

# IA Clarington Target Click 2025 Fund

## Series A and F Units

### Interim Management Report of Fund Performance

September 30, 2023

This interim management report of fund performance contains financial highlights but does not contain either the interim financial report or annual financial statements of the investment fund. You can get a copy of the interim financial report or annual financial statements at your request, and at no cost, by calling 1-800-530-0204, by writing to us at 522 University Avenue, Suite 700, Toronto, ON M5G 1Y7, or by visiting our website at [www.iaclarington.com](http://www.iaclarington.com) or SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

Securityholders may also contact us using one of these methods to request a copy of the investment fund's interim financial report, proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

## Management Discussion of Fund Performance

The management discussion of fund performance for IA Clarington Target Click 2025 Fund (the "Fund") represents management's view of the significant factors and developments affecting the Fund's performance and outlook for the 6-month period ended September 30, 2023. IA Clarington Investments Inc. is the manager (the "Manager") of the Fund.

The Fund's Portfolio Manager is iA Global Asset Management Inc. ("iAGAM" or the "Portfolio Manager" or the "fund manager").

The Fund is closed to new investors. Investors who currently hold these series may purchase additional units.

## Results of Operations

The Fund's Net Assets decreased by 6.5% or \$2.1 million during the period, from \$32.5 million on March 31, 2023 to \$30.4 million on September 30, 2023. This change in Net Assets resulted from a decrease of \$2 million due to net redemptions, and a decrease of \$0.1 million due to investment operations, including market volatility, income and expense.

The average Net Asset Value of the Fund decreased by 6.8% or \$2.3 million in comparison to the prior period, from \$33.7 million to \$31.4 million. Average Net Asset Value influence revenue earned and expenses incurred by the Fund during the period.

Series A units of the Fund returned -0.2% for the six-month period ending September 30, 2023. The performance of the other series of the Fund is substantially similar, save for differences in fees and expense structure. Refer to the "Past Performance" section for performance information of each series.

The Fund's broad-based benchmark, the FTSE Canada All Government Bond Index, returned -5.4% for the same six-month period. The comparison to this broad-based index has been provided to help you understand the Fund's performance relative to the general performance of the Canadian bond market. The Fund's benchmark, which is composed of the 90% FTSE Canada All Government Bond Index, 10% MSCI World Index<sup>A</sup> (CAD), returned -4.6% for the same period. This comparison to Fund performance is more useful, because it more closely reflects the asset classes in which the Fund invests. The Fund's return calculation for all series includes fees and expenses, which are not applicable in generating a return for the benchmark.

The global economy surpassed forecasters' estimates and global markets have gradually turned more optimistic throughout the year, amid the dominant narrative that a recession can be avoided. Above-average inflation in food, gasoline, healthcare and shelter costs will inevitably lead to more consumer spending in nominal terms and fewer goods and services changing hands, which may lead to additional challenges to gross domestic product growth (Gross domestic product of GDP is the total dollar value of all goods and services a country produces over a specific time period).

The U.S. economy has remained stronger than expected and, despite some concern, there is recognition that certain data points are starting to show encouraging signs.

Canada's immigration policy has made its economy one of the most resilient among developed countries. Its current population growth rate is 3.1% year-over-year, the fastest pace since the baby boom of the 1950s and 1960s, which is almost entirely from international migration. This is, however, exacerbating some problems such as high housing costs, making it increasingly difficult for the Bank of Canada to fight inflation.

China's economic growth has disappointed since the economy reopened in January, and it has become evident that Chinese authorities appear more interested in implementing structural reforms than reaching aggressive short-term growth targets.

The European Central Bank has been dealing with persistent inflation that has fueled wage growth, while its main economic engine, Germany, may already be in a recession.

For the six months ended September 30, 2023, the S&P/TSX Composite Index, representing the Canadian equity market, returned -1.1%, with only the energy, healthcare and information technology sectors posting positive returns. Its U.S. counterpart, the S&P 500 Index, returned 5.1% (in Canadian dollars), led by the communication services, energy and information technology sectors. On the international equity front, The MSCI World Index and MSCI EAFE Index returned 3.0% and -1.4%, respectively, over the last six months in Canadian dollar terms.

In fixed-income markets, the FTSE Canada Universe Bond Index declined over the last two quarters. Rising interest rates affected longer-term bonds more significantly during the period, with the FTSE Canada Long Term Bond Index returning -8.9% compared to -0.9% for the FTSE Canada Short Term Bond Index.

