

# Simplified Prospectus

August 3, 2022



**MAPLE LEAF CORPORATE FUNDS LTD.**

Offering Series A shares of

## **MAPLE LEAF RESOURCE CLASS**

*Shares of the Maple Leaf Resource Class are available to certain limited partnerships and former limited partners of certain limited partnerships in exchange for assets which are suitable investments for the Fund. Shares of the Fund are also available to other investors. For these other investors, it is recommended that shares should only be purchased through registered plans.*

*No securities regulatory authority has expressed an opinion about the merits of the shares of the Fund and it is an offence to claim otherwise. The Fund and the shares of the Fund offered under this Simplified Prospectus are not registered with the United States Securities and Exchange Commission, and are sold in the United States only in reliance on exemptions from registration.*

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## Introduction

In this Simplified Prospectus,

- “**we**”, “**us**”, “**our**” and the “**Corporation**” refers to Maple Leaf Corporate Funds Ltd.,
- “**Fund**” refers to Maple Leaf Resource Class,
- “**CADO**” or the “**Manager**” refers to CADO Investment Fund Management Inc., the manager of the Fund,
- “**Portfolio Adviser**” refers to Backer Wealth Management Inc.,
- “**you**” or “**your**” refers to an investor, and
- unless otherwise specified, the term “**shares**” means the special shares of the Fund and the term “**shareholders**” means the holders of the special shares.

This Simplified Prospectus contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor. This document is divided into two parts. The first part, called “Part A: General Information about Mutual Funds and the Fund”, from pages 4 to 21, contains general information applicable to the Fund. The second part, called “Part B: Specific Information about the Maple Leaf Resource Class” from pages 22 to 28, contains specific information about the Fund.

Additional information about the Fund is available in the Annual Information Form, the most recently filed Fund Facts, the most recently filed annual financial statements, any interim financial report filed after those annual financial statements, the most recently filed annual management report of fund performance, and any interim management report of fund performance filed after that annual management report of fund performance. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as part of it. You can get a copy of these documents, at your request, and at no cost, by contacting the Manager by telephone, toll-free, at 1-866-688-5750, by e-mail at [info@cadobancorp.ca](mailto:info@cadobancorp.ca), or by contacting your dealer. These documents and other information about the Fund are also available on the Manager’s website at [www.mapleleafaffunds.ca](http://www.mapleleafaffunds.ca) and SEDAR at [www.sedar.com](http://www.sedar.com).

## **Part A: General Information about Mutual Funds and the Fund**

### **What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?**

#### **What is a Mutual Fund?**

A mutual fund is a pool of money contributed by investors who have similar investment objectives. The mutual fund's income, expenses, and the gains and losses the fund makes on its investments are shared by investors in proportion to the number of shares of the fund that they own.

There are several benefits to investing in a mutual fund as opposed to investing by yourself. An investment in a mutual fund gives you the opportunity to participate with other investors with similar investment objectives in professionally managed investment portfolios. Professional portfolio advisers make the investment decisions for the mutual fund in accordance with its investment objectives. Mutual funds also enable you to diversify your investment portfolio, which may be difficult for most individual investors to achieve.

#### **How is a Mutual Fund Structured?**

A mutual fund may be set up as a trust or a corporation. Maple Leaf Corporate Funds Ltd. is a mutual fund corporation. The Corporation is authorized to issue an unlimited number of Class A shares and an unlimited number of special shares. The special shares are divided into classes and each class of special shares is considered to be a fund. Maple Leaf Resource Class is a class of special shares of the Corporation. The Corporation may also issue additional classes of shares in the future. For ease of reference, we refer to special shares as “**shares**” in this Simplified Prospectus.

The Fund currently only offers Series A shares. Additional series of shares may be offered in the future. There is no limit to the number of shares of the Fund you can buy. For further information, see “Purchases, Switches and Redemptions – Series of Shares” below.

#### **What are the Risks of Investing in a Mutual Fund?**

A mutual fund may own different types of investments - stocks, bonds, short-term securities - depending upon the fund's investment objectives. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions, and market and company news. As a result, the value of a mutual fund's shares may go up and down, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it. The principal risks associated with a mutual fund are the same risks that affect the value of investments held by that fund.

The full amount of your investment in the Fund is not guaranteed. Unlike bank accounts or GICs, mutual fund shares are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Assets of a mutual fund that consist of securities that are traded on a public exchange are generally valued at their most recent sale price. If the price is not available or if we conclude that the price is not a true reflection of the value of the security, we will use another method to determine the value. This practice is called “fair valuation”. It may happen for many reasons, including where the value is affected by events that occur after a market where the security is principally traded has closed or where there has been minimal or infrequent trading in a security.

Under exceptional circumstances, a mutual fund may suspend redemptions. For information regarding the circumstances in which we may suspend redemptions of the Fund, see “Purchases, Switches and Redemptions - Redemptions” below.

It is important that you are aware of the risks associated with the funds you invest in. The principal risks that may be associated with investing in the Fund are described below. The particular risks associated with the Fund are set forth in the second part of this Simplified Prospectus in the section called “What are the risks of investing in the Fund?”.

### ***Capital Gains Risk***

From time to time, in connection with the Maple Leaf Resource Class, the Corporation may acquire the assets of certain limited partnerships or certain former limited partners of certain limited partnerships on a tax-deferred basis that have an adjusted cost base to the Corporation that is less than the amount paid by the Corporation for their acquisition (in some cases, the adjusted cost base of assets to the Corporation may be nil). Therefore, these assets may have significant accrued gains at the time they are acquired by the Corporation and shareholders in the Fund may receive capital gains dividends as a result of these gains being realized by the Corporation. Investors who are considering purchasing shares other than through a registered plan should consult their tax advisor about this risk before purchasing shares.

### ***Energy and Resource Sector Risk***

Investing in one specific sector of the stock market, such as the energy and resource sector, entails greater risk (and potential reward) than investing in all sectors of the stock market. If a sector declines or falls out of favour, the share values of most or all of the companies in that sector will generally fall faster than the market as a whole. The opposite is also true. In addition, investments in specific sectors are generally more volatile than the overall market.

The assets, earnings and share values of companies involved in the energy and resource industries are subject to risks associated with the world prices of various natural resources, forces of nature, economic cycles, commodity prices, exchange rates and political events, and as a result the value of shares in this sector may be subject to significant fluctuations.

### ***Concentration Risk***

This is the risk that the Fund may have a concentrated number of investments. As a result, the securities in which the Fund may invest may not be diversified across all sectors or may be concentrated in specific regions or countries. By investing in a relatively small number of securities, the Portfolio Adviser may have a significant portion of the Fund invested in a single security. This may result in higher volatility, as the value of the portfolio will vary more in response to changes in the market value of an individual security.

### ***Market Risk***

Companies issue equities, or stocks, to help finance their operations and future growth. Mutual funds that purchase equities become part owners in these companies. The price of a stock is influenced by the company’s outlook, market activity and the larger economic picture, which may also be affected by broader societal issues like the outbreak of illness or pandemic. When the economy is expanding, the outlook for many companies will also be good, and the value of their stocks should rise. The opposite is also true. Usually, the greater the potential reward, the greater the potential risk. For small companies and companies in emerging sectors the “risk/reward” ratio is usually greater. Except in limited circumstances the Fund will not sell securities that make up its portfolios in the event of a specific or general market decline.

