

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

*The Funds and the units they offer under this simplified prospectus are not registered with the U.S. Securities and Exchange Commission. Units of the Funds may be offered and sold in the United States only in reliance on exemptions from registration.*

# **Dynamic Funds**<sup>®</sup>

*Invest with advice.*

## **Alternative Mutual Funds**

**Dynamic Credit Absolute Return Fund**  
Offering Series A, F, FH, H, O and OP Units

**Dynamic Credit Opportunities Fund**  
Offering Series A, F, FH, H and OP Units

**SIMPLIFIED PROSPECTUS**

**DATED SEPTEMBER 7, 2023**

## TABLE OF CONTENTS

<b>INTRODUCTION</b> .....	<b>1</b>
<b>PART A: GENERAL INFORMATION</b> .....	<b>2</b>
<b>RESPONSIBILITY FOR MUTUAL FUND ADMINISTRATION</b> .....	<b>2</b>
<b>MANAGER</b> .....	<b>2</b>
<i>Directors and Executive Officers of the General Partner of the Manager</i> .....	<b>2</b>
<b>NAME AND MUNICIPALITY OF RESIDENCE</b> .....	<b>2</b>
<b>POSITIONS HELD WITH THE GENERAL PARTNER</b> .....	<b>2</b>
<i>Executive Officers of the Manager</i> .....	<b>3</b>
<b>UNDERLYING FUNDS</b> .....	<b>3</b>
<b>PORTFOLIO ADVISER</b> .....	<b>4</b>
<b>BROKERAGE ARRANGEMENTS</b> .....	<b>4</b>
<b>TRUSTEE</b> .....	<b>5</b>
<b>CUSTODIAN</b> .....	<b>5</b>
<b>AUDITOR</b> .....	<b>5</b>
<b>REGISTRAR</b> .....	<b>5</b>
<b>SECURITIES LENDING AGENT</b> .....	<b>6</b>
<b>LENDER</b> .....	<b>6</b>
<b>INDEPENDENT REVIEW COMMITTEE AND FUND GOVERNANCE</b> .....	<b>6</b>
<b>INDEPENDENT REVIEW COMMITTEE</b> .....	<b>6</b>
<b>CODE OF CONDUCT</b> .....	<b>7</b>
<b>AFFILIATED ENTITIES</b> .....	<b>7</b>
<b>DEALER MANAGER DISCLOSURE</b> .....	<b>7</b>
<b>POLICIES AND PRACTICES</b> .....	<b>7</b>
<i>Derivatives Risk Management</i> .....	<b>7</b>
<i>Securities Lending Risk Management</i> .....	<b>8</b>
<i>Short Selling Risk Management</i> .....	<b>8</b>
<i>Environmental, Social and Governance</i> .....	<b>8</b>
<i>Policies on Proxy Voting</i> .....	<b>8</b>
<b>REMUNERATION OF TRUSTEE AND MEMBERS OF IRC</b> .....	<b>9</b>
<b>MATERIAL CONTRACTS</b> .....	<b>10</b>
<b>MASTER DECLARATION OF TRUST</b> .....	<b>10</b>
<b>MASTER MANAGEMENT AGREEMENT</b> .....	<b>10</b>
<b>CUSTODIAN AGREEMENTS</b> .....	<b>10</b>
<b>SECURITIES LENDING AUTHORIZATION AGREEMENT</b> .....	<b>10</b>
<b>SEVERAL DISCLOSURE</b> .....	<b>11</b>
<b>LEGAL AND ADMINISTRATIVE PROCEEDINGS</b> .....	<b>11</b>
<b>DESIGNATED WEBSITE</b> .....	<b>11</b>
<b>VALUATION OF PORTFOLIO SECURITIES</b> .....	<b>11</b>
<b>NET ASSET VALUE</b> .....	<b>13</b>
<b>CALCULATION OF NET ASSET VALUE</b> .....	<b>13</b>
<i>Differences from International Financial Reporting Standards</i> .....	<b>14</b>
<b>PURCHASES, SWITCHES AND REDEMPTIONS</b> .....	<b>14</b>
<b>DESCRIPTION OF UNITS</b> .....	<b>14</b>
<b>PURCHASES</b> .....	<b>16</b>
<b>SWITCHES AND RECLASSIFICATIONS</b> .....	<b>17</b>
<i>General</i> .....	<b>17</b>
<i>Tax Implications of Switches and Reclassifications</i> .....	<b>18</b>
<b>REDEMPTIONS</b> .....	<b>19</b>

SHORT-TERM TRADING .....	20
<b>OPTIONAL SERVICES .....</b>	<b>21</b>
REGISTERED PLANS .....	21
PRE-AUTHORIZED CHEQUING PLAN .....	21
SYSTEMATIC WITHDRAWAL INVESTMENT PLANS .....	22
SMART INVESTMENT PROGRAM .....	22
PLEDGES .....	22
<b>FEES AND EXPENSES .....</b>	<b>22</b>
FEES AND EXPENSES PAYABLE BY THE FUNDS .....	23
<i>Management Fees</i> .....	23
<i>Performance Fees</i> .....	24
<i>Operating Expenses</i> .....	25
<i>Derivatives Transaction Costs</i> .....	26
<i>Underlying Fund Fees and Expenses</i> .....	26
<i>Management Expense Ratio</i> .....	26
FEES AND EXPENSES PAYABLE DIRECTLY BY YOU .....	26
<i>Series O and Series OP Management Fees</i> .....	27
<i>Sales Charges</i> .....	27
<i>Switch and Reclassification Fees</i> .....	27
<i>Short-Term Trading Fees</i> .....	27
<i>Other Fees and Expenses</i> .....	27
IMPACT OF SALES CHARGES .....	27
<b>DEALER COMPENSATION .....</b>	<b>28</b>
EQUITY INTERESTS .....	28
<b>INCOME TAX CONSIDERATIONS FOR UNITHOLDERS .....</b>	<b>29</b>
TAXATION OF ALL FUNDS .....	29
TAXATION OF UNITHOLDERS .....	31
<i>Taxable Unitholders of the Funds</i> .....	31
<i>Non-Taxable Unitholders of the Funds</i> .....	32
ELIGIBILITY FOR REGISTERED PLANS .....	32
INTERNATIONAL INFORMATION REPORTING REQUIREMENTS .....	32
<b>WHAT ARE YOUR LEGAL RIGHTS? .....</b>	<b>33</b>
<b>EXEMPTIONS AND APPROVALS .....</b>	<b>33</b>
<i>Short Selling Relief</i> .....	33
<i>Cash Borrowing Relief</i> .....	33
<i>Custody Relief</i> .....	33
<i>Offerings Involving A Related Underwriter</i> .....	33
<i>Investments in Closed-End Funds</i> .....	34
<i>Gold Exchange-Traded Funds</i> .....	34
<i>Fixed income securities</i> .....	34
<i>Other Relief</i> .....	34
<b>CERTIFICATE OF THE FUNDS AND THE MANAGER AND PROMOTER OF THE FUNDS .....</b>	<b>35</b>
<b>CERTIFICATE OF THE PRINCIPAL DISTRIBUTOR OF THE FUNDS .....</b>	<b>36</b>
<b>PART B: SPECIFIC INFORMATION ABOUT EACH OF THE FUNDS DESCRIBED IN THIS DOCUMENT .....</b>	<b>37</b>
<b>WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?...37</b>	<b>37</b>
WHAT IS THE MAIN PURPOSE OF A MUTUAL FUND? .....	37
WHAT DO MUTUAL FUNDS INVEST IN? .....	37
<i>Equity Securities</i> .....	37
<i>Debt Securities</i> .....	38
<i>Underlying Funds</i> .....	38
<i>Exchange-Traded Funds</i> .....	38

