

**IA CLARINGTON  
STRATEGIC INCOME FUND**

October 31, 2018

**Fund Performance (%)<sup>1</sup> – Series A**

1-month	3-month	Y-T-D	1-year	3-year	5-year	10-year	Since inception
-3.0	-2.8	-1.1	-0.8	4.8	4.2	-	6.0

**Calendar Year Returns (%)<sup>1</sup> – Series A**

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
-	-	-	-	9.1	12.3	7.6	-5.9	13.9	5.4

**Value of \$10,000 Investment<sup>1</sup> – Series A**

**What Does The Fund Invest In?**

The Fund seeks to provide a consistent stream of income and capital appreciation by investing primarily in Canadian equity and fixed income investments.

The Fund may invest up to 49% of its assets in foreign securities.

**Key Reasons to Invest**

- Flexible income-focused balanced fund that can adjust asset allocation as market conditions warrant. The manager's expertise in both equity and fixed income provides an unbiased asset allocation decision and the ability to assess relative value across the capital structure of a company
- Fixed income component includes high yield corporate bonds that may have lower interest rate sensitivity than one focused on investment grade bonds alone
- Rigorous & active investment process that focuses on safety of income and incorporates the manager's macro outlook

**Portfolio Manager**

**IA Clarington Investments Inc.**  
Dan Bastasic, CFA, MBA

Start date: Aug. 2011

**Fund Details**

**Fund Type:** Trust

**Size:** \$1.4 billion

**Inception Date:** Series A: Aug. 8, 2011

**NAV:** Series A: \$13.60  
Series T6: \$10.05  
Series T8: \$8.32

**MER\*:** Series A: 2.36%  
Series T6: 2.33%  
Series T8: 2.34%  
\*as at Mar. 31, 2018

**Risk Tolerance:**

**Distribution Frequency:**

Series A: Monthly, Variable  
Series T6: Monthly, Fixed  
Series T8: Monthly, Fixed

**Fund Codes (CCM)<sup>2</sup>**

Series	Front	Back	Low	Series	Fee-Based
A	3420	3421	3422	F	3423
E	3431	-	-	F6	3427
E6	3432	-	-	F8	1320
T6	3424	3425	3426		
T8	3428	3429	3430		

<sup>2</sup> Subject to all applicable approvals, on or about March 22, 2019, the IA Clarington Tactical Income Class, IA Clarington Strategic Income Class and IA Clarington Tactical Income Fund will merge into the IA Clarington Strategic Income Fund.

Distributions (\$/unit)	A	T6	T8
November 2017	0.047	0.050	0.067
December 2017	0.039	0.050	0.067
January 2018	0.011	0.050	0.067
February 2018	0.007	0.050	0.067
March 2018	0.015	0.050	0.067
April 2018	0.018	0.050	0.067

Distributions (\$/unit)	A	T6	T8
May 2018	0.020	0.050	0.067
June 2018	0.023	0.050	0.067
July 2018	0.015	0.050	0.067
August 2018	0.017	0.050	0.067
September 2018	0.016	0.050	0.067
October 2018	0.018	0.050	0.067

**IA Clarington Investments Inc.**

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## Asset Mix

<b>Equity</b>	<b>62.5%</b>
Canadian Equities	33.7%
U.S. Equities	20.4%
Income Trusts	4.7%
Foreign Equities	2.7%
Preferred Equities	1.0%
<b>Fixed Income</b>	<b>29.1%</b>
Canadian High Yield Corporate Bonds	20.4%
U.S. High Yield Corporate Bonds	3.7%
Foreign High Yield Corporate Bonds	2.1%
Canadian Investment Grade Corporate Bonds	2.1%
Convertible Bonds	0.5%
Foreign Investment Grade Corporate Bonds	0.3%
<b>Cash and Other</b>	<b>8.3%</b>
Cash and Other Net Assets	8.3%

## Geographic Allocation

Canada	61.8%
United States	24.8%
United Kingdom	4.2%
Africa	0.7%
Europe - Other	0.3%

## Credit Risk<sup>6</sup>

AAA	8.3%
A	0.6%
BBB	1.8%
BB	18.2%
B	7.1%
CCC	1.0%
Not rated	0.9%
Pfd-3	0.7%

## Top Equity Holdings

The Toronto-Dominion Bank	3.0%
Unilever NV	2.7%
Brookfield Asset Management Inc.	2.4%
Pfizer Inc.	2.4%
Merck & Co. Inc.	2.3%
Royal Bank of Canada	2.2%
Canadian Imperial Bank of Commerce	2.1%
Johnson & Johnson	1.8%
Eli Lilly and Co.	1.8%
Superior Plus Corp.	1.7%
<b>Total Allocation</b>	<b>22.5%</b>