Within equities, security selection contributed to performance over the past six months, as its only underlying equity fund, IA Clarington Global Equity Exposure Fund, outperformed on a relative basis during the period.

Similarly, security selection within the Fund's fixed-income sleeve contributed to performance, as the Fund is nearly fully invested in Ontario zero-coupon bonds, maturing in 2025, which performed better on a relative basis, as interest rates increased significantly during the period. This is due to their relatively lower duration (sensitivity to interest rates) and the inverse relationship between bond prices and interest rates. A Zero-coupon bond is a debt security that does not pay interest but instead trades at a deep discount, rendering a profit at maturity, when the bond is redeemed for its full face value.

Overall, the Fund's asset allocation detracted from relative performance. The Fund's underweight position in global equities detracted from performance, as equities outperformed fixed income during the period.

In order to honour its guarantees, the Fund is almost fully invested in zero-coupon bonds maturing in 2025. The remaining portion of the Fund is invested in a global equity fund and Treasury bills. The Fund's investment in global equities was reduced as part of a natural shift in the portfolio composition to be better positioned to honour its guarantees for 2025.

New positions in the Fund included Canadian T-Bill zero-coupon bonds to replace other short-term instruments that had reached maturity during the past few months.

Decreased positions included IA Clarington Global Equity Exposure Fund, which was trimmed to shift the Fund's composition towards more provincial zero-coupon fixed-income securities maturing in 2025.

Eliminated positions included Canadian T-Bills that reached maturity in April 2023.

## Recent Developments

In the fund manager's view, the current economic conditions remain uncertain. The effects of historic monetary policy tightening will continue to work through the global economy and affect consumers and corporations alike. The fund manager expects these risks to remain over 2024. Monetary tightening refers to a central

# IA Clarington Target Click 2025 Fund

September 30, 2023

bank policy that seeks to dampen inflationary pressures by reducing access to credit through higher interest rates.

Effective April 1, 2023, the Portfolio Manager changed from Industrial Alliance Investment Management Inc. to iA Global Asset Management Inc.

## Related Party Transactions

The Portfolio Manager is affiliated with the Manager as they are both under common control of Industrial Alliance Insurance and Financial Services Inc. ("Industrial Alliance").

For the provision of management services, the Manager received management fees from the Fund, based on the average Net Asset Values of the respective series. The management fees paid are disclosed in the financial statements.

The Manager paid the operating expenses of the Fund (the "Operating Expenses") in exchange for the payment by the Fund of a fixed rate administration fee (the "Administration Fee") to the Manager with respect to each series of the Fund, except for Series I and Series V, if applicable.

The Manager pays the operating expenses of the Fund, other than Fund Costs, in exchange for the payment by the Fund of a fixed rate administration fee (the "Administration Fee") to the Manager with respect to each series of the Fund, except for Series I and Series V, if applicable. The expenses charged to the Fund in respect of the Administration Fee are disclosed in the Fund's financial statements. The Administration Fee is equal to a specified percentage of the net asset value of a series, calculated and paid in the same manner as the management fees for the Fund. The Fund's most recent simplified prospectus contains further details about the Administration Fee.

In addition to the Administration Fee, each series of the Fund is responsible for its proportionate share of certain other operating expenses ("Fund Costs"). Further details about Fund Costs can be found in the Fund's most recent simplified prospectus. The Manager, at its sole discretion, may waive or absorb a portion of a series' expenses. These waivers or absorptions may be terminated at any time without notice.

During the 6-month period ended September 30, 2023, the Fund did not pay brokerage commissions to iA Private Wealth Inc.

In order to avoid duplication of management fees, if a Fund invests directly in a Reference Fund managed by IA Clarington or an affiliate it may purchase Series I Securities (or the equivalent) of the Reference Fund and will not be charged a management fee or a fixed expense charge in respect of those securities. Alternatively, if Series I Securities (or the equivalent) are not purchased in these circumstances, we make sure that there is no duplication of management fees. In addition, if a Fund invests in another mutual fund, it will not pay duplicate sales charges or redemption fees with respect to the purchase or redemption by it of securities in the Reference Fund.

Certain of the Funds have established or may establish standard broker-dealer agreements with iA Private Wealth Inc., a subsidiary of Industrial Alliance and related company. Pursuant to applicable securities legislation, the Funds may rely on the standing instructions from the IRC with respect to one or more of the following transactions:

(a) trades in securities of iA Financial Corporation Inc.;

(b) investments in securities of issuers during, or for 60 days after, the period in which a related party dealer acts as an underwriter in the distribution of such securities;

(c) purchases or sales of securities of an issuer from or to another investment fund managed by IA Clarington.