<i>Derivatives</i> .....	38
<i>Securities Lending, Repurchase and Reverse Repurchase Transactions</i> .....	39
<i>Short Selling</i> .....	39
<i>ESG Considerations</i> .....	39
HOW ARE MUTUAL FUNDS STRUCTURED? .....	40
WHAT DO I OWN WHEN I INVEST?.....	40
<i>What are Units?</i> .....	40
WHY SHOULD I INVEST IN A MUTUAL FUND? .....	40
<i>Professional Management</i> .....	40
<i>Diversification</i> .....	40
<i>Easy Access To Your Money</i> .....	41
<i>Easy To Track Your Investments</i> .....	41
WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?.....	41
RISK FACTORS.....	43
<i>Asset-Backed and Mortgage-Backed Securities Risk</i> .....	43
<i>Concentration Risk</i> .....	43
<i>Credit Risk</i> .....	43
<i>Currency Risk</i> .....	44
<i>Cyber Security Risk</i> .....	44
<i>Derivatives Risk</i> .....	44
<i>ESG Factor Risk</i> .....	45
<i>Foreign Investment Risk</i> .....	46
<i>Fund on Fund Risk</i> .....	46
<i>Inflation Risk</i> .....	46
<i>Interest Rate Risk</i> .....	46
<i>Leverage Risk</i> .....	47
<i>Liquidity Risk</i> .....	47
<i>Market Disruptions Risk</i> .....	47
<i>Prime Broker Risk</i> .....	47
<i>Securities Lending, Repurchase and Reverse Repurchase Transaction Risk</i> .....	48
<i>Series Risk</i> .....	48
<i>Short Selling Risk</i> .....	48
<i>Significant Securityholder Risk</i> .....	49
<i>Taxation Risk</i> .....	49
<i>Underlying ETFs Risk</i> .....	50
<b>INVESTMENT RESTRICTIONS AND PRACTICES.....</b>	<b>51</b>
<b>DESCRIPTION OF THE SECURITIES OFFERED BY THE MUTUAL FUNDS.....</b>	<b>51</b>
<i>Distribution Rights of the Funds</i> .....	51
<i>Liquidation Rights</i> .....	52
<i>Voting Rights</i> .....	52
<i>Redemption</i> .....	53
<i>Switches and Reclassifications for Funds</i> .....	53
<b>NAME, FORMATION AND HISTORY OF THE FUNDS.....</b>	<b>53</b>
<b>INVESTMENT RISK CLASSIFICATION METHODOLOGY.....</b>	<b>53</b>
DYNAMIC CREDIT ABSOLUTE RETURN FUND.....	55
DYNAMIC CREDIT OPPORTUNITIES FUND.....	60

## INTRODUCTION

This document contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor. This simplified prospectus (the “**Simplified Prospectus**”) offers units of Dynamic Credit Absolute Return Fund and Dynamic Credit Opportunities Fund (each, a “**Fund**” and collectively, the “**Funds**”).

In this document, “we”, “us”, “our”, the “Trustee”, the “Manager” and “1832 L.P.” refer to 1832 Asset Management L. P. Reference to “Trust Funds”, including the Funds, means mutual funds managed by the Manager that are established as trusts. Reference to “Corporate Funds” means corporate mutual funds managed by the Manager.

This Simplified Prospectus contains information about the Funds and the risks of investing in mutual funds generally, as well as the names of those responsible for the management of the Funds.

This document is divided into two parts. The first part (Part A), from pages 2 through 36, contains general information applicable to the Funds. The second part (Part B), from pages 37 through 64, contains specific information about each of the Funds described in this document.

Additional information about each Fund is available in the following documents:

- the fund facts (“**Fund Facts**”) most recently filed by the Funds;
- the Funds' most recently filed annual financial statements;
- any interim financial reports 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 document, which means that they legally form part of this document just as if they were printed as a part of this document. You can get a copy of these documents, at your request, and at no cost, by calling 1-800-268-8186 or from your dealer. These documents are available on our designated website at [www.dynamic.ca](http://www.dynamic.ca) or can be obtained by e-mailing us at [invest@dynamic.ca](mailto:invest@dynamic.ca). These documents and other information about the Funds are available at [www.sedarplus.ca](http://www.sedarplus.ca).

## PART A: GENERAL INFORMATION

### RESPONSIBILITY FOR MUTUAL FUND ADMINISTRATION

#### *Manager*

1832 L.P. is the manager, trustee, principal distributor, registrar and portfolio advisor of each Fund.

The services of the Manager, the officers and directors of 1832 Asset Management G.P. Inc., the general partner of the Manager (the “**General Partner**”) and the officers of the Manager are not exclusive to the Funds. The Manager and its affiliates and associates (as defined in the *Securities Act* (Ontario)) may, at any time, have other business interests and may engage in other activities competitive with, or similar to, or in addition to those relating to the activities to be performed for the Funds, including the administration of any other fund or trust, the rendering of services and advice to other persons and the ownership, development and management of other investments, including investments of the Manager and its affiliates and associates.

The head office of the Manager is located 40 Temperance Street, 16<sup>th</sup> Floor, Toronto, Ontario M5H 0B4. The phone number for the Manager is 1-800-268-8186, the e-mail address is [invest@dynamic.ca](mailto:invest@dynamic.ca) and the website address is [www.dynamic.ca](http://www.dynamic.ca).

Pursuant to the Master Declaration of Trust of the Funds and the master management agreement dated as of August 20, 2015, as may be amended from time to time, (the “**Master Management Agreement**”) applicable to each Fund, the Manager is responsible for: (a) providing management, portfolio investment, registrar and administrative services to the Funds; and (b) arranging for the distribution of units of any series of the Funds.

The Manager is also responsible for valuation sources, fund accounting in respect of each Fund and unitholder records.

#### Directors and Executive Officers of the General Partner of the Manager

The Board of Directors of the General Partner currently consists of eight members.

Directors are appointed to serve on the Board of Directors of the General Partner until such time as they retire or are removed and their successors are appointed. The directors and executive officers of the General Partner collectively have extensive experience in the analysis and understanding of the risks associated with many of the businesses underlying the securities that may comprise the Fund’s investments. The Manager will draw upon this experience when necessary in analyzing potential investments for the Fund.

The names, municipalities of residence and for each of the directors and executive officers of the General Partner are as follows:

<b>Name and Municipality of Residence</b>	<b>Positions Held with the General Partner</b>
John Pereira Richmond Hill, Ontario	Chairman of the Board and Director
Neal Kerr Toronto, Ontario	President and Director
Gregory Joseph Grimsby, Ontario	Chief Financial Officer
Rosemary Chan Toronto, Ontario	Director
Raquel Costa Toronto, Ontario	Director

<b>Name and Municipality of Residence</b>	<b>Positions Held with the General Partner</b>
Todd Flick Burlington, Ontario	Director
Craig Gilchrist Toronto, Ontario	Director
Anil Mohan Thornhill, Ontario	Director
Jim Morris Caledon, Ontario	Director
Simon Mielniczuk Toronto, Ontario	Secretary

#### Executive Officers of the Manager

The names and municipalities of residence of the executive officers of the Manager and the positions and offices held with the Manager are as follows:

<b>Name and Municipality of Residence</b>	<b>Positions Held with the Manager</b>
Neal Kerr Toronto, Ontario	President and Ultimate Designated Person
Gregory Joseph Grimsby, Ontario	Chief Financial Officer
Kevin Brown Milton, Ontario	Chief Compliance Officer
Simon Mielniczuk Toronto, Ontario	Secretary

#### ***Underlying Funds***

The Funds may invest all or a portion of their assets indirectly in equity securities and/or debt securities by investing in underlying funds (which may include mutual funds, alternative mutual funds, non-redeemable investment funds and/or exchange-traded funds) (collectively, “**underlying funds**”), that are managed by us, by our affiliates or associates and/or by third party investment managers. The proportions and types of underlying funds held by a Fund will vary according to the risk and investment objectives of the Fund. You may obtain a copy of the simplified prospectus of an underlying fund that is managed by us, at your request and at no cost, by calling toll free 1-800-268-8186, by emailing [invest@dynamic.ca](mailto:invest@dynamic.ca) or from your dealer.

Pursuant to the requirements of securities legislation, no Fund will vote any of the securities it holds in an underlying fund managed by us or any of our affiliates and associates. However, we may, in our sole discretion, arrange for you to vote your share of those securities of the underlying fund.

## ***Portfolio Adviser***

The team of the Manager provides investment advisor services to the Funds. Investment decisions are made based on research and analysis conducted by teams comprised of portfolio managers and securities analysts who focus on various sectors such as Canadian equities, U.S. equities, global equities and fixed-income securities. The decisions of each of these teams are then implemented by the portfolio managers who have principal responsibility for each Fund according to the respective investment objectives and strategies of each Fund. The Manager stresses the importance of regular meetings of all of its portfolio managers and securities analysts to share information and analysis and to ensure that the Manager is constantly aware of Fund requirements thereby allowing each member of the team to benefit from the experience of the other members of the team.

The Manager may retain sub-advisors, as appropriate, to provide investment advice for the Funds. In retaining such sub-advisors, the Manager will look for investment management operations which it considers appropriate given the fundamental investment objectives of the applicable Fund. Any agreements with such sub-advisors will provide that the Manager will be responsible for the advice given by such sub-advisors and will pay the fees of such sub-advisors.

The following table sets forth the names of all of the members of the team of the Manager, their position and their principal occupation (where different from their current principal occupation) in the last five years, and identifies the person or persons who are principally responsible for the day-to-day management of a material portion of the portfolio of the Funds, implementing a particular material strategy or managing a particular segment of the portfolio of the Funds, and the person or persons who assist them as analysts.

