5. Management of Financial Risks

a) Methods and Assumptions Used to Estimate Fair Values of Financial Instruments

Disclosures regarding financial instruments must be presented as a hierarchy that categorizes the inputs to valuation techniques used to value assets and liabilities at measurement date. The hierarchy gives the highest priority to readily available unadjusted quoted prices in active markets for identical assets or liabilities and lowest priority to unobserved inputs when market prices are not readily available or reliable. The three levels of the hierarchy are described below:

Level 1 - Valuation based on quoted prices in active markets (unadjusted) for identical assets or liabilities.

Level 2 - Valuation model based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Valuation model based on significant unobservable inputs that are supported by little or no market activity.

All fair value measurements in the Funds are recurring. The financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

Invested assets are accounted for using the methods described below and the hierarchy of financial instruments at fair value is disclosed in the Discussion of Financial Instrument Risk Management section of each Fund.

i) Equities

Each equity listed is valued at the close price reported on the principal securities exchange on which the issue is traded or, if no active market exists, the fair value is estimated using equity valuation methods, which analyze the fair value of the net asset, and other techniques that rely on comparisons with reference data, such as market indices. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

ii) Investments in Reference funds

Investments in reference funds are valued at fair value which generally corresponds to the NAV of the reference fund at the valuation date.

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iii) Bonds

Fixed-income investments, which include primarily government and corporate bonds, are valued on mid prices using independent pricing services, or by dealers who trade such securities. Pricing services consider yield or price of fixed-income securities of comparable quality, coupon, maturity and type as well as dealer supplied prices.

The par value and cost base of real return bonds are adjusted daily by the inflation adjustment. Interest is accrued on each valuation date based on the inflation adjusted to par at that time. The daily change in the inflation adjusted to par is recognized as income. At maturity, the bonds will pay their final coupon interest payment, plus the cumulative inflation compensation accrued from the original issue date.

Zero coupon bonds, residue bonds and some municipal bonds are valued using a matrix of yield curves. The yield curves are constructed using a benchmark and a spread. The benchmark is set to be a regular Canadian Government bond (or Québec bond for the municipal bond curves) with the same maturity. If the maturity of the benchmark is not the same as the bond to be valued, a linear interpolation is used. A price is calculated using the bond's yield and characteristics.

No efficient market has been developed for certain bonds. The Manager estimates the fair value of these investments according to a valuation model that it believes is appropriate under the circumstances. The valuation is modelled on an individual basis according to the category of reference assets, including traditional or synthetic assets.

iv) Valuation of Unlisted Securities and Other Investments

When the valuation principles of the aforementioned investments are not appropriate, fair value is determined according to the Manager's best estimates, based on established valuation procedures. These procedures cover, among others, securities no longer traded, securities issued by private corporations and illiquid securities. The fair value of these securities established for the purpose of calculating the Funds' net assets attributable to holders of redeemable shares may differ from the securities' most recent bid or ask price.

Equity investments consist of common shares, purchase warrants and preferred shares. The equity investments are valued based on the last round of financing, third party valuations, financial statements and liquidity discounts. Fixed income investments are valued at fair value based on operating results and financial condition of the company. The manager will assess the ability of the company to meet financial covenants, including the ability to make interest and principal payments, the need for further financing and the ability to cover the amount of the Fund's investment with the assets of the investee company. In addition to the range of valuation methods employed, a significant number of key assumptions used in the valuation of individual investments are specific to the investee company.

v) Short-term Investments

Short-term investments are accounted for at the mid rate using valuations based on a matrix system which considers such factors as security prices, yields and maturities of similar benchmarks.

For items 5i to 5v, the difference, if any, between the total fair value and the total cost of securities corresponds to Investments: Net change in unrealized appreciation (depreciation).

vi) Cash

Cash and Bank overdraft are accounted for at amortized cost.

vii) Derivative Financial Instruments

The fair value of currency contracts is based on a matrix of market forward quotes. The forward quotes are calculated with a linear interpolation. If the matrix is not available, current market quotes for the reference currencies are used.

Options, futures and swaps are marked-to-market on each valuation day according to the gain or loss that would be realized if the contracts were settled.

