



# mapleleaf

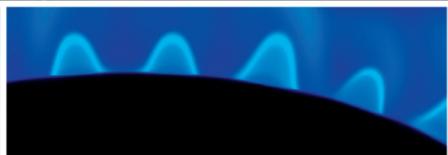
SHORT DURATION  
FLOW-THROUGH

**18.59%**

**AVERAGE  
AFTER-TAX  
RETURN**

*\*see disclaimer inside*

Jim Huang, CFA, CGA,  
President & Portfolio Manager, T.I.P. Wealth Manager Inc.



# ABOUT FLOW-THROUGH

The laws creating flow-through shares were enacted by the Federal Government of Canada in 1954 as a means of encouraging investment into the natural resource sector.

Today, flow-through shares issued by oil and gas, mining and renewable energy companies are one of the last legitimate tax-assisted investments available to Canadian resident investors (both individual and corporate) and represent an attractive investment planning opportunity.

**Flow-Through Limited Partnerships allow investors to convert income into a more favorable 'capital gains' tax position."**

Flow-through shares are the same as any common shares issued and outstanding in a company, except they provide special tax benefits to the purchaser. Canadian resource companies are able to sell their flow-through shares to investors in order to facilitate the financing of their exploration and/or development projects.

In return for receiving investment capital, the resource company has the obligation to "flow-through" to the purchaser of flow-through shares, the tax deductions it is entitled to upon spending the funds on qualifying exploration and development activities. Except for the initial tax benefits, flow-through shares are indistinguishable from other common shares of a company.

## Risks

The most significant risk is that the resource sector is subjected to cyclical market swings.

Maple Leaf's Portfolio Manager, Jim Huang believes that buying a professionally managed and diversified portfolio of flow-through shares, rather than directly buying flow-through shares from individual companies, reduces risk through portfolio diversification. **Mr. Huang has had an average after-tax return of 18.59% on the past 27 funds he has managed or co-managed since 2004 through to May 26, 2017.**

## Tax Savings

The majority of tax savings will be realized in the year the investment is made. Additional tax savings can be realized by re-investment in a subsequent flow-through or by contributing mutual fund shares to an RSP or donating shares to a charity.

# HOW THE INVESTMENT WORKS

Investors own limited partnership (“LP”) units, which are comprised of a diversified portfolio of resource stocks, and at the same time, realize tax deductions (on income from employment, business or property) of approximately 100% of the amount invested. After approximately 1 year, the assets of the LP are sold to the Maple Leaf Resource Class mutual fund and investors can then elect to hold onto their Resource Class mutual fund shares for potential capital gains, switch to the Income Class mutual fund or redeem them for cash.

## INVESTMENT LIFE CYCLE

### 1 INVESTMENT

Investors invest in units of the Limited Partnership, thus becoming Limited Partners.

### 2 CAPITAL INVESTED INTO PORTFOLIO COMPANIES

Limited Partnership enters into investment agreements with resource companies in exchange for flow-through shares.



### 4 LIQUIDITY

Within approximately 12 months the Limited Partnership implements a mutual fund rollover transaction.

### 3 100% TAX DEDUCTION

Limited Partners will receive an approximate 100% tax deduction in the year in which they invest.

## ABOUT LIQUIDITY

Pursuant to the mutual fund rollover transaction investors will receive redeemable shares of the Maple Leaf Resource Class mutual fund on a tax-deferred basis. Investors may then elect to sell their shares or switch tax free to the Income Class mutual fund. When the mutual fund shares are sold, investors typically will have a more favorable capital gains tax position.

### Note:

Following the mutual fund rollover transaction, investors will continue to receive the balance of their tax deductions.

# MAXIMIZE TAX DEDUCTIONS

Investing in a flow-through LP is one of the most compelling investment and tax planning strategies available to Canadian investors today.

## An Approximate 100% Tax Deduction

Individual and corporate investors alike may realize a tax deduction against income of approximately 100% of the amount invested in a Maple Leaf Flow-Through LP.

Further, with Maple Leaf Short Duration Flow-Through LP, investors have the opportunity to receive a second tax deduction within a relatively short period of time through re-investment into another Maple Leaf Short Duration Flow-Through LP, or by contributing their mutual fund shares to an RSP or by donating them to a charity.