<b>Name and Title</b>	<b>Fund</b>	<b>Role in Investment Decision-Making Process</b>
Marc-André Gaudreau Vice President & Senior Portfolio Manager	Dynamic Credit Absolute Return Fund Dynamic Credit Opportunities Fund	Head of the Specialized Credit Team, responsible for overall investment strategy, portfolio construction, and final decision-making of fixed income, high yield, and preferred share funds.
Jeremy Lucas Vice President & Portfolio Manager	Dynamic Credit Absolute Return Fund Dynamic Credit Opportunities Fund	Portfolio Manager on the Specialized Credit Team, responsible for day-to-day management, credit selection, and portfolio positioning of fixed income, high yield, and preferred share funds.
Roger Rouleau Vice President & Portfolio Manager	Dynamic Credit Absolute Return Fund Dynamic Credit Opportunities Fund	Portfolio Manager on the Specialized Credit Team, responsible for day-to-day management, credit selection, and portfolio positioning of fixed income, high yield, and preferred share funds.

## ***Brokerage Arrangements***

The Manager has established policies and procedures for selecting and retaining, on behalf of the Funds, dealers to effect securities transactions for the Funds, in accordance with which the Manager is required to, among other things, obtain internal approvals and comply with the conditions of the Independent Review Committee's (the "IRC") standing instruction on brokerage arrangements. When selecting a dealer, on behalf of the Funds, to effect a securities transaction the Manager seeks to achieve the most favourable terms possible, and to that end the Manager follows a process that involves compliance with its policies and procedures, including consideration of numerous factors such as the requirements of the transaction, the ability of the dealer to efficiently effect the transaction and the total cost to the Funds of effecting the transaction. The Manager also considers whether research and/or order execution goods and services will be received as part of a given transaction, subject always to the priority of seeking best execution. The Manager follows the same process in determining whether to effect securities transactions through a dealer that is an affiliate of the Manager, such as Scotia Capital Inc., as it would use in relation to any other dealer.



From time to time the Manager may enter into brokerage arrangements whereby a portion of the commissions paid by the Funds are used to obtain research and/or order execution goods and services that directly benefit the Funds. These arrangements include both transactions with dealers who will provide proprietary research and/or order execution goods and services and transactions with dealers where a portion of the brokerage commissions will be used to pay for third party research and/or order execution goods and services.

Research and/or order execution goods and services obtained through such brokerage arrangements, including research reports, access to databases, trade-matching, clearance and settlement and order management systems, assist the Manager with investment and trading decisions and with effecting securities transactions on behalf of the Funds. The Manager conducts a fact-based analysis, including an examination of alternative sources of goods and services and their relative costs, in order to make a good faith determination as to the benefits of the research and/or order execution services received compared to the relative costs of obtaining such benefits.

The Manager may receive goods and services that include research and/or order execution goods and services, as well as other forms of goods and services, in which case the goods and services are considered to be “mixed-use” goods and services. In the event that the Manager receives mixed-use goods and services, the Manager will only direct a portion of brokerage commissions that are paid by the Funds to those goods and services that constitute research and/or order execution goods and services and which are used by the Manager in connection with its investment and trading decisions and with effecting securities transactions on behalf of the Funds. Since the date of the last simplified prospectus of the Funds, the services provided to the Manager and its advisors to the Funds include industry and company analysis, economic analysis, statistical data about the capital markets or securities, analysis or reports on issuer performance, industries, economic or political factors and trends, and other services, including databases or software to deliver or support those services.

The name of any dealer or third party that provides research and/or order execution goods and services through a brokerage arrangement to the Manager and its advisors or sub-advisors on behalf of the Funds will be provided upon request by contacting the Manager at 1-800-268-8186 or at [invest@dynamic.ca](mailto:invest@dynamic.ca).

No Fund pays sales charges or redemption fees when it purchases or redeems securities of another mutual fund managed by the Manager.

### ***Trustee***

The Manager is the trustee of each Fund.

### ***Custodian***

Pursuant to an agreement dated September 27, 2018, as amended, TD Securities Inc. (“**TDSI**”) is custodian of the assets of Dynamic Credit Absolute Return Fund and Dynamic Credit Opportunities Fund.

The Manager obtained exemptive relief to permit each Fund to appoint more than one Custodian. The Manager may appoint additional Custodians for the Funds from time to time.

A change of custodian will, in certain events, require the prior approval of securities regulatory authorities. Where a Fund makes use of clearing corporation options, the Fund may deposit portfolio securities or cash as margin in respect of such transactions with a dealer, or in the case of over-the-counter options or forward contracts, with the other party thereto, in any such case in accordance with the policies of Canadian securities authorities. Where a Fund effects a short sale, the Fund may deposit assets as security with its custodian or dealer from whom the Fund borrowed the securities forming part of the short sale.

### ***Auditor***

The auditor of the Funds is KPMG LLP whose principal office is located in Toronto, Ontario.

### ***Registrar***

As registrar, 1832 L.P. keeps the register of each Fund at its head office in Toronto, Ontario.

## ***Securities Lending Agent***

In the event Dynamic Credit Absolute Return Fund or Dynamic Credit Opportunities Fund engages in a Lending and Repurchase Transaction, then TDSI will be appointed as the Fund's securities lending agent.

The agreements entered into with the securities lending agents provide that:

- collateral equal to 102% of the market value of the loaned securities will be required to be delivered in connection with a securities lending transaction;
- the Fund will indemnify and hold harmless the securities lending agent from any loss or liability (including the reasonable fees and disbursements of counsel) incurred by the securities lending agent in rendering services under the agreement or in connection with any breach of the terms of the agreement or any loan by the Fund or the Manager on behalf of the Fund, except such loss or liability which results from the security lending agent's failure to exercise the standard of care required by the agreement; and
- the agreement can be terminated by any party on five business days' written notice.

## ***Lender***

BMO Nesbit Burns Inc. and TDSI are or will be the prime brokers of The Funds. Each Fund may borrow money from its prime brokers for investment purposes in accordance with its investment objectives and strategies.

## **INDEPENDENT REVIEW COMMITTEE AND FUND GOVERNANCE**

### ***Independent Review Committee***

The Manager has established the IRC in accordance with NI 81-107 with a mandate to review and provide recommendations or approval, as required, on conflict of interest matters referred to it by the Manager on behalf of the Funds. The IRC is responsible for overseeing the Manager's decisions in situations where the Manager is faced with any present or perceived conflicts of interest, all in accordance with NI 81-107.

The IRC may also approve certain mergers between a Fund and other funds, and any change of the auditor of a Fund. Subject to any corporate and securities law requirements, no unitholder approval will be obtained in such circumstances, but you will be sent a written notice at least 60 days before the effective date of any such transaction or change of auditor. In certain circumstances, unitholder approval may be required to approve certain mergers.

The IRC currently has five members, Stephen J. Griggs (Chair), Steve Donald, Simon Hitzig, Heather A. T. Hunter and Jennifer L. Witterick, each of whom is independent of the Manager.

The IRC prepares and files a report to unitholders each fiscal year that describes the IRC and its activities for unitholders as well as contains a complete list of the standing instructions. These standing instructions enable the Manager to act in a particular conflict of interest matter on a continuing basis provided the Manager complies with its policies and procedures established to address that conflict of interest matter and reports periodically to the IRC on the matter. This report to the unitholders is available on the Manager's website at [www.dynamic.ca](http://www.dynamic.ca) or, at no cost, by contacting the Manager at [invest@dynamic.ca](mailto:invest@dynamic.ca).

The compensation and other reasonable expenses of the IRC will be paid out of the assets of the Fund, as well as out of the assets of the other investment funds for which the IRC may act as the independent review committee. The main component of compensation is an annual retainer fee. Prior to November 1, 2021, each IRC member also received a fee for each committee meeting attended. The chair of the IRC is entitled to an additional fee. Expenses of the IRC may include premiums for insurance coverage, travel expenses and reasonable out-of-pocket expenses. Please see "Remuneration of Trustee and Members of the IRC" for additional information.

## Code of Conduct

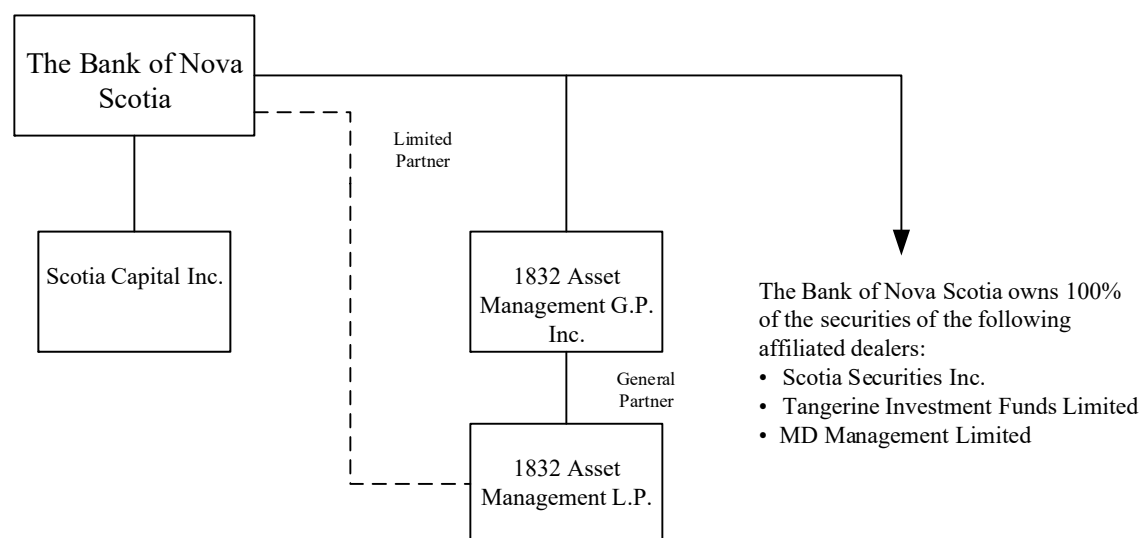
The Manager has a Code of Conduct and policies related to employee personal trading (the “Policies”) which applies to the Manager’s employees. These Policies are in place to protect the interest of all of the Manager's clients. These Policies govern the conduct of business including conflicts of interest, privacy issues and confidentiality.

