



# You don't need a protest sign to be an activist investor.

AN INVESTMENT STRATEGY DESIGNED TO CAPITALIZE  
ON INVESTMENT EVENTS DRIVEN BY ACTIVIST INVESTORS.

## Activist Investor

(noun)

Attempts to produce a positive change in a targeted company through:

1. The restructuring of a Board of Directors
2. The return of excess cash through dividends or a share buy-back
3. The spin-off of weak business segments and the focus on profitability

The effort often results in an increase in shareholder value.

### ACCESS TO AN ACTIVIST STRATEGY

Introducing the IA Clarington Sarbit Activist Opportunities Class managed by Larry Sarbit, an experienced portfolio manager with over 30 years of industry experience. Offering an investment strategy designed to follow in the footsteps of activist investors with all the familiar characteristics of a mutual fund.

- Larry Sarbit has a successful track record in managing North American equities
- The fund's investment approach seeks to generate returns which are not correlated to the broad market, providing diversification benefits for Canadian investors

**IA Clarington Sarbit  
U.S. Equity Fund**

**19.7**  
1 Year

**16.2**  
3 Year

**15.1**  
PSD<sup>1</sup>

### Larry Sarbit's investable landscape

- Sarbit invests in companies where an activist investor has disclosed an intention to change or influence the management or control of the company. In the U.S., publicly available 13D filings are made by investors who acquire over 5% of a company's stock and intend to influence management.
- Sarbit also considers companies where significant, disclosed trading activity has occurred by management and other insiders.

### (fig. 1) Board room shake-up driven by an activist led to compelling results

At CP Railway, a board room shake-up led by activist shareholder Bill Ackman of Pershing Square Capital Management, produced an immediate positive change.

Since their involvement, the following have taken place:

- A restructuring of management
- An improvement in the company's operating earnings ratio
- A forecast of higher earnings

## ACTIVISTS OFTEN PRODUCE A POSITIVE CHANGE IN A TARGETED COMPANY

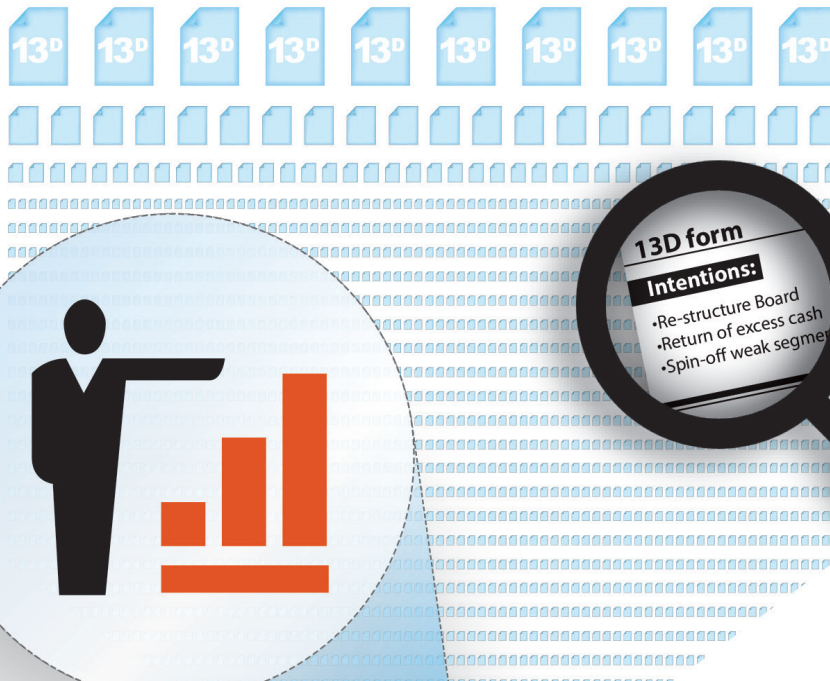
(a.)

Activist Investor acquires at least 5% of company.



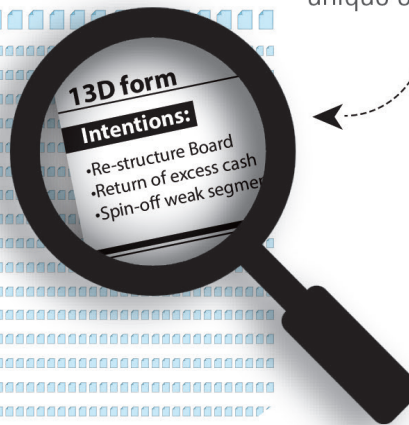
(b.)

By law Activist Investors must state their intentions.



(c.)

Sarbit sifts through thousands of 13D forms searching for unique opportunities.



(d.)

Sarbit chooses 15-25 of the very best.



IA Clarington Sarbit  
**Activist Opportunities**  
Class

For illustrative purposes only.

## **We are iA Clarington. And we will be invested in you.**

As one of Canada's leading investment management companies, iA Clarington brings clarity, integrity and commitment to a complicated global investment landscape. We believe passionately in the value of active management, the investment products we deliver, and the importance of maintaining unwavering attention to both the big picture and the smallest details. Home to a number of highly respected portfolio management teams, together, we earn the trust of advisors and investors by bringing diverse investment views forward through our broad selection of offerings.

As a wholly owned subsidiary of Industrial Alliance Insurance and Financial Services Inc. – Canada's fourth-largest life and health insurance company – iA Clarington offers a wide range of investment products, including actively managed mutual funds, managed portfolio solutions, socially responsible investments and target date funds.



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<sup>1</sup> IA Clarington Sarbit U.S. Equity Fund – Series A performance start date June 5, 2009. Nothing in this material should be considered a recommendation to buy or sell a particular security. Specific company examples are based on historical events, included for illustrative purposes only and should not be viewed as an indication of current or intended holdings of the funds described within. Details from the specified academic study presented within are based on historical events, are included for illustrative purposes only and do not represent the performance of any particular investment fund or security. iA Clarington makes no representation that future performance will conform to past performance and it should never be assumed that past performance foretells future performance. The statements by the portfolio manager in the foregoing are intended to illustrate their approach in managing the funds, do not necessarily reflect the views of IA Clarington Investments Inc., and should not be relied upon for any other purpose. Any statement contained herein that pertains to the future presents the portfolio manager's current view regarding future events, and is included for the purpose of illustrating the portfolio manager's investment strategy, current beliefs and positioning of the portfolio. Actual future events may differ from these views. Neither iA Clarington nor the portfolio manager undertakes any obligation to update this information. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The 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 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.

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