The difference between the fair value and cost of securities corresponds to Derivative financial instruments: Net change in unrealized appreciation (depreciation).

viii) Other information

If an investment security cannot be valued under the above criteria, or under any valuation criteria set out in securities legislation, or if any of the valuation criteria 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.

ix) Fair Value Pricing

For the purpose of calculating the NAV, the Funds use fair value pricing with a view to deter excessive short-term trading in the Funds and to mitigate market timing opportunities. Fair value pricing is designed to provide a more accurate NAV by making fair value factor adjustments to quoted or published prices of the non-North-American equities for significant events occurring between the earlier of close of non-North-American markets, and the time at which NAV is determined. Therefore, the fair value of equities for the purpose of calculating the NAV of the Funds may differ from the closing market price of the equities.

b) Financial Risks

A Fund's investment activities expose it to a variety of financial risks which may include: credit risk, concentration risk, liquidity risk and market risk (including interest rate risk, currency risk and price risk). The value of investments within a Fund's portfolio can fluctuate from day to day, reflecting changes in interest rates, economic conditions, market and company news related to specific securities within the Funds. The Schedule of Investment Portfolio presents securities by asset type, geographic region, and market segment. The level of risk depends on the Fund's investment objectives and strategy.

The Manager manages the potential adverse effects of financial risks on a Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitors the Fund's positions and market events and diversifies the investment portfolios, within the constraints of the investment guidelines.

A Fund's overall risk management practice involves oversight of investment activities and monitoring and testing of compliance with the Fund's investment strategy and securities regulations.

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Reference Fund Units

Some Funds can invest in units of other investment funds ("reference funds") whose investment policies permit investments in vehicles such as bonds, stocks or other fund units. Certain risk disclosure in the Discussion of Financial Instrument Risk Management section look through to the reference funds' information, if applicable. The manager of each reference fund is responsible for ensuring investments comply with the fund's investment policy. These investments are presented in the Schedule of Investment Portfolio.

i) *Credit Risk*

Credit risk is the risk that a Fund will sustain a financial loss if a counterparty or a debtor does not meet its commitments to the Fund. The maximum credit risk associated with financial instruments corresponds to the carrying value of the financial instruments presented in the Statements of Financial Position.

Credit risk can also occur when there is a concentration of investments in entities with similar characteristics or that operate in the same sector of activity or the same geographic region, or when a substantial investment is made with a single entity. Credit Risk is disclosed in the Discussion of Financial Instrument Risk Management of each Fund.

The Fund's investment strategies aim to limit this risk by ensuring sound diversification, by limiting exposure to a same issuer and by seeking a relatively high quality of issuers. The Funds invest in financial assets, which generally have an investment grade as rated by a well known rating agency. The fair value of debt instruments includes consideration of the creditworthiness of the issuer, and represents the maximum credit risk exposure of the Fund.

All transactions in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

ii) *Concentration Risk*

Concentration risk arises as a result of the concentration of exposures within the same category, whether due to geographical location, product type, industry sector or counterparty type and are affected similarly by changes in economic or other conditions. The Fund's investment strategies aim to limit this risk by ensuring sound diversification.

iii) *Liquidity Risk*

Liquidity risk is the risk that a Fund will encounter difficulty to respect its financial obligations at the appropriate time and under reasonable conditions. The Funds' exposure to liquidity risk is concentrated in the daily cash redemption of shares. Liquidity risk is managed by investing the majority of the Funds' assets in investments that are traded in an active market and can be readily disposed of. In addition, the Funds retain sufficient cash and short-term investments to maintain liquidity for the purpose of funding redemptions. Each Fund also has the ability to borrow up to 5% of its Net Asset Value for the purpose of funding redemptions.

Redeemable shares are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed in the Discussion of Financial Instrument Risk Management's section of each Fund will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer period.

Some Funds may invest in financial instruments that are not traded in active markets and may be illiquid. Such investments include private equity and bonds and are included in the Schedule of Investment Portfolio.

The recent international spread of COVID-19 has caused volatility and decline in global financial markets, as well as significant disruptions to global business activity, which have caused losses for investors. The impact of unanticipated market disruptions, including COVID-19, may cause exchanges to suspend trading and/or investment funds to suspend dealing (which could be for an extended period of time), may exacerbate pre-existing political, social or economic risk, and may disproportionately affect certain issuers, industries or types of securities. These impacts may have an effect on the performance of the Funds, the performance of the securities in which the Funds invest and may lead to an increase in the amount of redemptions experienced by the Funds, including redemptions by large investors. Each of these effects may lead to illiquidity and losses on your investment. Such unanticipated market disruptions, including COVID-19, may be short-term or may last for an extended period of time, and could have effects that cannot necessarily be presently foreseen. Even if general economic conditions do not change or improve, the value of an investment in a Fund could decline if the particular industries, sectors, companies or types of securities in which the Fund invests do not perform well or are adversely affected by such unanticipated events.

iv) *Market Risk*

a) *Interest Rate Risk*

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of interest-bearing financial instruments. The Funds are exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. There is minimal sensitivity to interest rate fluctuations on any cash or short-term investments since they are invested at short-term market interest rates and usually held to maturity. Interest Rate Risk is disclosed in the Discussion of Financial Instrument Risk Management of each Fund.