The Manager is under a statutory duty imposed by the *Securities Act* (Ontario) to act honestly and in good faith and in the best interests of the Funds and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the same circumstances.

## AFFILIATED ENTITIES

The general partner of 1832 L.P., 1832 Asset Management G.P. Inc., is wholly-owned by The Bank of Nova Scotia. The Bank of Nova Scotia owns, directly or indirectly, 100% of Scotia Securities Inc. and Tangerine Investment Funds Limited, each a mutual fund dealer and MD Management Limited and Scotia Capital Inc., each an investment dealer. Each of the above dealers may sell securities of the Fund. The amount of fees received from the Fund by these entities each year is disclosed in the Fund’s audited annual financial statements.

The relationship between 1832 L.P. and certain of its affiliates as at October 14, 2022 is shown below.



## DEALER MANAGER DISCLOSURE

The Funds are “dealer managed investment funds” (as defined in NI 81-102). Generally, such type of fund is prohibited from investing in securities in respect of which an entity related to the portfolio manager has acted as an underwriter during the distribution and for the 60 days after the distribution. A fund is, however, permitted to purchase debt and equity securities in respect of which a related party has acted as underwriter if certain conditions in NI 81-102 and/or exemptions therefrom are met.

## POLICIES AND PRACTICES

The Manager has policies and practices in place in order to comply with applicable securities legislation, regulations and rules, including rules on sales practices.

### Derivatives Risk Management

The Funds may use derivatives from time to time as described in this Simplified Prospectus for the Funds. Any use of derivatives by the Funds is governed by the Manager's own policies and procedures relating to derivatives trading. These policies and procedures are prepared and reviewed by the Derivatives Review Committee which is a sub Committee of the Trade Management Oversight Committee of the Manager. The decision as to the use of derivatives is made by senior portfolio managers of the Manager in accordance with our compliance procedures and risk control

measures. If permitted by applicable securities legislation, the Funds may enter into over-the-counter bilateral derivative transactions with counterparties that are related to the Manager.

#### Securities Lending Risk Management

Each Fund may enter into Lending and Repurchase Transactions from time to time as described earlier in this document.

Pursuant to the requirements of NI 81-102, the Manager intends to manage the risks associated with Lending and Repurchase Transactions by requiring that each securities loan be, at a minimum, secured by investment grade collateral or cash with a value of at least 102% of the market value of the loaned securities. The amount of collateral will be adjusted daily to ensure this collateral coverage is maintained at all times. All such securities loans will only be with qualified borrowers. In addition, the aggregate market value of all securities loaned pursuant to securities lending transactions, together with securities sold pursuant to repurchase transactions, by a Fund will not exceed 50% of the net asset value of that Fund immediately after the Fund enters into the transaction. Each Fund will comply with all other applicable requirements of securities and tax legislation with respect to Lending and Repurchase Transactions.

Policies and procedures relating to any Lending and Repurchase Transaction entered into on behalf of a Fund will be developed by the Manager and the Fund's custodian or the affiliate of the custodian acting as its agent in administering the transaction. The creditworthiness of each qualified borrower to a securities loan will be evaluated by the Manager. Any agreements, policies and procedures that are applicable to a Fund relating to such transactions will be reviewed and approved by senior management of the Manager. See "Responsibility for Operations of the Funds – Securities Lending Agent" earlier in this document for more information.

#### Short Selling Risk Management

The Funds may engage in short selling as described later in this document. The Manager intends to manage the risks associated with short selling by complying with the restrictions set out below under the heading "What Do Mutual Funds Invest In? – Short Selling".

The Manager has developed written policies and procedures relating to short selling (including objectives, goals and risk management procedures). Agreements, policies and procedures that are applicable to a Fund relating to short selling (including trading limits and controls) are reviewed by senior management of the Manager. The decision to effect any particular short sale is made by senior portfolio managers of the Manager and reviewed and monitored as part of the Manager's ongoing compliance procedures and risk control measures. Risk measurement procedures or simulations generally are not used to test the portfolios of the Funds under stress conditions.

#### Environmental, Social and Governance

For the investment funds advised by the Manager, its ESG Investment Committee, among other things, supports the consideration of environmental, social and governance ("ESG") factors, evaluates ESG-related policies and guidelines, recommends ongoing ESG improvements to investment teams and maintains ESG-related risk reporting.

#### Policies on Proxy Voting

##### *(i) Policies and Procedures*

Subject to compliance with the provisions of applicable securities legislation, the Manager, in its capacity as portfolio advisor, acting on each Fund's behalf, receives proxies from the issuers held on behalf of the Funds. In certain circumstances, the Manager may delegate the right to vote proxies to a Fund's sub-advisor as part of such sub-advisor's discretionary authority to manage the Fund's assets. Proxies provide shareholders voting rights on proposals brought forth by the issuer or other groups associated with the issuer. Proxies may include proposals such as the election of the board of directors, the approval of stock and compensation plans as well as special company events such as mergers and acquisitions.

In many cases, the issuer's management provides a voting recommendation for each proxy proposal. The Manager has retained the services of an independent firm to provide further analysis and recommendation on the proxies it

receives as portfolio advisor to the Funds. The Manager assesses each proxy including the recommendations of the independent proxy provider and votes such proxies in the best interests of the Funds.

As part of the Manager's active investment management approach, it believes that it is important to engage with issuers on relevant ESG factors, which includes engagement through proxy voting. Accordingly, special or non-routine matters related to ESG issues are brought to the attention of Portfolio Manager(s) of the applicable Fund. Portfolio Managers assess such matters within the context of their overall investment process and take appropriate action that they believe to be in the best interests of the Fund.

On occasion, the Manager or sub-advisor may abstain from voting a proxy or a specific proxy item when it is concluded that the potential benefit of voting the proxy of that issuer is outweighed by the cost of voting the proxy. In addition, the Manager will not vote proxies received for issuers of portfolio securities which are no longer held in a Fund's account. Pursuant to the requirements of securities legislation, the Manager, on behalf of a Fund, will not vote any of the securities a Fund holds in underlying funds managed by the Manager or any of its affiliates or associates (as such terms are defined in the *Securities Act* (Ontario)). However, the Manager, in its sole discretion, may arrange for unitholders of a Fund to vote their share of those securities of the underlying fund.

*(ii) Conflicts of Interest*

Where proxy voting could give rise to a conflict of interest or perceived conflict of interest, in order to balance the interest of a Fund in voting proxies with the desire to avoid the perception of a conflict of interest, the Manager has instituted procedures to help ensure that the Fund's proxy is voted in accordance with the business judgment of the person exercising the voting rights on behalf of the Fund, uninfluenced by considerations other than the best interests of the Fund.

The procedures for voting issuers' proxies where there may be a conflict of interest include escalation of the issue to members of the IRC, all of whom are independent of the Manager, for its consideration and advice, although the responsibility for deciding how to vote a Fund's proxies and for exercising the vote remains with the Manager.

The Manager has adopted conflict of interest procedures in the event it receives a voting proxy from a related party such as The Bank of Nova Scotia. The Manager has referred these procedures to the IRC of the Funds. All proxies voted with respect to related parties are reported to the IRC for further review and recommendation.

*(iii) Disclosure of Proxy Voting Guidelines and Record*

A copy of the proxy voting guidelines and the most recent proxy voting record for the Funds for the period ended June 30 of each year will be available on our website ([www.dynamic.ca](http://www.dynamic.ca)) or will be sent, at no cost, upon request by calling 1-800-268-8168 or writing to 40 Temperance Street, 16<sup>th</sup> Floor, Toronto, Ontario M5H 0B4, to unitholders of the Funds at any time after August 31<sup>st</sup> of that year.

**REMUNERATION OF TRUSTEE AND MEMBERS OF IRC**

The Trustee of the Funds has not received any remuneration in its capacity as such.

For the financial year ended June 30, 2023, each member of the IRC received the compensation and reimbursement of reasonable expenses as set out in the table below.