### ***Illiquid Asset Risk***

The Fund may, from time to time, invest in illiquid assets. An illiquid asset is an asset which is difficult to sell, either because the asset cannot be sold through public markets or the resale of the asset is prohibited as a result of representations, undertakings or certain agreements made by the Fund or the asset's previous owner. If the Fund is unable to sell an asset, the Fund may not be able to realize profits and/or minimize losses with respect to the asset and this in turn may adversely affect the net asset value of the Fund and the return on investment in shares of the Fund. In addition, in order to fund redemptions of shares, the Fund may have to liquidate its holdings in more liquid, large and medium sized companies as a result of the illiquidity of some or all of that portion of the Fund's portfolio comprised of illiquid assets. Although the Fund intends to maintain sufficient liquid assets to cover any redemption requests, there is a risk that the Fund's investment in illiquid assets could make it difficult for the Fund to fund redemption requests.

### ***Currency Risk***

This is the risk that changes in the value of the Canadian dollar, compared to foreign currencies, will affect the value of shares in the Fund when investments are made outside of Canada.

### ***Short Selling Risk***

The Fund may engage in a limited amount of short selling. A "short sale" occurs when the Fund borrows securities from a lender, which are then sold in the open market (or "sold short"). At a later date, the same number of securities are repurchased by the Fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the Fund pays fees to the lender. If the value of the securities declines between the time that the Fund borrows the securities (and sells short) and the time it repurchases and returns the securities, the Fund makes a profit for the difference (less any fees the Fund is required to pay to the lender). Short selling involves certain risks. There is no assurance that securities will decline in value during the period of the short sale sufficient to offset the fees paid by the Fund and make a profit for the Fund, and securities sold short may instead appreciate in value. The Fund also may experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist. The lender from whom the Fund has borrowed securities may go bankrupt and the Fund may lose the collateral it has deposited with the lender. The Fund will adhere to controls and limits that are intended to offset these risks by short selling only securities of larger issuers for which a liquid market is expected to be maintained and by limiting the amount of exposure for short sales. The Fund will also deposit collateral only with lenders that meet certain criteria for creditworthiness and only up to certain limits.

Possible losses from short sales differ from losses that may be incurred from purchases of securities, because losses from short sales may be unlimited, whereas losses from purchases are limited to the total amount invested. To deliver securities to a purchaser, the Fund must arrange through a broker to borrow the securities, and, as a result, the Fund becomes obligated to replace the securities borrowed at the market price at the time of replacement, whatever that price may be. A short sale therefore involves the theoretically unlimited risk of loss occasioned by an increase in the market price of the security between the date of the short sale and the date on which the Fund covers its short position. In addition, borrowing of securities entails the payment of a borrowing fee (which may increase during the borrowing period) and the payment of any dividends or interest payable on the securities until they are replaced. As the Fund will be required to maintain cash cover for its short positions, other investments may need to be sold quickly (and at potentially unattractive prices) to maintain sufficient cash cover.

### ***Derivatives Risk***

A derivative is a contract between two parties, the value of which is based on the performance of other investments, such as equities, bonds, currencies or a market index. Derivatives may be traded in the over-the-counter market or on a stock exchange. A derivative is commonly a future or a forward contract or an option but there are other types of derivative instruments as well. Futures or forward contracts are agreements to buy or sell a security, commodity or currency for a certain price on a certain future date. Options give the buyer the right to buy or sell a security, commodity or currency for a certain price on a certain future date. Derivatives may be used to limit, or hedge against, losses that may occur because of the Fund's investment in a security or exposure to a currency or market. This is called "hedging". Derivatives may also be used to obtain exposure to financial markets, reduce transaction costs, create liquidity or increase the speed of portfolio transactions. These investments are made for non-hedging purposes. The following risks are also associated with using derivatives:

- the use of derivatives for hedging may not be effective;
- a derivative contract may not be obtained when desired by the Fund because: (i) there may be a lack of parties wanting to buy or sell a derivative contract; or (ii) the exchanges on which some derivatives are traded may set daily trading limits on futures contracts, preventing the Fund from closing a contract;
- the other party to the derivative contract may not be able to meet its obligations and may default;
- if an exchange halts trading in a certain option, the Fund may not be able to close its position in an option;
- the cost of the derivative contract may increase;
- the price of a derivative may not accurately reflect the value of the underlying investment; and
- the *Income Tax Act* (Canada), or its interpretation, may change in respect of the tax treatment of derivatives.

### ***Foreign Investment Risk***

There is a risk that investments in foreign companies outside Canada and the United States will be affected by world economic factors in addition to changes in the value of the Canadian dollar. In addition, information about foreign companies may not be as complete and may not be subject to the same extensive accounting, auditing, financial reporting standards and practices, and other disclosure requirements that apply in Canada and the United States.

### ***Credit Risk***

The value of fixed income and debt securities depends, in part, on the perceived ability of the government or company or other entity that issued the securities to pay the interest and to repay the original investments. The risk of an issuer failing to do this is greater with some issuers than with others. Governments, companies and other entities that issue fixed income and debt securities, and the securities they issue, are rated by specialized rating agencies such as Standard & Poor's Rating Group (a division of The McGraw Hill companies) and Moody's Investors Service, Inc. These credit ratings are often relied upon by investors, including the Fund, to determine an issuer's creditworthiness. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and thus, impact the Fund's performance. Credit risk is greater for fixed income securities with ratings below investment grade (BB+

or below by Standard & Poor's (a division of The McGraw-Hill Companies, Inc.), Ba1 or below by Moody's Investors Service, Inc., BB+ or below by Fitch Inc., or BB (high) or below by Dominion Bond Rating Services Limited). Fixed income securities that are below investment grade involve high credit risk and are considered speculative. Below investment grade fixed income securities may also fluctuate in value more than higher quality fixed income securities and, during periods of market volatility may be more difficult to sell at the time and price the Fund desires. Government agency obligations have different levels of credit support and, therefore, different degrees of credit risk.

### ***Class Risk***

Currently we offer one class of Units for sale, being the Maple Leaf Resource Class. However, the Corporation currently has another class of units outstanding, the Maple Leaf Income Class. Other classes may be established in the future. The investment performance, expenses and liabilities of one class may affect the value of the shares of another class. If the Corporation cannot pay the expenses attributable to one class of shares using the proportionate share of the Corporation's assets attributable to that class for any reason, the Corporation will be required to pay those expenses out of one or more of the other classes' proportionate share of the Corporation's assets. This may reduce the value of your investment in the Fund.

### ***Interest Rate Risk***

A mutual fund that invests partially or completely in income trusts, bonds or other fixed income securities is affected most by changes in interest rates. If interest rates increase, the value of the income trust, bond or other fixed income security purchased tends to fall.

### ***Large Transaction Risk***

Shares of the Fund may be purchased by a third-party mutual fund (as part of that mutual fund's "fund-of-funds" portfolio) or other investment product. Any significant transaction made by such an investor could significantly impact the Fund's cash flow. If the third party buys large amounts of shares of the Fund, the Fund could temporarily have a high cash balance. Conversely, if the third party redeems large amounts of shares of the Fund, the Fund may be required to fund the redemption by selling securities at an inopportune time. This unexpected sale may have a negative impact on the performance of your investment.