The applicable standing instructions require that the above activities be conducted in accordance with IA Clarington policy and that IA Clarington advise the IRC of a material breach of any standing instruction. IA Clarington policy requires that an investment decision represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Funds.

## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the periods indicated. The information in the following tables is based on prescribed regulations and as a result, is not expected to add down due to the increase (decrease) in net assets from operations being based on average units outstanding during the period and all other numbers being based on actual units outstanding at the relevant point in time. Footnotes for the tables are found at the end of the Financial Highlights section.

The Fund's Net Assets per Unit (\$)¹						
Series A	09/30 2023	03/31 2023	03/31 2022	03/31 2021	03/31 2020	03/31 2019
Net Assets, beginning of period	15.99	16.08	16.91	16.50	16.04	15.57
<b>Increase (decrease) from operations:</b>						
Total revenue	0.27	0.55	0.59	0.57	0.65	0.46
Total expenses (excluding distributions)	(0.02)	(0.11)	(0.33)	(0.36)	(0.41)	(0.39)
Realized gains (losses) for the period	(0.05)	(0.01)	0.23	0.18	0.29	0.15
Unrealized gains (losses) for the period	(0.23)	(0.55)	(1.27)	0.08	(0.06)	0.17
<b>Total increase (decrease) from operations²</b>	<b>(0.03)</b>	<b>(0.12)</b>	<b>(0.78)</b>	<b>0.47</b>	<b>0.47</b>	<b>0.39</b>
<b>Distributions:</b>						
From net investment income (excluding dividends)	-	(0.35)	(0.23)	(0.21)	(0.21)	(0.12)
From dividends <sup>4</sup>	-	-	-	-	-	-
From capital gains	-	-	-	-	-	(0.37)
Return of capital	-	(0.04)	-	-	-	-
<b>Total distributions³</b>	<b>-</b>	<b>(0.39)</b>	<b>(0.23)</b>	<b>(0.21)</b>	<b>(0.21)</b>	<b>(0.49)</b>
<b>Net Assets, end of period</b>	<b>15.96</b>	<b>15.99</b>	<b>16.08</b>	<b>16.91</b>	<b>16.50</b>	<b>16.04</b>

The Fund's Net Assets per Unit (\$)¹						
Series F	09/30 2023	03/31 2023	03/31 2022	03/31 2021	03/31 2020	03/31 2019
Net Assets, beginning of period	19.58	19.64	20.47	19.79	19.02	18.24
<b>Increase (decrease) from operations:</b>						
Total revenue	0.33	0.68	0.72	0.70	0.76	0.54
Total expenses (excluding distributions)	(0.02)	(0.08)	(0.22)	(0.24)	(0.26)	(0.24)
Realized gains (losses) for the period	(0.07)	(0.01)	0.28	0.23	0.34	0.17
Unrealized gains (losses) for the period	(0.28)	(0.49)	(1.59)	(0.01)	(0.06)	0.08
<b>Total increase (decrease) from operations²</b>	<b>(0.04)</b>	<b>0.10</b>	<b>(0.81)</b>	<b>0.68</b>	<b>0.78</b>	<b>0.55</b>
<b>Distributions:</b>						
From net investment income (excluding dividends)	-	(0.42)	(0.50)	(0.44)	(0.54)	(0.53)
From dividends <sup>4</sup>	-	-	-	-	-	-
From capital gains	-	-	-	-	-	(0.56)
Return of capital	-	(0.03)	-	-	-	-
<b>Total distributions³</b>	<b>-</b>	<b>(0.45)</b>	<b>(0.50)</b>	<b>(0.44)</b>	<b>(0.54)</b>	<b>(1.09)</b>
<b>Net Assets, end of period</b>	<b>19.55</b>	<b>19.58</b>	<b>19.64</b>	<b>20.47</b>	<b>19.79</b>	<b>19.02</b>

# IA Clarington Target Click 2025 Fund

September 30, 2023

- The per unit data is derived from the Fund's audited annual financial statements for prior periods, and from the interim unaudited semi-annual financial statements for the current period ended September 30, 2023. The Fund's financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS"). Under IFRS, the Net Assets per unit presented in the financial statements is the same as the Net Asset Value calculated for fund pricing purposes.
- Net Assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.
- Distributions were paid in cash/reinvested in additional units of the Fund, or both.
- Dividends qualified for Canadian dividend tax credit, when applicable.