<b>IRC Member</b>	<b>Compensation</b>	<b>Expenses Reimbursed</b>
Stephen Griggs (Chair)	\$80,000.00	\$0
Simon Hitzig	\$65,000.00	\$0
Heather Hunter	\$65,000.00	\$0
Jennifer L. Witterick	\$65,000.00	\$0
Steve Donald	\$65,000.00	\$0

These fees and expenses were allocated among all the investment funds managed by the Manager for which the IRC has been appointed in a manner that, in the Manager's view, is considered fair and reasonable.

For a description of the role of the IRC see the "Independent Review Committee" section earlier in this document.

## **MATERIAL CONTRACTS**

Copies of material contracts are available for inspection at the head office of the Manager during normal business hours.

### ***Master Declaration of Trust***

The Master Declaration of Trust of the Funds is dated as noted under the heading "Name, Formation and History of the Funds" in this simplified prospectus. 1832 L.P. is the trustee of the Funds pursuant to the Master Declaration of Trust.

1832 L.P. may terminate a Fund at any time by giving to the Trustee and each unitholder at least 60 days' written notice. During this 60 day period, and with the approval of the Canadian securities regulators, the right of unitholders of the Fund to require payment for their units of any series of the Fund may be suspended.

### ***Master Management Agreement***

The Master Management Agreement is among 1832 LP, in its capacity as trustee of the Funds and 1832 LP in its capacity as manager of the Funds. The initial term of the manager in respect of a Fund is approximately five years and is automatically renewed for a further five years unless terminated in accordance with the provisions of the Master Management Agreement. The Master Management Agreement may be terminated at any time by the Manager on 90 days' written notice, or by the Trustee upon the expiry of the term in respect a Fund with unitholder approval on 90 days' written notice prior to the expiry of the term to 1832 LP, or by the Trustee at any time if bankruptcy or insolvency or other proceedings relating to 1832 LP are commenced and such proceedings are not stayed within 60 days.

### ***Custodian Agreements***

Pursuant to a Custodian Agreement dated September 27, 2018, as amended, TDSI is custodian of the assets of Dynamic Credit Absolute Return Fund and Dynamic Credit Opportunities Fund (the "**Custodian Agreement**").

The Custodian Agreement may be terminated by either a custodian or the Trustee by giving 90 days' written notice to the other party. The Trustee may terminate the Custodian Agreement immediately if a custodian becomes insolvent, makes an assignment for the benefit of creditors or a petition in bankruptcy is filed by or against the custodian and is not discharged within 90 days or proceedings for the appointment of a receiver for the custodian are commenced and not discontinued within 90 days.

### ***Securities Lending Authorization Agreement***

In the event a Fund engages in a Lending and Repurchase Transaction, then the Fund will enter into a Securities Lending Authorization Agreement with its securities lending agent. A Securities Lending Authorization Agreement will provide, with respect to that Fund, that:

- collateral equal to 102% of the market value of the loaned securities will be required to be delivered in connection with a securities lending transactions;
- the Fund will indemnify and hold harmless the securities lending agent from any loss or liability (including the reasonable fees and disbursements of counsel) incurred by the securities lending agent in rendering services under the agreement or in connection with any breach of the terms of the agreement or any loan by the Fund or the Manager on behalf of the Fund, except such loss or liability which results from the security lending agent's failure to exercise the standard of care required by the agreement; and
- the agreement can be terminated by any party on five business days' written notice.

## SEVERAL DISCLOSURE

The units of the Funds are offered under a single simplified prospectus because many of the attributes of the Funds and their units are the same. Nevertheless, each of the Funds is responsible only for the disclosure contained in such documents which pertains to it and disclaims any responsibility for the disclosure pertaining to any other Fund. The certificate appended to the simplified prospectus applies severally to each of the Funds as though such Fund were the only Fund referred to therein.

## LEGAL AND ADMINISTRATIVE PROCEEDINGS

The Manager is not aware of any material litigation outstanding, threatened or pending by or against the Funds, the Manager or the Trustee.

The Manager entered into a settlement agreement with the Ontario Securities Commission (the “OSC”) on April 24, 2018 (the “Settlement Agreement”). The Settlement Agreement states that, between November 2012 and October 2017, the Manager failed to (i) comply with National Instrument 81-105 Mutual Fund Sales Practices (“NI 81-105”) by not meeting the minimum standards of conduct expected of industry participants in relation to certain sales practices; (ii) have systems of controls and supervision over sales practices sufficient to provide reasonable assurances the Manager was complying with its obligations under NI 81-105; and (iii) maintain adequate books, records and other documents to demonstrate compliance with NI 81-105. The Manager agreed to (i) pay an administrative penalty of \$800,000 to the OSC; (ii) submit to a review of its sales practices, procedures and controls by an independent consultant; and (iii) pay costs of the OSC’s investigation in the amount of \$150,000. Other than the foregoing, the Manager has had no disciplinary history with any securities regulator.

## DESIGNATED WEBSITE

A mutual fund is required to post certain regulatory disclosure documents on a designated website. The designated website of the mutual funds this document pertains to can be found at [www.dynamic.ca](http://www.dynamic.ca).

## VALUATION OF PORTFOLIO SECURITIES

In calculating the net asset value of a Fund or of a particular series of securities of that Fund at any time:

- (a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends or distributions received (or to be received and declared to unitholders of record on a date before the date as of which the net asset value of the Fund and any series net asset value are being determined) and interest, accrued and not yet received, shall be deemed to be the full amount thereof, unless determined that any such deposit, bills, demand notes, account receivable, prepaid expenses, cash dividends received or distributions received (or receivable) or accrued interest is not worth the full face value, in which event the value thereof shall be deemed to be such value as the Manager determines to be reasonable;
- (b) the value of any security which is listed on a stock exchange will be the official closing sale price or, if there is no such sale price, the average of the bid and the ask price at that time by the close of trading of the Toronto Stock Exchange, generally 4:00 p.m. (Toronto time), all as reported by any report in common use or authorized as official by the stock exchange, provided that if such official closing sale price is not within the latest available bid and ask quotations on the Valuation Date then the Manager has the discretion to determine a value which it considers to be fair and reasonable (the “fair value”) for the security based on market quotations the Manager believes most closely reflect the fair value of the investment. The trading hours for foreign securities that trade in foreign markets may end prior to 4:00 p.m. (Toronto time) and therefore may not take into account, among other things, events that occur after the close of the foreign market. In these circumstances, the Manager may determine what it considers to be a fair value for the foreign securities which may differ from such securities' most recent closing market prices. These adjustments are intended to minimize the potential for market timing strategies which are largely focused on mutual funds with significant holdings in foreign securities;
- (c) the value of the securities of any unlisted mutual fund will be the net asset value per unit or net asset value per share on the Valuation Date or, if the day is not a valuation date of the mutual fund, the net asset value per unit or net asset value per share on the most recent valuation date for the mutual fund;

- (d) the value of any security which is traded on an over-the-counter market will be the closing sale price on the Valuation Date or, if there is no such sale price, the average of the bid and the ask prices at that time, all as reported by the financial press;
- (e) the value of long positions and short positions in clearing corporation options is based on the mid-price and the value of long positions and short positions in debt-like securities and warrants that are traded on a stock exchange or other markets will be the closing sale price on the Valuation Date or, if there is no such sale price, the average of the bid and ask prices at that time, all as reported by any report in common use or authorized as official by the stock exchange or, if no bid or ask price is available, the last reported closing sale price of such security;
- (f) the value of long positions and short positions in clearing corporation options on futures is based on the daily settlement price determined by the respective exchange (if available); if no settlement price is available, the last reported closing sale price on the Valuation Date; or, if no closing sale price is available, the last reported settlement price of such security;
- (g) where a covered clearing corporation option or over-the-counter option is written by the Fund the premium received by the Fund will be reflected as a deferred credit any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment; the deferred credit shall be deducted in arriving at the net asset value of the Fund; the securities, if any, which are the subject of a written clearing corporation option or over-the-counter option will be valued in a manner listed above for listed securities in paragraph (e) above;
- (h) the value of any standardized futures contract or forward contract shall be the gain or loss, if any, that would arise as a result of closing the position in the standardized futures contract or forward contract, as applicable, on the Valuation Date, unless "daily limits" are in effect, in which case fair market value shall be based on the value of the underlying interest on the Valuation Date as determined in a manner by the Manager in its discretion;
- (i) over-the-counter swap contracts are valued at the amount that the Fund would receive or pay to terminate the swap, based on the current value of the underlying interest on the Valuation Date; centrally cleared swaps listed or traded on a multilateral or trade facility platform, such as a registered exchange, are valued at the daily settlement price determined by the respective exchange (if available);
- (j) the value of any security or other asset for which a market quotation is not readily available or to which, in the opinion of the Manager, the above principles cannot be applied, will be its fair value on the Valuation Date determined in a manner by the Manager in its discretion; and
- (k) the liabilities of a Fund include:
  - a. all bills, notes and accounts payable;
  - b. all administrative expenses payable or accrued (including management fees and Administration Fees);
  - c. all contractual obligations for the payment of money or property, including unpaid distributions or dividends;
  - d. all allowances authorized or approved by the Trustee for taxes; and
  - e. all other liabilities of the Fund; except liabilities represented by outstanding series of units of the Fund.