## Equity Sector Allocation<sup>3</sup>

Financials	15.8%
Health Care	8.4%
Consumer Staples	7.4%
Utilities	7.0%
Energy	5.3%
Industrials	5.0%
Real Estate	3.3%
Consumer Discretionary	2.6%
Materials	1.4%
Information Technology	1.2%

## Top Fixed-Income Holdings

Chrysler Group Co./CG Co-Issuer Inc., 4.500%, 2020-04-15	1.5%
Superior Plus LP, 5.250%, 2024-02-27	1.4%
Norbord Inc., 6.250%, 2023-04-15	1.3%
Gibson Energy Inc., 5.250%, 2024-07-15	1.1%
Brookfield Residential Properties Inc., 6.125%, 2023-05-15	1.1%
Intertape Polymer Group Inc., 7.000%, 2026-10-15	1.0%
Sprint Corp., 7.250%, 2021-09-15	0.9%
Russel Metals, 6.000%, 2026-03-16	0.9%
Cascades Inc., 5.750%, 2023-07-15	0.9%
Parkland Fuel Corp., 6.000%, 2022-11-21	0.8%
<b>Total Allocation</b>	<b>11.0%</b>

<b>Total Number of Investments<sup>4</sup></b>	<b>100</b>
Fixed Income	48
Equity	52

<b>Portfolio Characteristics</b>	
Portfolio Yield	4.0%
Average Coupon	5.1%
Modified Duration	3.1 yrs
Average Term	4.1 yrs
Average Credit Quality <sup>5</sup>	BBB

<sup>1</sup> On August 8, 2011, the sub-advisor changed. This change may have affected the Fund's performance. <sup>3</sup> Excludes applicable sector allocations of investment funds not managed by IA Clarington Investments Inc. <sup>4</sup> Excludes Cash and Other Net Assets and applicable investment funds not managed by IA Clarington Investments Inc. <sup>5</sup> Cash is included in the Average Credit Quality. <sup>6</sup> Credit quality of debt instruments of the Fund through direct holdings and/or underlying funds. Credit ratings obtained from DBRS, Standard & Poor's or Moody's. DBRS rating or equivalent is presented.

Commissions, trailing commissions, management fees, brokerage fees and expenses all may be associated with mutual fund investments, including investments in exchange-traded series of mutual funds. Please read the prospectus before investing. Indicated rates of return include changes in share or unit value and reinvestment of all dividends or distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Returns for time periods of more than one year are historical annual compounded total returns while returns for time periods of one year or less are cumulative figures and are not annualized. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. The compound growth chart is used only to illustrate the effects of a compound growth rate and is not intended to reflect future values or returns of the Fund. Performance data is not presented for a Fund that has been distributing securities for less than 12 consecutive months. For an existing mutual fund where one or more of its Series have existed for less than 12 consecutive months ("new series"), performance data specific to each new series is not shown. The performance data of different series may differ for a number of reasons, including but not limited to the different fee structures. Where a material merger has occurred, performance is measured from the date of the merger (Performance Start Date or PSD). The payment of distributions and distribution breakdown, if applicable, is not guaranteed and may fluctuate. The payment of distributions should not be confused with a Fund's performance, rate of return, or yield. If distributions paid by the Fund are greater than the performance of the Fund, then your original investment will shrink. Distributions paid as a result of capital gains realized by a Fund and income and dividends earned by a Fund are taxable in your hands in the year they are paid. Your adjusted cost base will be reduced by the amount of any returns of capital. If your adjusted cost base goes below zero, then you will have to pay capital gains tax on the amount below zero. A mutual fund's "yield" refers to income generated by securities held in the fund's portfolio and does not represent the return of or level of income paid out by the fund. The "Portfolio Yield" characteristic listed in the fund profile refers to the yield of the Fund as a whole, not that of each series of the Fund. Please refer to the prospectus for details and descriptions of the different series offered by the Fund. Securities denominated in U.S. dollars may not be held in Registered Plans, other than in a TFSA. The IA Clarington Funds are managed by IA Clarington Investments Inc. IA Clarington and the IA Clarington logo are trademarks of Industrial Alliance Insurance and Financial Services Inc. and are used under license.

<sup>4</sup>If applicable, the reduced MER (est.) is estimated based on the reduced management fee and administration fee effective October 22, 2018 plus IRC and Director fees (where applicable). The MER (est.) also includes a portion of underlying funds' MER (mutual funds & ETFs), where applicable, based on the asset mix of the Fund on March 31, 2018 and a blended HST rate for the year ended March 31, 2018. The HST rate and asset mix of the Fund will change. The new fees will not be fully reflected in the fund's published MER until the semi-annual MER for the period ended September 30, 2019.