The Fund's investment strategies aim to limit this risk by ensuring sound diversification, by limiting exposure to a same issuer and by seeking a relatively high quality of issuers.

b) *Currency Risk*

Some Funds may invest in monetary and non-monetary assets denominated in currencies other than Canadian dollar. These investments result in currency risk, which is the risk that the fair value or future cash flows of the financial instrument will fluctuate because of changes in foreign exchange rates. The Funds may enter into foreign exchange forward contracts to reduce their foreign currency exposure. The sensitivity analysis is disclosed in the Discussion of Financial Instrument Risk Management of each Fund.

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c) Price Risk

Price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market. All investments present a risk of loss of capital. The Fund's portfolio advisor moderates this risk through a careful selection and diversification of securities and other financial instruments within the parameters of the Fund's investment objectives and strategies. Except for derivative financial instruments, the maximum risk resulting from financial instruments is equivalent to their fair value. The Fund's overall market positions are monitored on a daily basis by the Fund's portfolio advisor.

Details of the Fund's price sensitivity is disclosed in the Discussion of Financial Instrument Risk Management's section of each Fund.

Refer to the Discussion of Financial Instrument Risk Management for Funds specific risk disclosure.

c) Investments in Unconsolidated Structured Entities

Each Fund has determined that its investments in reference funds are investments in unconsolidated structured entities. Some Funds may invest in reference funds to achieve their investment objectives and apply various investment strategies to accomplish their objectives.

A Fund's investments in reference funds are susceptible to market price risk arising from uncertainty about future values of those reference funds.

A Fund's maximum exposure to loss from its interests in reference funds is equal to the total carrying value of its investments in reference funds.

d) Offsetting Financial Assets and Liabilities

Some Funds may invest in derivative financial instruments through an International Swaps and Derivatives Association's (ISDA) Master Agreement. This agreement requires guarantees by the counterparty or by the Funds. The amount of assets to pledge is based on changes in fair value of financial instruments. The fair value is monitored daily. The assets pledged by the Funds as collateral can consist of, but are not limited to cash, Treasury bills and Government of Canada bonds. The Funds may receive assets as collateral from the counterparty. According to the conditions set forth in the Credit Support Annex to the ISDA, the Funds may be authorized to sell or re-pledge the assets they receive. In addition, under the ISDA, the Funds have the right to offset in the event of default, insolvency, bankruptcy or other early termination.

6. Open currency contracts

The following is a list of abbreviations used in the Currency Contracts table which can be found in the Supplemental Notes to Financial Statements - Fund Specific Information and is applicable for a Fund who engages in Currency Contracts:

AUD - Australian Dollar; ARS - Argentine Peso; BMD - Bermudian Dollar; BRL - Brazilian Real; CAD - Canadian Dollar; CHF - Swiss Franc; CLP - Chile Peso; CNH - Chinese Yuan; CNY - Chinese Yuan; COP - Columbian Peso; CZK - Czech Koruna; DKK - Danish Krone; EGP - Egyptian Pound; EUR - Euro; GBP - British Pound; GHS - Ghanaian Cedi; HKD - Hong Kong Dollar; HUF - Hungarian Forint; IDR - Indonesian Rupiah; ILS - New Israeli Shekel; INR - Indian Rupee; JPY - Japanese Yen; KES - Kenya Shilling; KRW - South Korean Won; KZT - Kazakhstani Tenge; MXN - Mexico Peso; MYR - Malaysian Ringgit; NGN - Nigeria Naira; NOK - Norwegian Krone; NZD - New Zealand Dollar; PEN - Peruvian Sol; PHP - Philippine Peso; PLN - Polish Zloty; RON - Romanian Leu; RUB - Russian Ruble; SEK - Swedish Krona; SGD - Singapore Dollar; THB - Thai Baht; TRY - Turkey Lira; TWD - New Taiwan Dollar; USD - United States Dollar; UYU - Uruguayan Peso; ZAR - South African Rand.