For the purpose of determining the net asset value of a Fund, each Fund has also adopted the valuation requirements for restricted securities and for margin paid or deposited which have been established by the Canadian securities regulatory authorities.

The market value of investments and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange established at noon on each Valuation Date. Under the Funds' fair pricing



policy, when the rates of exchange established at 3:00 p.m. (Toronto time) are materially different from the noon exchange rates on a given Valuation Date, the market value of investments and other assets and liabilities denominated in foreign currencies will be translated at the 3:00 p.m. (Toronto time) exchange rates for that Valuation Date. For the purposes of all such conversions to Canadian currency, the rate of exchange as determined by customary banking sources will be used.

The trading hours for foreign securities that trade in foreign markets may end prior to 4:00 p.m. (Toronto time) and therefore not take into account, among other things, events that occur after the close of the foreign market. In these circumstances, we may determine a fair value for the foreign securities which may differ from that security's most recent closing market price. These adjustments are intended to minimize the potential for market timing strategies which are largely focused on mutual funds with significant holdings in foreign securities.

## **NET ASSET VALUE**

How much a Fund or one of its series of units is worth is called its “net asset value”. When a Fund calculates its net asset value, it determines the fair value of all of the assets attributable to the Fund and subtracts all of its liabilities solely referable to the Fund and all series of units.

The net asset value per unit per series of a Fund is very important because it is the basis on which units of the Fund are purchased and redeemed. The net asset value per unit per series of a Fund varies from day to day. Each Fund calculates the net asset value per unit per series at the close of business on each Valuation Date.

The net asset value of units of a Fund includes the management fee and the Administration Fee (as defined in the Simplified Prospectus) which is equal to a specified percentage of the net asset value for each series of the Fund. Separate net asset values are calculated for each series. As the Funds have more than one series of units, a proportionate share of the assets and liabilities of a Fund will be attributed to each series of the Fund. The liabilities and Management Fee Distributions in respect of each series of units of the Fund are then deducted but holders of such series of units of a Fund generally will not be affected by the management fee, Administration Fee and other expenses specific to the other series of the Fund.

The net asset value per unit of a Fund is the price you pay per unit when you purchase units of that Fund and is the price you receive when you redeem units of that Fund. You may purchase or redeem units of any series of a Fund on any Valuation Date at the net asset value per unit of each series of the Fund calculated at the close of trading, generally 4:00 p.m. (Toronto time) on the Toronto Stock Exchange on that Valuation Date. Every day that the Toronto Stock Exchange is open for business is a “Valuation Date”. Units will be purchased or redeemed at the net asset value per unit determined after the receipt by the Fund of the purchase or redemption order.

The net asset value and the net asset value per unit of a Fund will be made available to the public, at no cost, on the Manager's website at [www.dynamic.ca](http://www.dynamic.ca).

### ***Calculation of Net Asset Value***

We calculate a separate net asset value per unit of each series of a Fund by:

- adding up the fair value of the assets of the Fund and determining the proportionate share of the series;
- subtracting the liabilities of the Fund allocated to that series; and
- dividing the remaining value by the total number of outstanding units of that series.

For U.S. dollar pricing, net asset values are calculated by converting the Canadian dollar net asset value per unit or share to the U.S. dollar equivalent using the then current rate of exchange. The exchange rate used for such conversion is the rate of exchange established at noon on each Valuation Date. Under the Funds' fair pricing policy, when the rate of exchange established at 3:00 p.m. (Toronto time) is materially different from the noon exchange rate on a given Valuation Date, the net asset value per unit or share denominated in Canadian dollars will be translated into the U.S. dollar equivalent at the 3:00 p.m. (Toronto time) exchange rate for that Valuation Date. For the purposes of all such conversions to U.S. currency, the rate of exchange as determined by customary banking sources will be used.

The Funds hedge Series FH and Series H units against changes in the U.S. currency relative to the Canadian currency and in doing so attempt to eliminate the fluctuations between the Canadian and U.S. currencies such that the performance of Series FH and Series H units are expected to be substantially the same as the performance of Series F and Series A units purchased using the Canadian dollar pricing option. However, there may be factors beyond a Fund's control such as derivative transaction costs and performance fees which may cause there to be differences in the performance of the series. In addition, there may be circumstances, from time to time, in which a Fund may not be able to fully hedge its Canadian exposure back to U.S. dollars in respect of Series FH and Series H units.

For more information on how we calculate the net asset value of a Fund, please refer to “Net Asset Value” above.

#### Differences from International Financial Reporting Standards

In accordance with National Instrument 81-106 – *Investment Fund Continuous Disclosure* (“**NI 81-106**”), the fair value of a portfolio security used to determine the daily price of a Fund's units for purchases and redemptions by investors will be based on the Fund's valuation principles set out above under the heading “Valuation of Portfolio Securities and Liabilities”, which comply with the requirements of NI 81-106 but differ in some respects from the requirements of International Financial Reporting Standards (“**IFRS**”), which are used for financial reporting purposes only.

The interim financial reports and annual financial statements of each Fund (the “**Financial Statements**”) are required to be prepared in compliance with IFRS. The Funds' accounting policies for measuring the fair value of their investments (including derivatives) are identical to those used in measuring their net asset value for transactions with unitholders, except as disclosed below.

The fair value of a Fund's investments (including derivatives) is the price that would be received to sell an asset, or the price that would be paid to transfer a liability, in an orderly transaction between market participants as at the date of the Financial Statements (the “**Reporting Date**”). The fair value of a Fund's financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the Reporting Date (the “**Close Price**”). In contrast, for IFRS purposes, each Fund uses the Close Price for both financial assets and liabilities where that price falls within that day's bid-ask spread. If a Close Price does not fall within the bid-ask spread, the Close Price will then be adjusted by the Manager, to a point within the bid-ask spread that, in the Manager's view, is most representative of fair value based on specific facts and circumstances.

As a result of this potential adjustment or other fair value adjustment the Manager may determine and considers to be fair and reasonable for the security, the fair value of the financial assets and liabilities of a Fund determined under IFRS may differ from the values used to calculate the net asset value of that Fund.

The Notes to the Financial Statements of the Fund will include a reconciliation of the differences between the net asset value calculated based on IFRS and NI 81-106.

## **PURCHASES, SWITCHES AND REDEMPTIONS**

### ***Description of Units***

Each Fund offers one or more series of units. Each series of units of a Fund is intended for different kinds of investors. If you cease to satisfy criteria for holding any series of units of a Fund, the Manager may switch such series into another series of units of the same Fund as appropriate. Further, the Manager may reclassify the units you hold in one series into the units of another series of the same Fund provided your pecuniary interest is not adversely affected by such reclassification.

For details of the series of units offered by each Fund, please see the front cover of this Simplified Prospectus. We may offer a new series of units of a Fund at any time.

**Series A:** Available to all investors.

**Series F:** Generally only available to investors who participate in an eligible fee-based or wrap program with their registered dealer and who are subject to a periodic asset-based fee

rather than commissions on each transaction. We are able to reduce our management fee rate on Series F units because our costs are lower and because investors who purchase Series F units will usually have entered into a separate agreement to pay account fees to their registered dealer for their individual investment program. In certain circumstances, Series F units may also be held in order execution only accounts at dealers for which the dealer provides no advice (“**discount brokerage accounts**”).

In certain circumstances, investors who purchase Series F units must enter into an agreement with their dealer which identifies an annual account fee (a “**Fee-Based Account Fee**”) negotiated with their financial advisor and payable to their dealer. Investors may only purchase Series F units through a financial advisor who is registered with a dealer that has signed an agreement with us. This Fee-Based Account Fee is in addition to the management fee payable by the Funds for Series F units.

No sales commissions or trailing commissions are payable by us to a dealer for investments in Series F units on this basis.

**Series FH:**

Generally only available to investors who participate in an eligible fee-based or wrap program with their registered dealer and who are subject to a periodic asset-based fee rather than commissions on each transaction. We are able to reduce our management fee rate on Series FH units because our costs are lower and because investors who purchase Series FH units will usually have entered into a separate agreement to pay account fees to their registered dealer for their individual investment program. In certain circumstances, Series FH units may also be held in discount brokerage accounts.

Series FH units are offered for purchase in U.S. dollars only. The Fund hedges against changes in the U.S. currency relative to the Canadian currency in respect of Series FH units and in doing so attempts to eliminate the fluctuations between the Canadian and U.S. currencies such that the performance of Series FH units is expected to be substantially the same as the performance of Series F units purchased using the Canadian dollar pricing option, however, there may be factors beyond a Fund's control such as derivative transaction costs and performance fees for Series F and FH which may cause there to be differences in the performance of such series. As such, Series FH units are intended for investors who wish to purchase a Fund, which is a Canadian denominated fund, in U.S. currency but wish to minimize fluctuations between the Canadian and U.S. currencies. Series FH units will be substantially hedged using derivative instruments such as foreign currency forward contracts although there may be circumstances, from time to time, in which a Fund may not be able to fully hedge its Canadian exposure back to U.S. dollars in respect of Series FH units.