Ratios and Supplemental Data						
Series A	09/30 2023	03/31 2023	03/31 2022	03/31 2021	03/31 2020	03/31 2019
Total NAV (\$) (000's) <sup>1</sup>	28,580	30,644	35,424	45,840	52,739	64,478
Number of units outstanding (000's) <sup>1</sup>	1,790	1,916	2,203	2,711	3,196	4,020
Management expense ratio (%) <sup>2,3</sup>	0.22	0.72	1.99	2.13	2.50	2.52
Management expense ratio before waivers or absorptions (%) <sup>2,3,4</sup>	1.83	1.87	1.99	2.13	2.50	2.52
Trading expense ratio (%) <sup>5</sup>	-	-	-	-	-	0.01
Portfolio turnover rate (%) <sup>6</sup>	-	-	0.35	1.99	-	0.43
NAV per unit (\$)¹	15.96	15.99	16.08	16.91	16.50	16.04

Ratios and Supplemental Data						
Series F	09/30 2023	03/31 2023	03/31 2022	03/31 2021	03/31 2020	03/31 2019
Total NAV (\$) (000's) <sup>1</sup>	1,813	1,814	891	1,058	1,027	1,348
Number of units outstanding (000's) <sup>1</sup>	93	93	45	52	52	71
Management expense ratio (%) <sup>2,3</sup>	0.22	0.44	1.10	1.17	1.34	1.33
Management expense ratio before waivers or absorptions (%) <sup>2,3,4</sup>	1.02	1.04	1.10	1.17	1.34	1.33
Trading expense ratio (%) <sup>5</sup>	-	-	-	-	-	0.01
Portfolio turnover rate (%) <sup>6</sup>	-	-	0.35	1.99	-	0.43
NAV per unit (\$)¹	19.55	19.58	19.64	20.47	19.79	19.02

- This information is provided as at each period shown.
- Management expense ratios are based on total expenses (excluding distributions, commissions, withholding taxes and other portfolio transaction costs) and a proportion of underlying fund expenses (mutual funds & ETFs), where applicable, of each series for the stated period and are expressed as an annualized percentage of each series' daily average NAV during the period.
- The annual Management Fees and Fixed Administration Fees, excluding HST, for the Fund were 1.81% for Series A and 1.00% for Series F.
- At its sole discretion, the Manager may have waived management fees or absorbed expenses of the Fund.
- The trading expense ratio represents total commissions incurred directly or indirectly by way of an underlying fund, as applicable, and other portfolio transaction costs expressed as an annualized percentage of the Fund's daily average NAV during the period.
- The Fund's portfolio turnover rate indicates how actively the fund manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship or correlation between a high turnover rate and the performance of a Fund. The value of any trades to realign the Fund's portfolio after a fund merger, if any, is excluded from the portfolio turnover rate.

## Management Fees

Management fees paid by the Fund per series are based on applying the annual management fee rate per series to the daily average NAV of each series and are recorded on an accrual basis.

The following is a breakdown of major services received by the Fund in consideration of the management fees for the period, as a percentage of the management fee:

Management Fees (%)		
Series	Trailer commissions	Other
Series A		
FE	-	100
LL First 3 years	-	100
LL After 3 years	-	100
DSC First 7 years	-	100
DSC After 7 years	-	100
Series F	-	100

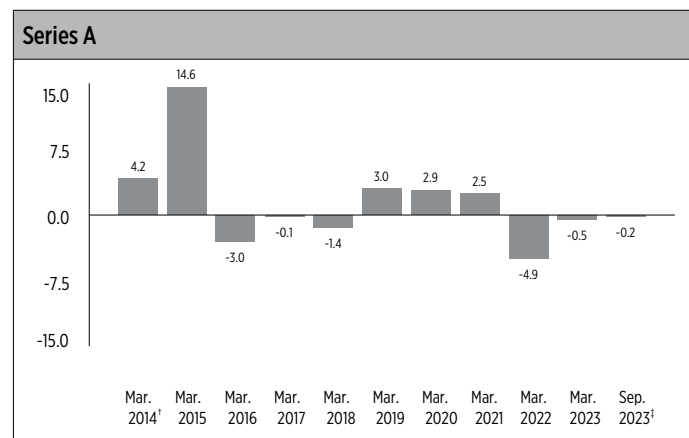
FE - front end; LL - low load; DSC - deferred sales charge; ASC - advisor service charge  
Other - includes general administration, investment advice and profit.