## Tax Savings Through Deferral

Investors can benefit by holding onto their mutual fund shares thereby deferring income taxes and by converting income to a more favorably taxed capital gains position.

## Tax Savings Through Capital Gains

Maple Leaf Short Duration Flow-Through LP is specifically structured to provide investors with a combination of tax savings and capital gains. As a result, income is converted into a more favorable capital gains tax position on divestiture of mutual fund shares.

## TAX SAVINGS EXAMPLE <sup>1, 2</sup>

<b>INITIAL INVESTMENT</b>	<b>\$10,000</b>
Tax Savings (\$10,000 x 50%)	\$ 5,000
At-Risk Capital <sup>3</sup>	\$ 5,000
Break-Even Proceeds <sup>4</sup>	\$ 6,036

<sup>1</sup> It is important to refer to the relevant offering memorandum or prospectus of the offering to which you are considering for complete details and examples of tax savings, at-risk capital, break even proceeds and downside protection. These calculations are assuming a maximum offering and do not constitute forecasts.

<sup>2</sup> Assumes a marginal tax rate of 50%.

## Other Financial Planning Options

There are many other financial planning options that investors may consider including charitable giving, RSP contributions, Old Age Security and other clawbacks, as well as Capital Dividend Accounts. Tax implications and the deductibility of expenses are particular to each individual investor's circumstances. Anyone considering an investment in a Maple Leaf Short Duration Flow-Through LP should obtain advice from their tax or financial advisor prior to purchase.

# PROVEN PERFORMANCE



Jim Huang, CFA, CGA  
Portfolio Manager.

Jim Huang has managed 27 National and 14 Quebec flow-through funds since 2004, with exceptional performance.

# 18.59%

**AVERAGE  
AFTER-TAX  
RETURN**

\*see disclaimer below

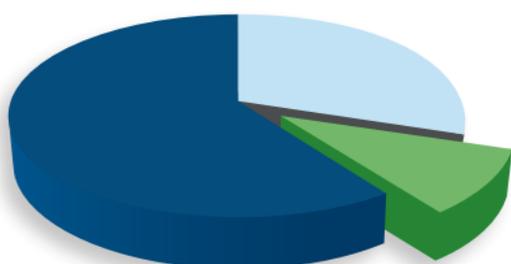
Mr. Jim Huang, CFA, CGA is the President of T.I.P. Wealth Manager Inc. and has been exclusively retained as Portfolio Manager to the Maple Leaf Short Duration Flow-Through LPs and the Maple Leaf Resource and Income Class mutual funds.

With more than 2 decades of resource sector experience, Mr. Huang has managed or co-managed over \$2 billion in mutual funds and institutional assets.

Mr. Huang is a former Vice-President and Portfolio Manager of Natcan Investment Management Inc. and its predecessor, Altamira Management Ltd.

\* The after-tax return noted above and on the front cover of this document are as at rollover and represent the average after-tax return of the 27 prior National flow-through LPs (excluding 14 Quebec-focused LPs) managed by Jim Huang from 2004 to May 26, 2017. Further, the after-tax return is a simple average after-tax return after capital gains tax had been paid on divestiture and is based on at-risk capital. At-risk capital is after tax savings from tax credits, CEE, CDE and other deductions. Tax savings are calculated by multiplying the total estimated income tax deductions for each year by the assumed marginal tax rate of 50%.

## INVESTMENT MIX EXAMPLE <sup>1</sup>



### EXAMPLE OF JIM HUANG'S IDEAL MIX

## 60%

### Core Position Criteria

- Proven Management
- Recognized Leader in its Field
- Good Growth Prospect
- Strong Balance Sheet

## 30%

### Growth Opportunity Criteria

- A Take-Over Candidate
- Undervalued Asset Base
- Cyclically Depressed
- Under New Management

## 10%

### High Risk/High Reward Criteria

- Companies that fit most of the above criteria but have been hampered by factors such as political risks, early stage exploration, etc.

<sup>1</sup> Represents an example of Jim Huang's ideal portfolio mix after the 4 month hold period on flow-through shares have expired.