In certain circumstances, investors who purchase Series FH units must enter into an agreement with their dealer which identifies a Fee-Based Account Fee negotiated with their financial advisor and payable to their dealer. Investors may only purchase Series FH units through a financial advisor who is registered with a dealer that has signed an agreement with us. This Fee-Based Account Fee is in addition to the management fee payable by the Funds for Series FH units.

No sales commissions or trailing commissions are payable by us to a dealer for investments in Series FH units on this basis.

**Series H:**

Available to all investors.

Series H units are offered for purchase in U.S. dollars only. The Fund hedges against changes in the U.S. currency relative to the Canadian currency in respect of Series H units and in doing so attempts to eliminate the fluctuations between the Canadian and U.S. currencies such that the performance of Series H units is expected to be substantially the same as the performance of Series A units purchased using the Canadian dollar pricing option, however, there may be factors beyond the Fund's

control such as derivative transaction costs and performance fees for Series A and Series H which may cause there to be differences in the performance of such series. As such, Series H units are intended for investors who wish to purchase the Fund, which is a Canadian denominated fund, in U.S. currency but wish to minimize fluctuations between the Canadian and U.S. currencies. Series H units will be substantially hedged using derivative instruments such as foreign currency forward contracts, although there may be circumstances, from time to time, in which the Fund may not be able to fully hedge its Canadian exposure back to U.S. dollars in respect of Series H units.

**Series O:** Generally only available for certain investors who make large investments in a Fund. Investors who purchase Series O units must enter into an agreement with us which identifies the management fee negotiated with the investor and payable by the investor directly to us. The Series O management fee for a Fund will in no circumstances be higher than the management fee payable on Series A securities of that same Fund. No sales commissions or trailing commissions are payable by us to a dealer for investments in Series O units.

**Series OP:** Generally only available for certain investors who make large investments in the Fund. Investors who purchase Series OP units must enter into an agreement with us which identifies the management fee negotiated with the investor and payable by the investor directly to us. The Series OP management fee will in no circumstances be higher than the management fee payable on Series A units of the Fund. No sales commissions or trailing commissions are payable by us to a dealer for investments in Series OP units.

The fees and expenses for a Fund may differ from series to series. Please see “Fees and Expenses” later in this document for a description of the fees and expenses that you may have to pay if you invest in any of the above units of a Fund.

Certain series of certain Funds may pay performance fees to us. Please see “Fees and Expenses – Fees and Expenses Payable by the Funds”.

Please see “Fees and Expenses” later in this document for a description of Management Fee Distributions and Management Fee Rebates (each as defined later in this document) which may effectively reduce the management fee for clients who invest large amounts in a Fund.

## ***Purchases***

You can purchase units of any series of a Fund through financial advisors, planners, registered brokers and dealers who will send your order to us. See “Description of Units” earlier in this document for a description of each series of units offered by the Funds. The issue price of units is based on the net asset value per unit for that particular series.

All series of units of the Funds are qualified for distribution in all Canadian provinces and territories pursuant to this Simplified Prospectus. Units of each series of a Fund will be issued at the net asset value per unit for that series next determined after the receipt by the Fund of the purchase order. Purchase orders received by the Manager by the close of trading of the Toronto Stock Exchange, generally 4:00 p.m. (Toronto time), on a Valuation Date will be effective on that day. Orders received after that time will be effective on the next Valuation Date. We may reject a purchase order but may only do so within one business day of receipt of the rejected order. Any monies received with the rejected order will be immediately refunded.

When you purchase Series A or Series H of a Fund, you may pay a front-end sales charge negotiated between you and your dealer to a maximum of 5%.

Please see “Switches and Reclassifications” and “Redemptions” for short-term trading fees that may be applicable to units of any series of a Fund. Please see “Fees and Expenses” for a description of Management Fee Distributions and Management Fee Rebates which may effectively reduce the management fee for clients who invest large amounts in a Fund.

Subscriptions and payments received by registered brokers and dealers are required by applicable securities regulations and policies to be forwarded on the day of receipt to the Manager by courier, priority post, telephone or electronic means without charge to you. A Pre-Authorized Chequing Plan as described later in this Simplified Prospectus is available whereby units of a Fund may be acquired at regular intervals.

For Series A, Series F, Series FH, or Series H units of a Fund the minimum initial investment amount in a Fund is \$500 and the minimum amount for each subsequent investment is \$100. If you choose to use a Pre-Authorized Chequing Plan, the minimum amount for the initial investment must be maintained and each subsequent investment must be a minimum of \$100 per transaction.

We further reserve the right to change or waive the minimum investment amounts and subsequent investment amounts in a series of a Fund at any time, from time to time and on a case by case basis, subject to applicable securities legislation. See “Purchases, Switches and Redemptions – Redemptions” later in this document for additional information.

Series A units of the Funds can also be purchased using the Dynamic Dollar-Cost Averaging Fund, another fund managed by the Manager. Due to its dollar-cost averaging feature, every investment in the Dynamic Dollar-Cost Averaging Fund must be at least \$1,000. Please refer to the prospectus for Dynamic Dollar-Cost Averaging Fund for further information concerning that Fund. You can get a copy of the prospectus for Dynamic Dollar-Cost Averaging Fund from your dealer or financial advisor or, at your request, and at no cost, by calling 1-800-268-8186. This prospectus is also available on our internet site at [www.dynamic.ca](http://www.dynamic.ca) or can be obtained by e-mailing us at [invest@dynamic.ca](mailto:invest@dynamic.ca).

If we receive from your dealer within two business days of the Valuation Date on which your purchase order became effective a payment in full of the purchase price but the necessary documentation in respect of your purchase remains incomplete, you have not specified which Fund(s) you wish to invest in or you have not met the minimum investment requirement for such Fund(s), we may invest your money, as appropriate, into Series A units of Dynamic Money Market Fund, which is another fund managed by the Manager. An investment in Dynamic Money Market Fund may earn you interest until we receive complete instructions regarding which Fund(s) you have selected and all necessary documentation in respect of your purchase is received by us and is in good order. Your total investment, including interest, will then be switched into the Fund(s) you have chosen under the purchase option that you have selected at the respective net asset value per security of the selected series of the Fund(s) on that switch date.

If a Fund has not received from your dealer within two business days of the Valuation Date on which your purchase order became effective, payment in full of the purchase price for your order, together with all necessary documentation, then under applicable securities regulations and policies, the Fund will be deemed to have received from you and accepted on the next Valuation Date a redemption order for the same number of units of the Fund. If the amount of the redemption proceeds exceeds the purchase price of the units that were redeemed, the surplus will be paid to the Fund. If the redemption proceeds are less than the purchase price of the units that were redeemed, your dealer is required to pay to the Fund the amount of the deficiency. Your dealer may make provisions in its arrangements with you that your dealer will be entitled to reimbursement from you of that amount together with any additional costs and expenses of collection or for any losses suffered by your dealer in connection with a failed settlement of a purchase of units of a Fund caused by you.

Certificates representing the units of any series, other than Series O and Series OP units, of a Fund will be issued upon request.

The Funds are valued and may be bought only in Canadian dollars, other than Series FH and Series H units. Series FH and Series H units of a Fund may only be bought in U.S. dollars.

## ***Switches and Reclassifications***

### General

You can at any time, provided you meet the criteria established by the Trustee and/or the Manager: (a) switch, which is switching all or part of your investment in a Fund to a different mutual fund managed by the Manager provided that the series of units you wish to switch to is offered by the mutual fund you are switching to and is offered in the same currency; or (b) reclassify, which is switching all or part of your investment between series of the same Fund if the

series of units you wish to reclassify to is offered by that same Fund and is offered in the same currency. In order to effect a reclassification between series of the same Fund that are offered in different currencies your financial advisor may recommend that you temporarily switch into another Fund or another mutual fund managed by the Manager (a “**Transition Fund**”). While invested in a Transition Fund for such temporary period, you will be exposed to any fluctuations in the value of, and subject to the fees applicable to, such Transition Fund. A switch from a series of units of a Fund to a series of units of a Transition Fund will be considered a disposition for tax purposes and, accordingly, you may realize a capital gain or capital loss.

If you cease to satisfy the criteria for holding a series of units of a Trust Fund, the Manager may redeem your units of the Trust Fund in your account with 30 days' notice. Alternatively, if you satisfy the relevant criteria for another series of units once such series of units have begun to be offered, you may request that your original series of units be reclassified to such other series of units instead.

If you are eligible to make such switches or reclassifications of a series of units of a Fund, you may do so by contacting your registered broker or dealer.