### ***Securities Lending, Repurchase and Reverse Repurchase Risk***

There are risks associated with securities lending transactions, repurchase transactions and reverse repurchase transactions. The value of securities loaned under a securities lending transaction or sold under a repurchase transaction may exceed the value of the collateral (including the value of investments made with cash collateral) held by the Fund. If there is a default on an obligation to repay or resell the securities to the Fund, the value of the collateral may be insufficient to enable the Fund to purchase replacement securities and the Fund may suffer a loss for the difference. Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result the Fund may lose money and there may be delay in recovering the loaned securities. Similarly, the value of securities purchased by the Fund under a reverse repurchase transaction may decline below the amount of cash paid by the Fund. If there is a default on an obligation to repurchase the securities from the Fund, the Fund may need to sell the securities for a lower price and suffer a loss for the difference. To limit these risks, applicable securities laws require the Fund to hold collateral with a value of no less than 102% of the value of the loaned securities (marked to market on a daily basis). Cash collateral may only be invested in qualified securities and the Fund may recall loaned securities at any time. The Fund could lose money if it does not recover the loaned securities and/or the value of the collateral falls, including the value of the investments made with cash collateral. Pursuant to the securities lending arrangements established for the Fund, the Fund will



receive collateral of no less than 105% of the value of the loaned securities (marked to market on a daily basis). For more information about how the Fund engages in these transactions, please see the section below called “How the Fund May Engage in Securities Lending Transactions, Repurchase Transactions and Reverse Repurchase Transactions”.

## Organization and Management of the Fund

<p><b>Manager</b>  CADO Investment Fund Management Inc.  Suite 808, 609 Granville Street  Vancouver, British Columbia V7Y 1G5  www.mapleleaffunds.ca</p>	<p>CADO Investment Fund Management Inc. is responsible for managing the overall business and operations of the Fund.</p>
<p><b>Portfolio Adviser</b>  Backer Wealth Management Inc.  Toronto, Ontario</p>	<p>Backer Wealth Management Inc. is responsible for managing the investment portfolio of the Fund.</p>
<p><b>Custodian</b>  RBC Investor Services Trust  Toronto, Ontario</p>	<p>The custodian is responsible for the safekeeping of the assets of the Fund. It may retain the services of sub-custodians to hold investments of the Fund.</p>
<p><b>Recordkeeper</b>  Investment Administration Solution Inc. (IAS)  Toronto, Ontario</p>	<p>The recordkeeper keeps track of the owners of the Fund’s shares, processes purchase and redemption orders, and issues investor account statements, trade confirmations and annual tax reporting information.</p>
<p><b>Auditor</b>  KPMG LLP  Vancouver, British Columbia</p>	<p>The auditor audits the annual financial statements of the Fund.</p> <p>Under applicable securities laws, the auditor of the Fund may be changed without the approval of shareholders provided that the change is approved by the IRC (as defined below) and we provide you, with at least 60 days’ notice of the proposed change.</p>
<p><b>Independent Review Committee</b></p>	<p>In accordance with National Instrument 81-107 <i>Independent Review Committee for Investment Funds</i> (“<b>NI 81-107</b>”), we have established an independent review committee for the Fund (the “<b>IRC</b>”). We will refer to the IRC all conflict of interest matters in respect of the Fund for its review or approval. The IRC is composed of three members who are independent within the meaning of NI 81-107. The IRC will prepare, at least annually, a report of its activities for you, which will be available on our website at <a href="http://www.mapleleaffunds.ca">www.mapleleaffunds.ca</a> or at your request at no cost, by calling toll-free to 1-866-688-5750 or by email at <a href="mailto:info@cadobancorp.ca">info@cadobancorp.ca</a>. Additional information about the IRC, including the names of its members, and about governance of the</p>

	<p>Fund is available in the Fund’s Annual Information Form.</p> <p>Under applicable securities laws, certain merger transactions involving the Fund may be completed without the approval of shareholders provided that, among other things, the transaction is approved by the IRC and we provide you with at least 60 days’ notice of the proposed transaction.</p>
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## Purchases, Switches and Redemptions

Shares of the Fund may be purchased or redeemed in any province or territory through a registered dealer. Shares of the Fund are available to certain limited partnerships and former limited partners of certain limited partnerships in exchange for assets which are suitable investments for the Fund. Shares of the Fund are also available to other investors. For these other investors, it is recommended that shares should only be purchased through registered plans.

Shares are purchased, switched or redeemed at their net asset value per share next determined after receipt of the Fund of the purchase, switch or redemption order. See “Net Asset Value” below for details on how the net asset value for each series of shares is calculated. If we receive a completed purchase, switch or redemption order on or before 4:00 p.m. (Eastern Standard Time) on a valuation date, it will be processed at the net asset value per share on that day. If we receive the order after that time, it will be processed at the net asset value per share calculated on the next valuation date. For the Fund, a “**valuation date**” means any day on which the Toronto Stock Exchange is open for trading.

For mutual fund corporations that offer more than one class or series of shares, investors may switch their investments between the various classes or series of shares offered. You may switch your shares of the Fund for shares of another fund. See “Switches” below. You also have the ability to redeem your investment. For further information, see “Redemptions” below.

### Net Asset Value

The net asset value per share is the basis for calculating the purchase price or redemption price for purchasing or redeeming shares. The net asset value of the Fund is the market value of all the assets of the Fund less its liabilities. The net asset value per share is determined by dividing the net asset value of the Fund by the total number of shares outstanding.

The net asset value of the Series A shares is calculated by adding together the total of the Fund’s assets and subtracting the total of its liabilities. The net asset value of the Series A shares of the Fund is calculated at the close of each valuation date. The net asset value per Series A share determined on a valuation date will remain in effect until the net asset value per Series A share is next determined. Further details concerning the valuation of the Fund’s Series A shares are included in the Annual Information Form.

The Manager may suspend the calculation of the net asset value per share in certain circumstances. For further information, see “Redemptions” below.

## **Minimum Investment**

The minimum initial investment in the Fund is \$1,000. Each subsequent investment must be at least \$100. After you have made your purchase, you will receive written confirmation of the purchase price, the amount of any sales charge paid, and the total number of shares you own.

## **Series of Shares**

The Fund is permitted to have an unlimited number of series of shares and may issue an unlimited number of shares of each series. Currently, the Fund offers only Series A shares. Additional series of shares may be offered in the future.

Series A shares are available to all investors.

Series A shares of the Fund are also made available to certain limited partnerships or former limited partners of certain limited partnerships in exchange for assets which are suitable as investments for the Fund. No initial sales charges are applied to these limited partnerships or former limited partners in connection with these exchanges. In addition, since April 15, 2017 no trailing commissions are payable to dealers in respect of the shares of the Fund that are issued in connection with exchanges involving limited partnerships whose securities have been qualified by a prospectus. For other investors, it is recommended that purchases of Series A shares only be made through RRSPs, RRIFs, DPSPs, RESPs, RDSPs or TFSAs. For further information, see “What are the Risks of Investing in a Mutual Fund – Capital Gains Risk” above, and “Income Tax Considerations for Investors” below.

The consideration that you and other investors pay to purchase shares is tracked in the Fund’s administrative records. The assets of the Fund are combined in a single pool to create one portfolio for investment purposes.

## **Purchases**

### ***Initial Sales Charge***

If you buy Series A shares of the Fund, you may pay a sales commission to your dealer. The commission is negotiable between you and your dealer, but cannot exceed 5% of the aggregate net asset value of the Series A shares you purchase. Please see “Dealer Compensation”, “Fees and Expenses” and “Impact of Sales Charges” below.

### ***Purchase Process***

You may buy shares on any valuation date. To do so, you must complete a purchase order and your dealer must send the order, along with payment, to the Fund’s recordkeeper on the same day the dealer receives the order. If the dealer receives the order after the close of business or on a day which is not a valuation date, the dealer must send the order to the Fund’s recordkeeper on the next valuation date.

Whenever practicable, the dealer must send purchase orders by courier, fax, or electronic entry to ensure that the Fund’s recordkeeper receives it as quickly as possible. The cost of sending the order is the responsibility of the dealer.