## Past Performance

The performance information shown (based on NAV) assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. The performance information does not take into account sales, redemption, distribution or other optional charges, or income taxes payable by any investor that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

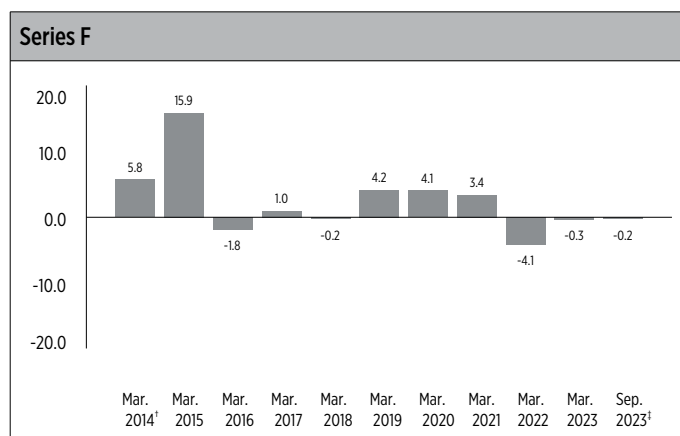
### Year-by-Year Returns

The bar charts show the Fund's performance for each of the periods indicated. The charts show, in percentage terms, how an investment made on the first day of each period would have increased or decreased by the last day of the period presented.



# IA Clarington Target Click 2025 Fund

September 30, 2023



† Return shown is for the 15-month period ended March 31, 2014.

‡ Return shown is for the 6-month period ended September 30, 2023.

## Summary of Investment Portfolio

As at September 30, 2023

The summary of investment portfolio shown, as a percentage of total NAV, may change due to ongoing portfolio transactions of the Fund and a quarterly update is available on the Manager's website. If the Fund invested in one or more mutual funds, the sector allocation chart shows the Fund's proportionate allocation of the reference funds' investments and where applicable, the Fund's direct investments.

Sector Allocation	%
Provincial Bonds and Guarantees	99.08
Short-Term Investments	0.17
Federal Government Bonds	0.14
Futures	(0.01)
Cash and Other Net Assets	0.62
	<b>100.00</b>

The top positions held by the Fund (up to 25) as shown as a percentage of the total NAV:

Top Holdings	%
Province of Ontario, Zero Coupon, 0.000%, 2025-06-02	99.08
Cash and Other Net Assets	0.52
IA Clarington Global Equity Exposure Fund	0.23
Government of Canada, Treasury Bill, 4.936%, 2023-10-12	0.17

You can obtain the prospectus and other information on the investment funds in which the Fund invests, if any, at [www.sedarplus.ca](http://www.sedarplus.ca) (for Canadian investment funds) and [www.sec.gov/edgar](http://www.sec.gov/edgar) (for U.S. investment funds).

^ Source: MSCI Inc. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed, or produced by MSCI.

# IA Clarington Target Click 2025 Fund

September 30, 2023

## Forward-Looking Statements

This management report of fund performance may contain forward-looking statements which reflect the current expectations of the Manager (or, where indicated, the Portfolio Manager or Portfolio Sub-Advisor or fund manager) regarding the Fund's future growth, results of operations, performance and business prospects and opportunities. These statements reflect the current beliefs of the person to which the statements are attributed with respect to future events and are based on information currently available to that person. Forward looking statements involve significant risks, uncertainties and assumptions. Many factors could cause the Fund's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. These factors could include, among other things, general economic, political and market factors, including interest and foreign exchange rates, business competition, changes in government regulations or in tax laws. Please refer to the prospectus for a discussion of some specific risks that are associated with mutual funds. Although the forward-looking statements contained in this report are based upon what management currently believes to be reasonable assumptions, the Manager cannot assure current or prospective investors that actual results, performance or achievements will be consistent with these forward-looking statements.

IA CLARINGTON INVESTMENTS INC.

Administrative Office: 522 University Avenue, Suite 700 • Toronto, Ontario • M5G 1Y7 • 1 800 530-0204  
Head Office: 1080 Grande Allée West • PO Box 1907, Station Terminus • Québec City, Québec • G1K 7M3

email: [funds@iaclarington.com](mailto:funds@iaclarington.com) • [www.iaclarington.com](http://www.iaclarington.com)