# SHORT DURATION BENEFITS

Maple Leaf Short Duration Flow-Through LPs strive to complete their mutual fund rollover transactions approximately 1 year earlier than other flow-through offerings.

## Key Benefits of Maple Leaf's Short Duration Module

- Free up capital up to approximately 1 year earlier to realize a second tax deduction through re-investment into another Maple Leaf Short Duration Flow-Through LP.
- Contribute mutual fund shares to an RSP, RESP or TFSA<sup>1</sup> for an additional tax deduction.
- Donate mutual fund shares to a charitable organization for an additional tax deduction.
- Use extra tax deductions to pay down debt.
- Realize daily liquidity on the mutual fund shares.

<sup>1</sup> While the fair market value of such shares contributed to an RSP can be tax deductible, the contributor will realize a taxable capital gain on the contribution if that value exceeds his or her cost base in the shares (which may be nil).

## GIVE TO CHARITY

Charitable giving is a popular tax planning option in Canada as the Income Tax Act provides for donations of certain securities to a registered charity to be 100% tax deductible. Shares of a mutual fund corporation, such as those to be received by investors at the time of the mutual fund rollover transactions will qualify.

### CHARITABLE DONATION EXAMPLE

	DONATION WITH FLOW-THROUGH	DONATION WITHOUT FLOW-THROUGH
Marginal Tax Rate:	50%	50%
Donation to Charity:	\$25,000	\$25,000
Net Flow-Through and other Tax Savings: <sup>1</sup>	\$12,500	\$0
Charitable Donation Tax Savings: <sup>2</sup>	\$12,500	\$12,500
Total Tax Savings: <sup>3</sup>	\$25,000	\$12,500
Less Capital Gains Payable:	(\$ 6,250)	(\$0)
<b>Total Cost of Donation:</b>	<b>\$ 6,250</b>	<b>\$12,500</b>

<sup>1</sup> The tax savings above are calculated by multiplying the total estimated income tax deductions for each year by the assumed marginal tax rate of 50%. Also assumes subscriber has sufficient income so that the illustrated tax savings are realized in the year shown.

<sup>2</sup> Assumes charitable donation amount is equal to the original investment amount and less than, generally, 75% of net income in the taxation year that the donation is made.

<sup>3</sup> Estimate for illustrative purposes only.

# WHY INVEST IN MAPLE LEAF?

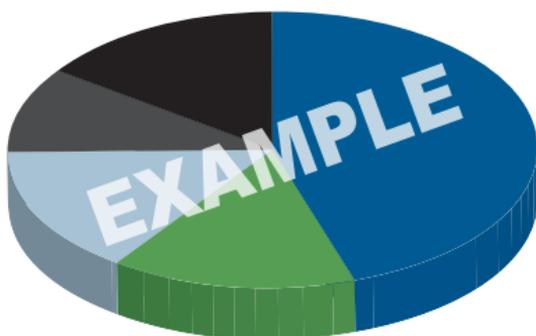
## Top 5 Reasons Maple Leaf Short Duration Flow-Through LP may be right for you:

- 1 Liquidity in approximately 1 year or less provides attractive investment planning options.
- 2 Investing in a well diversified portfolio with Jim Huang, one of Canada's top performing flow through fund managers, can reduce risk and volatility when compared to sector specific flow through funds.
- 3 Receive an approximate 100% tax deduction.
- 4 Receive a second tax deduction within approximately 12 months by re-investing in a subsequent flow-through.
- 5 Realize additional tax benefits by contributing mutual fund shares to an RSP or by donating shares to a charity.

## PORTFOLIO BREAKDOWN BY SECTOR<sup>1</sup>

### Diversified Portfolio = Less Risk

Buying a professionally managed and diversified portfolio of flow-through shares, rather than buying flow-through shares directly from individual companies or sector specific flow-through funds, reduces risk. A Maple Leaf Short Duration Flow-Through LP typically holds 15 - 20 holdings in a portfolio.



**ENERGY 25 - 50%**

**BULK MATERIALS 5 - 10%**

**BASE METALS 10 - 20%**

**URANIUM 5 - 15%**

**PRECIOUS METALS 10 - 15%**

<sup>1</sup> Targeted investment mix, subject to availability at time of investment.

FOR FURTHER INFORMATION:

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