If a purchase order is received by the Fund’s recordkeeper before 4:00 p.m. (Eastern Standard Time) on a valuation date, the purchase order will be processed at the net asset value per share calculated on the same

valuation date. If the purchase order is received by the Fund's recordkeeper after the close of business on a valuation date or on a day which is not a valuation date, it will be processed on the next valuation date.

If payment of the total amount of the purchase order and all necessary documents are not received by the Fund's recordkeeper within three business days after the date on which the price of the shares is determined for the purchase order, the Manager will reverse the purchase order by processing a redemption request on the next valuation date for the number of shares that were purchased. The redemption proceeds will be used to pay for the amount owing on the purchase. Any excess proceeds belong to the Fund. Any shortfall will initially be paid to the Fund by the Manager, but the Manager will be entitled to collect the shortfall, plus any costs involved, from the dealer who placed the order for the shares. The dealer may, in turn, collect the shortfall plus any costs involved from the investor who placed the order. Where no dealer was involved, the Manager will be entitled to collect the shortfall and costs from the investor who placed the order.

The Manager has the right to accept or reject any purchase order, but must make a decision to reject an order within one business day after receiving the order with complete documentation. The payment received with that order must be refunded immediately. If your cheque for the purchase of shares is not honoured, we may reverse the purchase order and hold you responsible for any costs incurred.

### **Switches**

You may switch your shares of the Fund for shares of another class, if the Corporation offers them in the future. You may be subject to certain fees upon switching. For further information, see "Fees and Expenses" and "Dealer Compensation" below.

### **Redemptions**

No redemption fees are payable upon the redemption of Series A shares of the Fund acquired as the result of a tax-free rollover of a limited partnership's assets.

You pay no fee when you redeem Series A shares except that, in certain circumstances, you may pay a short-term trading fee. Please see "Short-Term Trading" below.

### ***Redemption Process***

You may redeem shares of the Fund on any valuation date. To do so, you must complete a written redemption request. If the redemption request is deposited with a dealer, the dealer must send the redemption request to the Fund's recordkeeper on the same day. If the dealer receives the redemption request after 4:00 p.m. (Eastern Standard Time) or on a day that is not a valuation date, the dealer must send it to the Fund's recordkeeper on the next valuation date.

A redemption request received by the Fund's recordkeeper before 4:00 p.m. (Eastern Standard Time) on a valuation date will be processed at the net asset value per share calculated at the close of business on that valuation date. A redemption request received by the Fund's recordkeeper after 4:00 p.m. (Eastern Standard Time) on a valuation date or on a day which is not a valuation date will be processed in the same way on the next valuation date.

Whenever practicable, a dealer must send your redemption request by courier, fax, or electronic entry to ensure that the Fund's recordkeeper receives it as quickly as possible. The cost of sending the redemption request must be paid by the dealer. As a security measure, a redemption request sent by fax directly by an investor will not be accepted.

For the protection of other shareholders, your signature on any redemption request must be guaranteed by a Canadian chartered bank, trust company or a dealer. This procedure must be followed carefully. Other documentation may be required for redemption by corporations or other investors that are not individuals.

If all necessary redemption documents have been properly completed and sent to the Fund's recordkeeper with the redemption request, the Manager will pay the redemption amount within three business days of the valuation date on which the redemption is processed. Otherwise, the redemption amount will be paid within three business days after the Fund's recordkeeper receives the missing documentation. If all necessary documents are not received by the Fund's recordkeeper within ten business days following the date on which the redemption was requested, the Manager will reverse the redemption order by processing a purchase order on the tenth business day after the redemption order, for the number of shares that were redeemed. The redemption proceeds will be used to pay for the shares purchased. Any excess proceeds belong to the Fund. Any shortfall will initially be paid to the Fund by the Manager, but the Manager will be entitled to collect the shortfall, plus any costs involved, from the dealer who placed the redemption request. The dealer may, in turn, collect the shortfall plus any costs involved from the investor who placed the redemption request. Where no dealer has been involved, the Manager will be entitled to collect the shortfall and costs from the investor who placed the redemption request.

If you are holding shares of the Fund in a registered plan, the redemption amount will be paid to the trustee of the plan because the necessary tax forms must be prepared and, in some cases, income tax deducted before payment can be released to you.

The Manager has the right to redeem your shares of the Fund if your investment has a value less than \$500. The Manager will give you 30 days' notice that the redemption will take place. You will have the option to make an additional investment to increase your investment in the Fund to more than \$500. If a partial redemption of shares reduces the value of an investment to less than \$500, the Fund has the right to automatically redeem the balance.

Your right to redeem shares of the Fund may be suspended under extraordinary circumstances, such as with the consent of the Canadian securities regulatory authorities, or for any period when normal trading is suspended on any stock exchange, in or outside Canada, where more than 50% of the securities held by the Fund by market value, or underlying market exposure, are listed or traded if those securities are not traded on any other exchange that represent a reasonably practical alternative for the Fund.

### **Short-Term Trading**

Short-term trading in shares of the Fund can have an adverse effect on the Fund and therefore the other shareholders of the Fund. Frequent trading in and out of the Fund may harm the Fund's performance because the Fund must maintain a higher level of cash and cash equivalents in its portfolio in order to pay for more redemptions than would otherwise be required. Short-term trading can also increase brokerage and other administrative costs of the Fund and interfere with the long-term investment decisions of the Fund's Portfolio Advisor. The Manager has adopted certain restrictions to deter short-term trading. For example, if an investor redeems or switches shares of the Fund within 90 days of purchase, the investor may be subject to a short-term trading fee of 2% of the aggregate net asset value of the shares that are redeemed or switched at the time of the redemption or switch. This amount will be payable to the Fund, and not to the Manager or any dealer. This fee is in addition to any redemption or switch fees that may apply and will reduce the amount otherwise payable to an investor on the redemption or reduce the amount switched.

The short-term trading fees will not apply in the case of certain redemptions or switches, including transactions:

- initiated by the Manager (including as part of a Fund reorganization or merger) or by the Fund, another investment fund or a limited partnership or by a segregated fund or another investment product which has been approved by the Manager;
- that the Manager, in its discretion, considers to be a special circumstance, such as the death of a shareholder or a hardship situation; and
- relating to shares received on the reinvestment of distributions.

In spite of these restrictions and the Manager’s monitoring attempt to deter short-term trading, the Manager cannot ensure that such trading will be completely eliminated. The Manager may reassess what is adverse short-term trading in the Fund at any time and may charge or exempt transactions from these fees in its discretion. Please see the chart entitled “Fees and Expenses – Fees and Expenses Payable Directly to You” below for a description of the applicable short-term trading fee.

## Optional Services

The Fund does not currently offer any optional services.

## Fees and Expenses

This table lists the fees and expenses that you may have to pay if you invest in the Fund. You may have to pay some of these fees and expenses directly. The Fund may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in the Fund.