7. Related Party Transactions

a) Management Fees

Each series of the Funds, except Series I, Series O and Series V, pays an annual management fee to the Manager which is calculated daily based on the daily NAV of each series and payable monthly in arrears plus applicable taxes, as disclosed in the Management Fees section of the Supplemental Notes to Financial Statements - Fund Specific Information.

Management fees for Series I, Series O, and Series V shares are negotiated and paid directly by the investor or the portfolio manager, not by the Fund. These fees will not exceed the Series A or Series T management fees of the Funds.

Management fees for Series P shares are paid directly by the investor, not by the Fund, and will not exceed the Series E management fees of that Fund. The Series P management fee is paid by a redemption of Series P shares held by the investor.

The Manager may reduce the effective management fee payable by some shareholders, by causing the Funds to make management fee dividends to these shareholders so that the effective management fee will equal a target rate.

All expense payable amounts located in the Statements of Financial Position, if any, are composed of Management Fees and Fixed Administration Fees which are related party transactions.

At its sole discretion, the Manager may waive management fees or absorb expenses of the Funds. Such waivers and absorptions can be terminated at any time, but can be expected to continue until such time as the Funds are of sufficient size to reasonably absorb all management fees and expenses incurred in their operation. Even where continued, the amount of waivers and absorptions can fluctuate from time to time.

b) Fixed Administration Fees and Operating Expenses

The Manager pays the operating expenses of each Fund, other than the "Fund Costs" (as defined below) (the "Operating Expenses"), in exchange for the payment by each Fund of an annual fixed rate administration fee (the "Administration Fee") with respect to each series of a Fund.

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The Administration Fee is equal to a specified percentage of the NAV of each series of a Fund, calculated and paid in the same manner as the management fees for such Fund. The Operating Expenses payable by the Manager include, but are not limited to, audit fees, fund accounting costs, transfer agency and recordkeeping costs, custodian costs, administration costs and trustee services relating to registered tax plans, costs of printing and disseminating prospectuses, annual information forms, fund facts and continuous disclosure materials, legal fees, investor communication costs and regulatory filing fees. The Manager is not obligated to pay any other expense, cost or fee, including those arising from new government or regulatory requirements relating to the foregoing expenses, costs and fees. Dealer compensation programs and any advertising, marketing and promotional costs are the responsibility of the Manager.

In addition to the Administration Fee, the Funds also pay certain expenses, "Fund Costs", which include fees, costs and expenses associated with all taxes, borrowing or interest, directors' fees, securityholder meetings, Independent Review Committee or other advisory committees, compliance with any governmental and regulatory requirements imposed commencing after June 20, 2013 (including relating to the Operating Expenses), and any new types of costs, expenses or fees not incurred prior to June 20, 2013, including arising from new government or regulatory requirements relating to the Operating Expenses or related to external services that were not commonly charged in the Canadian mutual fund industry as of June 20, 2013. The Manager may, in some years and in certain cases, pay a portion of a series' Administration Fee or Fund Costs. The decision to absorb the Administration Fee or Fund Costs, or a portion thereof, is reviewed annually and determined at the discretion of the Manager without notice to securityholders.

8. Redeemable Shares

Each Fund's redeemable shares is managed in accordance with its investment objectives, as outlined in the Fund's prospectus. Each Fund seeks to achieve its investment objectives, while managing liquidity in order to be able to meet redemptions. The Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares identifies the changes in each Fund's redeemable share during the periods.

The authorized redeemable shares of CSFI consists of an unlimited number of redeemable shares, restricted voting, convertible shares of various designated classes, each of which is a Fund, and an unlimited number of redeemable shares which do not constitute Funds.

Holder of shares of a series of CSFI have the right under the Corporation's Articles to require the Corporation to repurchase their shares at their current NAV.

Shares of each Fund are deemed to be a financial liability because of each Fund's multiple series structure and each series has non-identical features. The Funds' outstanding shares include a contractual obligation to distribute any net income and net realized capital gains annually (in cash at the request of the shareholder). The Funds' outstanding redeemable shares are classified as financial liabilities in accordance with the requirements of International Accounting Standard 32 Financial Instruments: Presentation.

The purchase and redemption charges to investors in Series A, Series M, Series T5, Series T6, Series T8, Series T10 and Series X shares of CSFI, differ depending on the purchase option. They can be charged either an upfront sales commission upon purchase that is payable to their dealer, or a redemption fee upon redemption that is payable to the Manager. The Manager also charges the Series a management fee.

Series E, Series E5, Series E6, Series EX, Series EX5 and Series EX6 shares are available to investors who invest at least \$100,000. The Manager also charges the Series a management fee.