<b>Fees and Expenses Payable by the Fund</b>	
<b>Management Fees</b>	<p><i>Management Fees</i></p> <p>The Fund pays a management fee of 2.25% to the Manager for the provision of general management and administrative services.</p> <p>The Manager’s duties include preparing, reviewing and maintaining accounting records for the Fund; authorizing the payment of operating expenses incurred on behalf of the Fund; preparing financial statements, income tax returns and financial and accounting information as required by the Fund; ensuring that Unitholders are provided with financial statements and other reports as are required from time to time by applicable law; ensuring that the Fund complies with regulatory requirements, including its continuous disclosure requirements under applicable securities laws; preparing the Fund’s reports to Unitholders and to the Canadian securities regulators; maintaining website and related disclosure; dealing and communicating with Unitholders and their financial advisors; and negotiating overseeing and managing contracts, quality and accuracy of services and relationships with third party providers of services, including, but not limited to, bankers, custodians, auditors and printers and portfolio managers.</p>

	<p>Management fees are calculated and accrued daily and are paid monthly on the weighted average net asset value of the shares of the Fund. Management fees are subject to applicable taxes including HST.</p> <p>To encourage large investments in the Fund, or to accommodate special situations, we may rebate to certain investors a portion of the management fees we charge to the Fund. The rebate is usually based on the cumulative size of your investments in Series A shares. If your investments qualify, we will calculate the rebate of management fees according to a fixed schedule that we may change at our discretion. We calculate management fee rebates on each business day. They are paid regularly to eligible investors. We will reinvest the rebate in additional shares of the Fund.</p> <p><b><i>Performance Fees</i></b></p> <p>In addition, the Fund pays the Manager a performance fee equal to 20% of the amount by which the Fund outperforms its benchmark (the “<b>Benchmark</b>”). The Benchmark is a blended rate comprised of 50% of the S&amp;P/TSX Energy Total Return and 50% of the S&amp;P/TSX Materials Total Return.</p> <p>The Benchmark was selected because we believe that it best reflects the markets in which the Fund invests. Accordingly, we believe that the Benchmark provides for the fairest measurement standard possible for the Fund.</p> <p>Subject to the Return Deficiency and other conditions described below, performance fees will be payable in all circumstances where the performance of the Fund exceeds its Benchmark.</p> <p>If the performance of the Fund for the period being measured is less than its Benchmark (a “<b>Return Deficiency</b>”), then no performance fees will be payable until the performance of the Fund thereafter relative to its Benchmark has exceeded the amount of the Return Deficiency. Further, if the performance of the Fund and the Benchmark for the measurement period is negative, no performance fee will be payable until the Fund’s performance is positive.</p> <p>Performance fees will be calculated and accrued daily (and payable by the Fund quarterly) such that, to the extent possible, the share price each day will reflect any performance fees payable as at the end of such day. The performance fees are subject to applicable taxes including HST.</p>
<b>Operating Expenses</b>	<p>The Fund pays all of its operating expenses. Expenses include audit fees, and custodial expenses, accounting and record keeping costs, legal expenses, permitted prospectus preparation and filing expenses, bank related fees and interest charges, shareholder reports and</p>

	<p>servicing costs, fees payable to members of the independent review committee (the “IRC”), costs of the operation of the IRC (including the cost of holding meetings, insurance premiums for the IRC, and fees and expenses of any advisor engaged by the IRC), and other day-to-day operating expenses. These day-to-day operating expenses also include an aggregate flat fee of \$15,000 per month payable by the Fund and the Maple Leaf Income Class to CADO Bancorp Ltd., the parent company of the Manager, in connection with accounting, record keeping, reporting and general administrative support services (including the provision of office space and administrative personnel) it provides to them and the Manager. This fee is allocated between the Fund and the Maple Leaf Income Class based on their approximate respective net asset values. The Fund also pays HST on most of its fees and expenses. We may, in our discretion, pay certain expenses of the Fund. In the event we have paid certain expenses of the Fund during a financial year, we may, in subsequent financial years, cease to do so without notice.</p> <p>The Fund and the investment funds managed by the Manager and its affiliates pay their proportionate share of the total compensation payable to the IRC. Each member of the IRC (other than the Chair) is entitled to an annual retainer in the amount of \$5,000 (\$6,000 for the Chair).</p>
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<b>Fees and Expenses Payable Directly by You</b>	
<b>Sales Charges</b>	You may be required to pay your dealer a sales commission of up to 5% of the amount you invest in Series A shares of the Fund purchased under an initial sales charge option, negotiable between you and your dealer.
<b>Switch Fee</b>	You may switch your shares of the Fund for shares of any other class of special shares of the Corporation up to four times per calendar year without charge (other than switching fees your dealer may charge). For your fifth and each subsequent switch in a calendar year, the Fund will charge you a switch fee of \$25.
<b>Redemption Fees</b>	There are no redemption fees, other than short-term trading fees (if applicable) upon redemption of shares of the Fund.
<b>Short-Term Trading Fee</b>	A short-term trading fee of 2% of the aggregate net asset value of the shares redeemed or switched may be charged if you redeem or switch shares of the Fund within 90 days from the date of purchase. This amount will be payable to the Fund, and not to the Manager or any dealer. This is in addition to any redemption fees and switch fees that may be applicable.



<b>NSF Fees</b>	The Manager will charge you an NSF fee should any cheques or purchase orders be returned because of insufficient funds in your account. The fee will be \$25 for each returned item.
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Management fees and other expenses vary from mutual fund to mutual fund. The consent of shareholders generally will be required: (a) for any change in the basis of the calculation of a fee or expense charged to the Fund that could result in an increase in charges to the Fund; or (b) if a new fee or expense is introduced that could result in an increase in charges to the Fund. However, in either case, shareholder consent will not be required if the change or new fee or expense is a result of a change made by a third party at arm's length to the Fund. In this case, you will be sent written notice at least 60 days before the effective date of the change.

## Impact of Sales Charges

The table below is intended to show the amount of fees that you would have to pay under different purchase options if you made an investment of \$1,000 in the Fund, if you held that investment for one, three, five or ten years and if you redeemed the investment immediately before the end of that period.

<b>Purchase Options</b>	<b>At Time of Purchase</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
Initial Sales Charge Option <sup>(1)</sup>	\$50.00	Nil	Nil	Nil	Nil
No Load Option	N/A	N/A	N/A	N/A	N/A

(1) Assuming the maximum sales commission of 5% of the amount invested.

## Dealer Compensation

### Sales Commissions

A dealer who sells shares of the Fund to you receives a commission at the time of purchase. The commission may be up to 5.0% (\$50.00 for each \$1,000 investment). If you are charged an initial sales charge to purchase Series A shares, the sales commission you negotiate of between 0% and 5.00% is deducted from the amount you invest at the time of purchase and paid to your dealer.

No sales commissions are payable when you receive shares of the Fund as a result of a tax-free rollover of a limited partnership's assets.

### Switching Fees

When you switch Series A shares of the Fund for shares of any other class of shares of the Corporation (to the extent they are offered in the future), your dealer may charge you a switch fee, negotiable between you and your dealer, of up to 2% of the aggregate net asset value of the Series A shares switched.

### Trailing Commissions

The Manager will pay your dealer a trailing commission at the end of each quarter of a calendar year for the ongoing advice and service you receive from your dealer relating to the Series A shares of the Fund.

Since April 15, 2017 no trailing commissions are paid on shares issued in connection with tax-free rollover transactions involving limited partnerships whose securities have been qualified by a prospectus. For shares issued pursuant to tax-free rollovers prior to April 15, 2017 or in connection with tax-free rollovers involving limited partnerships whose securities were not qualified by a prospectus, trailing commissions at the rate applicable to shares purchased under the initial sales charge option are paid to the dealer of record for the original limited partnership units.

The maximum annual rate for trailing commissions on Series A shares is 1.00%.

### **Marketing Support**

We may make various payments to registered dealers, relating to educational and marketing activities, in accordance with National Instrument 81-105 *Mutual Fund Sales Practices*. These include paying up to 50% of the cost of sales communications and investor seminars, up to 100% of the cost of third party educational courses taken by representatives and up to 10% of the cost of conferences put on by dealers. We may also provide representatives with non-monetary items of a promotional nature that have minimal value.

### **Equity Interests**

None of the Corporation, the Manager or the Portfolio Adviser of the Fund or any of their affiliated companies hold any ownership interests in any dealer that sells shares. None of the dealers that sell shares or any representative of the dealers, or any associate of the foregoing, hold any ownership interests in the Corporation, the Manager or the Portfolio Adviser.

### **Dealer Compensation from Management Fees**

During 2021, 44.61% of the management fees paid by the Resource Class were used to fund commissions and other promotional activities.

### **Income Tax Considerations for Investors**

This summary assumes that you are an individual (other than a trust) resident in Canada and that you hold shares of the Fund as capital property for the purposes of the *Income Tax Act* (Canada) (the “**Tax Act**”). This summary is based on the current provisions of the Tax Act and the regulations thereunder, any specific proposals for amendments thereto that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof, and the current published administrative practices and policies of the Canada Revenue Agency. This summary is not exhaustive of all tax considerations and is not intended to constitute legal or tax advice to an investor. You should seek independent advice regarding the tax consequences of investing in securities, based upon your own particular circumstances. More detailed tax information is in the Fund’s Annual Information Form.

### **When You Earn Income**

If you hold Series A shares of the Fund, you earn income on your investment:

- when the Corporation pays an ordinary dividend or a capital gains dividend on Series A shares of the Fund; and
- when you redeem or convert your shares of the Fund and realize a capital gain.

## Adjusted Cost Base

The adjusted cost base (“ACB”) of your shares of the Fund is an important concept for income tax considerations. This term will be used throughout the summary and in most situations, can be calculated according to the following formula:

<b>Calculation of ACB</b>	
The amount of your initial investment	
+ additional investments	
+ reinvested dividends	
+ the ACB of any shares of another Fund that were previously converted into the shares of the Fund on a tax deferred basis	
- the ACB of any previous redemptions	
- the ACB of any shares of the Fund converted to another Fund	
<hr/>	
=	aggregate ACB of your shares

The ACB to you of a share of a series of shares of the Fund will generally be determined by reference to the average ACB of all shares of the series held by you at the time of disposition.

If you acquire shares of the Fund from a limited partnership on a tax-deferred basis, or as a consequence of a tax-deferred roll-over of assets to the Corporation, the ACB of those shares will be determined under specific provisions of the Tax Act. Generally, the ACB of those shares will be lower than their fair market value as a result of tax credits previously received when you were a partner in the applicable limited partnership. You should consult your tax advisor in that regard.

## Dividends

Dividends from the Fund are taxable in the year they are received. This is the case even though these amounts are reinvested in additional shares. Dividends may include ordinary dividends and capital gains dividends. Ordinary dividends will generally be paid in November and capital gains dividends will generally be paid in January. Dividends may be paid at other times determined by the Manager.

Capital gains dividends will be treated as realized capital gains.

The Corporation may declare and pay a capital gains dividend to shareholders of any of its classes, regardless of whether the related capital gain resulted from a disposition of securities attributable to the particular class’ portfolio.

Ordinary dividends will be treated as taxable dividends in your hands and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends paid by taxable Canadian corporations. An enhanced gross-up and dividend tax credit is available for certain “eligible dividends” paid by the Corporation.

The share price of the Fund may include income and capital gains that the Fund has accrued or realized but not yet paid out as a dividend. The Corporation typically declares ordinary dividends in November and capital gains dividends in January. If you invest in the Fund before a dividend is declared, you will have to pay tax on such dividend paid to you even though it may be paid out of income and capital gains that accrued or were realized before you invested and were included in the purchase price of your shares. The

amount of the dividend reinvested in additional shares will be added to your ACB. As a consequence of tax-deferred transfers of property to the Corporation by certain limited partnerships, you may receive capital gains dividends that relate to gains on property of the Corporation that accrued prior to the property being owned by the Corporation. It is anticipated that a substantial portion of the assets of the Fund will consist of property transferred to the Corporation by limited partnerships on a tax-deferred basis. Accordingly, other than for former limited partners in limited partnerships that have transferred property to the Fund on a tax-deferred basis, it is recommended that purchases of shares of the Fund only be made through RRSPs, RRIFs, DPSPs, TFSAs, RDSPs or RESPs. We will provide information slips containing detailed information about the dividends paid to you.

Generally, you are required to include in your income any management fee rebates received from the Manager; however, in some circumstances you may instead elect to reduce the ACB of your shares by the amount of the rebate.

### **Converting and Redeeming Shares**

Converting shares of one series of the Fund to shares of another series of that Fund will not result in a disposition of those shares for tax purposes, and the cost of the shares received will be equal to the ACB of the shares that were converted. Converting shares of the Fund for shares of another class of shares of the Corporation will result in a disposition of those shares for tax purposes, and the cost of the shares received will be equal to the fair market value of the shares that were converted.

If you redeem (or otherwise dispose of or are deemed to dispose of) shares of the Fund, you will realize a capital gain (or loss). The capital gain (or loss) will be equal to the difference between the amount you receive for the sale, net of any costs of disposition and the ACB of the shares.

Generally, one-half of a capital gain must be included in determining your income.

We will provide you with details on the proceeds from the sale after the transaction. However, in order to calculate your gain or loss, you need to know the ACB of your shares before disposition.

### **Registered Plans**

The Corporation has qualified effective from the date of its creation as a mutual fund corporation within the meaning of the Tax Act and is expected to continue to so qualify at all material times in the future. Accordingly, Series A shares of the Fund are qualified investments under the Tax Act for RRSPs, RRIFs, DPSPs, TFSAs, RDSPs or RESPs. If you hold Series A shares of the Fund in an RRSP, RRIF or other registered plan, you will generally pay no tax on income earned from, or capital gains realized on the disposition of, those shares as long as they remain in the registered plan. However, withdrawals from such registered plans (other than withdrawals from TFSAs and certain withdrawals from RESPs and RDSPs) will generally be subject to tax. You should consult with your own tax advisor as to whether shares of the Fund would be a “prohibited investment” under the Tax Act if held in your RRSP, RRIF, TFSA, RDSP or RESP, in your particular circumstances.

### **Funds with a High Portfolio Turnover Rate**

The higher the Fund’s portfolio turnover rate, the greater the trading costs payable by the Fund and the greater the likelihood the Fund will incur capital gains or losses. In the event the Fund realizes capital gains, the gains will, in most cases, be distributed to you by way of capital gains dividends and must be included in computing your income for tax purposes for that year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

## **Tax Information Reporting**

The Fund has due diligence and reporting obligations under the Foreign Account Tax Compliance Act (as implemented in Canada by the Canada-United States Enhanced Tax Information Exchange Agreement and Part XVIII of the Tax Act, collectively referred to as “**FATCA**”) and the OECD’s Common Reporting Standard (as implemented in Canada by Part XIX of the Tax Act, “**CRS**”). Generally, shareholders (or in the case of certain shareholders that are entities, the “controlling persons” thereof) will be required by law to provide their advisor or dealer with information related to their citizenship or tax residence and, if applicable, their foreign tax identification number. If a shareholder (or, if applicable, any of its controlling persons), (i) is identified as a U.S. Person (including a U.S. resident or a U.S. citizen); (ii) is identified as a tax resident of a country other than Canada or the U.S.; or (iii) does not provide the required information and indicia of U.S. or non-Canadian status is present, information about the shareholder (or, if applicable, its controlling persons) and their investment in the Fund will generally be reported to the Canada Revenue Agency (“**CRA**”) unless the shares of the Fund are held within a registered plan. The CRA will provide that information to, in the case of FATCA, the U.S. Internal Revenue Service and in the case of CRS, the relevant tax authority of any country that is a signatory of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information or that has otherwise agreed to a bilateral information exchange with Canada under CRS.