Investors of Series EF, Series EF5, Series EF6, Series EFX, Series EFX6, Series F, Series F5, Series F6, Series F8, Series F10, Series FX and Series FX5 shares of CSFI do not pay sales commission upon purchase, nor redemption fees upon redemption. Investors pay an annual fee, the amount of which is negotiated with their dealer, to their dealer for investment advice and other services. For investors in Series L, Series L5, Series L6, Series L8, Series L10 and Series LM shares, their dealer may pay a redemption charge to the Manager. The Manager also charges the Series a management fee. Investors in Series I, Series O and Series V shares of CSFI do not pay sales commission upon purchase, nor redemption fees upon redemption. Investors negotiate a separate fee that is paid directly to the Manager. No management fees are charged to the Funds with respect to Series I, Series O and Series V Shares.

Series M shares are available to investors who invest at least \$15,000. The Manager also charges the Series a management fee. The management fees charged by the Manager to each Fund for all shares other than Series I, Series O and Series V shares are listed in the Supplemental Notes to Financial Statements - Fund Specific Information.

Series P, Series P5 and Series P6 shares are available to investors who invest at least \$100,000. Investors are charged a management fee based on the amount of their investment which are paid directly to the Manager. No management fees are charged to the Funds with respect to Series P, Series P5 and Series P6 shares.

A Fund may offer series which distribute monthly. Monthly dividends will generally consist of return of capital. Dividends can either be reinvested in additional shares or paid in cash.

9. Soft Dollar Commissions

In addition to paying for the cost of brokerage services in respect to security transactions, commissions paid to certain brokers may also cover research services provided to the investment manager. The value of the research services included in the commissions paid by the Funds to those brokers can be found in the Supplemental Notes to Financial Statements - Fund Specific Information.

10. Securities Lending

Certain Funds may enter into securities lending transactions. These transactions will be used in conjunction with other investment strategies in order to seek enhanced returns. The credit risk related to securities lending transactions is limited by the fact that the value of cash or securities held as collateral by the Funds in connection with these transactions is at least 105% of the fair value of loaned securities, except on loans for U.S. securities or global fixed-income securities, for which the applicable percentage will be 102%. This amount is deposited by the borrower with a lending agent until the underlying security has been returned to the Funds in order to provide for the risk of counterparty default or collateral deficiency. The fair value of the loaned securities is monitored on a daily basis with additional collateral obtained or refunded as the market values fluctuate. It is the Funds' practice to obtain a guarantee from the lending agent against counterparty default, including collateral deficiency. Income from securities lending is disclosed separately in the Statements of Comprehensive Income.

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11. Income Taxes

The Corporation's revenues, expenses, capital gains and capital losses, in connection with its investment portfolios and other items relevant to the Corporation, are considered when determining the income or loss of the Corporation as a whole.

The Corporation complies with the requirements of the Income Tax Act (Canada) to qualify as a mutual fund corporation. Accordingly, the corporation is subject to Part IV tax on the amount of taxable dividends received after the year 2016 from taxable Canadian corporations at a rate of 38 1/3%. The 38 1/3% tax will be refundable upon payment of the taxable dividends to shareholders at the rate of \$1 for each \$3 of such dividends paid. It is the intention of the Corporation to pay out all Canadian dividends it receives to its shareholders, as applicable, such that Part IV would not be paid. Interest and foreign dividends received are taxed at normal corporate rates subject to permitted deductions for expenses of the Corporation and applicable credits or deductions of foreign taxes paid.

The taxable portion of net capital gains realized by the Corporation is subject to tax at normal corporate rates, but taxes paid thereon are refundable to the Corporation. This tax is generally refundable when shares of the Corporation are redeemed or when the Corporation pays capital gains dividends within 60 days of its fiscal year-end. Where redemptions in a given year are not sufficient, it is the intention of the Manager to have the Corporation pay a sufficient capital gains dividend to eliminate this tax.

Income and capital taxes (if any) are allocated to each class of shares of the Corporation, as applicable, on a reasonable basis. As at the 2020 tax year end, the Corporation did not have any non-capital loss carry forwards or capital loss carry forwards for income tax purposes.

Pursuant to proposed changes to the Tax Act announced in the March 22, 2016 Federal Budget, effective January 1, 2017, a switch of shares of one Corporate Class Fund to shares of another Corporate Class Fund will be a disposition for tax purposes. Accordingly, capital gains and losses will be realized for tax purposes on such a switch. The cost of the shares received on such a switch will be equal to the fair market value of the shares that were switched.

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