## **What Are Your Legal Rights?**

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the Simplified Prospectus or Fund Facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund securities and get your money back, or to make a claim for damages, if the Simplified Prospectus, Annual Information Form, Fund Facts or financial statements misrepresent any facts about the Fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult a lawyer.

## **Part B: Specific Information about the Maple Leaf Resource Class**

### **Introduction**

This Part B of the Simplified Prospectus gives you detailed information about the Fund. It explains the features of the Fund, such as its investment objectives and strategies. To avoid repeating information in the Fund description, certain terms and assumptions that appear in this Part B is set out below.

### **What does the Fund Invest in?**

#### ***Investment Objectives and Strategy***

The Fund's investment objectives and investment strategies are described in this Part B below. The investment objectives can only be changed with the consent of the investors in the Fund at a meeting called for that purpose. The investment strategies explain how the Fund intends to achieve its investment objectives. As Manager of the Fund we may change the investment strategies from time to time, but will give Fund investors notice of our intention to do so if it would be a material change as defined in National Instrument 81-106 *Investment Fund Continuous Disclosure* ("NI 81-106"). Under NI 81-106, a change in the business, operations or affairs of the Fund is considered to be a "material change" if a reasonable investor would consider it important in deciding whether to purchase or continue to hold securities of the Fund.

### **Use of Derivatives by the Fund**

The Fund may use derivatives to "hedge" against losses caused by changes in securities prices, interest rates, exchange rates or other risks. When the Fund uses derivatives for hedging or non-hedging purposes, it will only do so as permitted by Canada's securities regulations, as altered by regulatory exemption(s) granted to the Fund, if any. Please also refer to the explanation of risks which accompany the use of derivatives, under "What are the Risks of Investing in a Mutual Fund – Derivatives Risk" above.

We have indicated in each of the Fund's description of investment strategies whether derivatives will be used for hedging or non-hedging purposes.

### **Use of Short Selling by the Fund**

Short selling (or "selling short") is an investment strategy whereby the Fund sells a security that it does not own on the basis that the Fund's Portfolio Advisor believes that the security is overvalued and that its market value will decline. The resulting trade creates a "short position" which will create a profit for the Fund if the market value of the security does in fact decline. A successful short strategy will allow the Fund to subsequently purchase the security (and thereby repay its "short position") at a price that is lower than the price the Fund received for selling the security, thereby creating a profit for the Fund.

The Fund is permitted to sell securities short and to provide a security interest over Fund assets with dealers as security in connection with such transactions, subject to compliance with National Instrument 81-102 *Investment Funds* ("NI 81-102").

Short selling will be used by the Fund only as a complement to the Fund's current primary discipline of buying securities with the expectation that they will appreciate in market value.

## **How the Fund May Engage in Securities Lending Transactions, Repurchase Transactions and Reverse Repurchase Transactions**

The Fund may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions, as permitted by Canadian securities regulatory authorities, to earn additional income for the Fund. A description of the transactions that may be undertaken by the Fund is set out below.

A securities lending transaction is where the Fund lends portfolio securities that it owns to a creditworthy institutional borrower. The borrower promises to return to the Fund, at a later date, an equal number or amount of the same securities and to pay a fee to the Fund for borrowing the securities. The Fund may recall the securities at any time. Applicable securities laws require the Fund to hold collateral consisting of cash and/or approved securities equal to no less than 102% of the market value of the loaned securities measured each business day. Pursuant to the securities lending arrangements established for the Fund, the Fund will receive collateral of no less than 105% of the market value of the loaned securities. Therefore, the Fund retains exposure to changes in the value of the securities loaned while earning additional income.

A repurchase transaction is where the Fund sells portfolio securities that it owns to a creditworthy institution for cash and simultaneously agrees to buy back the securities at a later date not to exceed 30 days. The difference between the higher price and the original price is like the interest payment on a loan. The amount of cash maintained by the Fund for the transaction must be at least 102% of the market value of the sold securities measured each business day. The Fund retains its exposure to changes in the value of the sold securities. The basic purpose of a repurchase transaction is to provide the Fund with short-term cash which it can use to generate additional income for the Fund.

In securities lending and repurchase transactions, the Fund receives any interest or dividend amounts paid by the issuer of the securities while those securities are held by the other party to the transaction.

A reverse repurchase transaction is where the Fund purchases portfolio securities from a creditworthy institution and simultaneously agrees to sell the same securities back to the institution, at a higher price, at a later date, not to exceed 30 days. The difference between the Fund's purchase price for the securities and the resale price provides the Fund with additional income. The basic purpose of a reverse repurchase transaction is to provide the Fund with a short-term investment for cash held by the Fund.

The Fund will not enter into a securities lending transaction or a repurchase transaction if, immediately thereafter, the aggregate market value of all securities loaned by the Fund and not yet returned to it or sold by the Fund in repurchase transactions and not yet repurchased would exceed 50% of the total assets of the Fund (exclusive of collateral held by the Fund for securities lending transactions and cash held by the Fund for repurchase transactions).

### **What are the Risks of Investing in the Fund?**

We provide a list of the risks of mutual fund investing, beginning on page 2. The risks that apply to the Fund are listed under the sub-heading "What are the Risks of Investing in the Fund?". Those risks are based upon the Fund's expected investments and investment practice and related to the material risks of investing in the Fund under normal market conditions when considering the Fund's portfolio as a whole, not each individual investment within the portfolio. You should discuss the risks of investing in the Fund with your financial advisor before making an investment in the Fund.

## ***Risk Classification Methodology***

We assign a risk rating to the Fund as an additional guide to help you decide whether the Fund is right for you. The methodology used to determine the Fund's investment risk level is based on the Investment Risk Classification Methodology in NI 81-102, as such methodology may be amended and updated from time to time (the "**Methodology**"). The Methodology reflects the view of the Canadian Securities Administrators ("**CSA**") that the most comprehensive, easily understood form of risk in this context is historical volatility risk as measured by the standard deviation of fund performance. However, the Manager and the CSA recognize that other types of risk, both measurable and non-measurable, may exist. You should also be aware that the Fund's historical volatility may not be indicative of its future volatility. Based on the Methodology, because the Fund has not offered its securities for at least 10 years, the Fund's risk level, as described in this document, is determined by calculating its ten year standard deviation by using the actual return history of the Fund and imputing the return history of a reference index that reasonably approximates the standard deviation of the Fund for the remainder of the 10 year period. For this purpose, the Manager has selected a blended rate comprised of 50% of the S&P/TSX Energy Total Return and 50% of the S&P/TSX Materials Total Return (the benchmark Canadian Energy and Materials indexes with capped weights on the index constituents included in the S&P/TSX Composite that are classified in the GICS® energy sector and materials sectors accordingly) as the reference index in respect of the Fund.

We assign a risk rating to the Fund in one of the following categories:

**Low** – for funds with a level of risk that is typically associated with investments in money market funds and Canadian fixed income funds;

**Low to Medium** – for funds with a level of risk that is typically associated with investments in balanced funds and global and/or corporate fixed income funds;

**Medium** – for funds with a level of risk that is typically associated with investments in equity portfolios that are diversified among a number of large-capitalization Canadian and/or international equity securities;

**Medium to High** – for funds with a level of risk that is typically associated with investments in equity funds that may concentrate their investments in specific regions or in specific sectors of the economy; and

**High** – for funds with a level of risk that is typically associated with investment in equity portfolios that may concentrate their investments in specific regions or in specific sectors of the economy where there is a substantial risk of loss (e.g. emerging markets, precious metals.)

We may classify the Fund either higher or lower than the corresponding risk rating indicated in the Guidelines where we feel that qualitative factors, such as style or sector concentration, may affect the fund's overall volatility and risk. We review the risk rating for each Fund on an annual basis.

The methodology that we use to identify the investment risk level of the Fund is available on request, at no charge, by calling us, writing us or emailing us at the contact information set out on the back cover of this document.

## **Who Should Invest in the Fund?**

This section will help you decide, with your financial advisor's help, whether the Fund is right for you. This information is only a guide. In this section, we state what type of investor should consider an investment in the Fund. For example, an investor may want to grow their capital over the long term or want



to protect their investment or earn income. An investor may wish to invest outside of a registered plan or may wish to invest in a specific region or industry.

### **Distribution Policy**

Distributions are generally automatically reinvested without charge in additional securities of the same Fund. This section explains when you can expect to receive distributions from the Fund.

### **Portfolio Turnover Rate**

The portfolio turnover rate indicates how actively the Fund's Portfolio Adviser manages the Fund's 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 year. In any year, the higher of the Fund's portfolio turnover rate, the greater the trading costs payable by the Fund and the greater the chance that the Fund will pay capital gains dividends. There is not necessarily a relationship between a high portfolio turnover rate and the performance of the Fund. For information about the potential tax consequences of receiving a capital gains dividend as a result of the Fund having a high portfolio turnover rate, see the section above called "Income Tax Considerations for Investors".

## Maple Leaf Resource Class

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### Fund Details

<b>Type of fund</b>	Resource
<b>Date fund started</b>	March 18, 2011
<b>Securities offered</b>	Series A shares of a mutual fund corporation
<b>Registered plan status</b>	Qualified investment for RRSPs, RRIFFs, RESPs, DPSPs, RDSPs and TFSA's.

### What Does the Fund Invest In?

#### *Investment Objectives*

The investment objective of the Fund is to maximize capital appreciation by investing primarily in equity securities of natural resource companies and companies that support resource companies.

The fundamental investment objective of the Fund cannot be changed without the approval of shareholders.

#### *Investment Strategies*

The Fund's portfolio will consist primarily of investments which generate capital gains, but will also include investments which generate income. The Fund may hold significant cash, cash equivalents or fixed income positions pending investment, when the Portfolio Advisor considers it desirable or as a temporary defensive tactic during periods of high market volatility.

The Fund may use derivatives for hedging or non-hedging purposes.

The Portfolio Advisor will make investments in securities which it believes are undervalued based on its research. These will include, in particular, securities of issuers with improving fundamentals such as growing revenues and earnings, strong balance sheets and solid management, capital structure and business franchises. There is no specific limit as to the amount of the assets of the Fund which may be invested in foreign securities.

The Portfolio Advisor may engage in short selling of securities which it believes are overvalued based on its research. These may include, in particular, securities of issuers with deteriorating fundamentals and weak balance sheets. The Portfolio Advisor may also employ strategies such as pairs trading, merger arbitrage and special warrant arbitrage.

The Fund may invest, directly or indirectly through the use of derivatives, a portion of its assets in securities of exchange traded funds. The Portfolio Adviser will only invest in securities of exchange traded funds where such investment is compatible with the investment objectives and strategies of the Fund and permitted under applicable securities laws. The investments will be selected on the same basis as other investments of the Fund.

The Fund may enter into securities lending, repurchase or reverse repurchase transactions. While no such transactions are currently contemplated, they may be entered into in conjunction with other strategies and

## **Maple Leaf Resource Class (cont'd)**

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investments in a manner considered most appropriate to achieving the Fund's investment objectives stated above and enhancing returns as permitted by securities regulations.

The Fund's investment strategies may involve active and frequent trading. This may increase the trading costs payable by the Fund and lower the Fund's returns. In addition, this will increase the chance that you will receive a capital gains dividend from the Fund. For further information, see "Income Tax Considerations for Investors" above.

It is expected that the Corporation will acquire a substantial portion of the assets of the Fund from certain limited partnerships organized by companies that are related to the Manager or former limited partners of such limited partnerships. These assets will be transferred to the Corporation on a tax-deferred basis in exchange for shares of the Fund based on their relative net asset values.

### **What are the Risks of Investing in the Fund?**

The particular risks of investing in the Fund are:

- Capital Gains Risk
- Energy and Resource Sector Risk
- Concentration Risk
- Market Risk
- Illiquid Asset Risk
- Currency Risk
- Short Selling Risk
- Derivatives Risk
- Foreign Investment Risk
- Securities, Lending, Repurchase and Reverse Repurchase Risk

These risks are described in the section above called "What are the Risks of Investing in a Mutual Fund?".

### **Who Should Invest in this Fund?**

Investors who:

- are acquiring shares in connection with the transfer of assets to the Corporation from a limited partnership;
- are seeking long-term capital growth from investments in the Canadian equity markets;
- are not concerned with short-term price fluctuations; and
- have tolerance for high risk.

Other than for former limited partners in limited partnerships that have transferred property to the Fund on a tax-deferred basis, it is recommended that purchases of shares of the Fund only be made through registered plans.

Investors should consider their own personal circumstances and risk profile, consult with their financial advisor and read the detailed explanation of risk in this Simplified Prospectus before making a decision whether this Fund is suitable.

### **Distribution Policy**

The Fund will pay annually to shareholders ordinary dividends and capital gains dividends. Ordinary dividends will generally be paid in November and capital gains dividends will generally be paid in January. Dividends may be paid at other times determined by the Manager. We will automatically invest dividends

## **Maple Leaf Resource Class (cont'd)**

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in additional shares of the Fund unless you tell us in writing in advance that you would prefer to receive cash dividends. No sales charge will be payable with respect to the purchase of shares made under this automatic reinvestment program.

Upon the distribution and automatic reinvestment of capital gains dividends, the Fund may complete a share consolidation such that the number of shares outstanding after the consolidation remains unchanged from the number of shares outstanding immediately prior to the dividend distribution. The result of such a consolidation is that the net asset value per share will not be affected by the dividends.

### **Fund Expenses Indirectly Borne by Investors**

The table below shows the fees and expenses that would be indirectly borne by an investor in the Fund over a period of one, three, five and ten years, assuming an initial investment of \$1,000 and a total annual return of 5% each year. The calculations also assume that the management expense ratio of the Fund remains constant throughout the ten year period as it was in the last financial year of the Fund. For more information about the fees you pay, see the section above called “Fees and Expenses”, and in particular, the subsection “Fees and Expenses Payable Directly by You”.

This information is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds.

Based on the assumptions above, your costs would be as shown in the table below. Your actual costs may be higher or lower.

<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
\$56.38	\$177.73	\$311.51	\$709.10

## **MAPLE LEAF RESOURCE CLASS**

Additional information about the Fund is available in the Fund's Annual Information Form, Fund Facts, financial statements and management reports of fund performance. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of it.

You can get a copy of the Fund's Annual Information Form, Fund Facts, financial statements or management reports of fund performance, at no cost, by contacting the Manager by telephone, toll-free, at 1-866-688-5750, by e-mail at [info@cadobancorp.ca](mailto:info@cadobancorp.ca), or from your dealer.

These documents and other information about the Fund, such as material contracts and information circulars, are also available on the Manager's website at [www.mapleleaffunds.ca](http://www.mapleleaffunds.ca) and on SEDAR (the System for Electronic Document Analysis and Retrieval) at [www.sedar.com](http://www.sedar.com).

### **Manager of the Maple Leaf Resource Class**

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