The different types of switches and reclassifications that are available to you and its tax implications are described below. The timing and processing rules applicable to purchases and redemptions also apply to switches and reclassifications.

When you switch units of any series of a Fund, your registered dealer may charge you a switch fee of up to 2% of the net asset value of the units switched. This fee is negotiated with and paid to your dealer.

In addition, if you switch your units of any series of a Fund within a 30 calendar day period, we may, on behalf of the Fund, in our sole discretion, charge a short-term trading fee of 1% of the net asset value of the units switched. See “Purchases, Switches and Redemptions – Short-Term Trading” and “Fees and Expenses – Fees and Expenses Payable Directly by You – Short-Term Trading Fees” for additional information.

Upon a switch or reclassification of your series of units, the number of units you hold will change since each series of units of a mutual fund involved in the switch or reclassification has a different series net asset value.

If certificates were issued to you representing units of a Fund you are switching from, they must also be returned, duly signed with your signature properly endorsed by a Canadian chartered bank, trust company, an investment dealer or a mutual fund dealer acceptable to us.

#### Tax Implications of Switches and Reclassifications

##### *Switching From One Trust Fund to Another Trust Fund:*

A switch from a series of units of a Trust Fund to the same or a different series of units of another Trust Fund (including a temporary switch into a Transition Fund) or another mutual fund that is a trust fund managed by the Manager will be considered a disposition for tax purposes and accordingly, you may realize a capital gain or capital loss. The tax consequences are discussed under “Income Tax Considerations for Investors” later in this document.

##### *Switching From a Trust Fund to a Corporate Fund:*

You can also at any time switch units of any series you purchased of a Trust Fund for shares of the same or a different series of a Corporate Fund. This type of switch will be considered a disposition for tax purposes and accordingly, you may realize a capital gain or capital loss. The tax consequences are discussed under “Income Tax Considerations for Investors” later in this document.

##### *Reclassifying Between Series of Units of a Trust Fund:*

A reclassification between series of units of the same Trust Fund will generally not be considered a disposition for tax purposes and accordingly, you will not realize a capital gain or capital loss, provided that the two series derive their value in the same proportion from the same property or group of properties (which will not be the case if the two series differ as to whether or how they use hedging instruments). The tax consequences are discussed under “Income Tax Considerations for Investors” later in this document.

## ***Redemptions***

You may redeem your units of a Fund by delivering to your dealer a request in writing that a specified dollar amount or number of units of the relevant series of a Fund be redeemed. In addition, certificates, if issued, representing the units of a Fund to be redeemed must be delivered to your dealer. Such certificates must be properly endorsed with signatures conforming to the name of the registered unitholder of the units of the Fund and guaranteed by a Canadian chartered bank, a trust company, an investment dealer or a mutual fund dealer acceptable to us. Under applicable securities regulations, securities dealers that receive redemption requests are required to forward them on the day of receipt to us by courier, priority post or by electronic means without charge to you. Units will be redeemed at the net asset value per security of the applicable series next determined after the receipt by the Fund of the redemption order. Redemption requests received by the Manager prior to the close of trading of the Toronto Stock Exchange (generally 4:00 p.m. Toronto time) on a Valuation Date will be effective on that day. Redemption requests received after that time will be effective on the next Valuation Date. The redemption price will be paid in the currency in which you bought the units. If that currency is Canadian dollars, then you will be paid either by cheque, or if you provide the necessary information, electronically, to your bank account.

If we determine that we have not received all necessary documentation from you, we will notify your dealer within one business day of the receipt of your redemption request that such request was incomplete. If all necessary documentation is not received by the Manager within ten business days of the receipt of your redemption request, under applicable securities regulations and policies, the Manager will be deemed to have received and accepted, as at the tenth business day, an order for purchase of an equal number of units of the relevant series of the Fund and the redemption amount will be applied to reduce the purchase price of the units of the relevant series of the Fund purchased. In these circumstances, the Fund will be entitled to retain any excess and your dealer placing the order will be required to pay to the Fund the amount of any deficiency. Your dealer may make provisions in its arrangements with you that you will be liable to reimburse your dealer for any losses suffered by the dealer in connection with your failure to satisfy the requirements of a Fund or securities legislation for redemption of units of the Fund.

The Manager reviews, at the time an order is received and processed for an account, redemptions (including switches) of a Fund to determine whether one or more redemptions and/or switches are made within a 30 calendar day period. There is no fee for switching Series A, Series F, Series FH, or Series H units of a Fund under a SMART Investment Program or Series A and/or Series F units of specified Funds using Dynamic Dollar-Cost Averaging Fund as further described in this document. The short-term trading fee will be deducted from the redemption amount of the series of units of the Fund being redeemed and will be retained by the Fund. Units redeemed under an existing SWIP (as defined below) are not subject to the short-term trading fee. See “Purchases, Switches and Redemptions – Short-Term Trading” and “Fees and Expenses – Fees and Expenses Payable Directly by You – Short-Term Trading Fees” for additional information. A redemption will be considered a disposition for tax purposes and accordingly, you may realize a capital gain or a capital loss. The tax consequences are discussed under “Income Tax Considerations for Investors” later in this document.

If the value of your units in your account for a Fund is less than the required minimum investment amount or you do not meet any of the exceptions to investing the minimum investment amount as described below and under “Purchases, Switches and Redemptions - Purchases” earlier in this document, the Manager may redeem your units of the Fund in your account. In that case, the Manager will provide you with 30 days' notice so that you can make an additional investment to exceed the minimum requirement should you wish to keep your securities. This minimum balance does not apply to accounts with an active Pre-Authorized Chequing Plan.

Unless redemptions have been suspended (which may only occur in circumstances set out below), or you have not yet paid for the units, payment of the redemption amount for units tendered for redemption will be made by the Manager in the currency of the units you are redeeming either by cheque or, if you provide the necessary information, electronically to your bank account within two business days of the determination of the net asset value per security of the units redeemed.

A Fund may, with the prior written consent of a redeeming unitholder, pay for all or any redeemed units by making good delivery to such unitholder of portfolio securities, provided that such portfolio securities are valued at an amount equal to the amount at which such portfolio securities were valued for the purpose of determining the net asset value per security of the Fund for the purpose of determining the redemption price.

Each Fund reserves the right to suspend the right of redemption or to postpone the date of payment of redeemed units: (a) for any period during which normal trading is suspended on any stock exchange, options exchange or futures exchange within or outside Canada on which securities are listed and traded, or on which specified derivatives are traded, which represent more than 50% by value or underlying market exposure of the total assets of the Fund without allowance for liabilities if those securities or specified derivatives are not traded on any other exchange that represents a reasonably practicable alternative for the Fund; or (b) subject to the consent of the Canadian securities regulators having jurisdiction, for any period during which the Manager determines that conditions exist as a result of which disposal of the assets owned by the Fund is not reasonably practical. In case of suspension of the right of redemption, you may either withdraw your redemption request or receive payment based on the net asset value per security next determined after the termination of the suspension. The right to redeem units of a Fund may be suspended whenever the right to redeem units is suspended for any underlying fund in which the Fund invests all of its assets directly or indirectly.

### ***Short-Term Trading***

Short-term trading activities in a Fund may adversely affect unitholders. Short-term trading has the potential to increase costs associated with the administration of the Funds and potentially poses challenges to portfolio managers in generating optimum returns through long-term portfolio investments.

The Manager has in place procedures to identify and deter inappropriate short-term trading and may alter these procedures from time to time, without notice. The Manager reviews, at the time an order is received and processed for an account, redemptions (including switches) of a Fund to determine whether one or more redemptions and/or switches are made within 30-calendar days of purchasing the securities. Such trades are considered short-term trades.

The Manager will take such action as it considers appropriate to deter excessive or inappropriate short-term trading activities. Such action may, in the Manager's sole discretion, include the issuance of a warning letter, the charging of a short-term trading fee on behalf of the Fund of 1% of the net asset value of the series of units redeemed or switched and/or the rejection of future purchase or switch orders where frequent short-term trading activity is detected in an account or group of accounts, as appropriate.

Any short-term trading fee is in addition to any other trading fees to which you would otherwise be subject under this Simplified Prospectus. See "Fees and Expenses – Fees and Expenses Payable Directly by You – Short-Term Trading Fees" for more information.

The short-term trading fee will not be applied in circumstances which do not involve inappropriate trading activity, including redemptions, switches or reclassifications:

- from Dynamic Dollar-Cost Averaging Fund, Dynamic Money Market Fund or Dynamic Money Market Class;
- from units of a Fund under a SMART Investment Program or a SWIP;
- that are automatic reinvestment of distributions or dividends;
- to access the annual free redemption amount;
- that are carried out to accommodate payment of fees;
- that are part of an automatic rebalancing service provided by the Manager;
- involving units from one series of a fund to another series of the same fund (reclassification);
- not exceeding a certain dollar amount, as determined by the Manager from time to time
- as part of trade corrections or any other action initiated by the Manager or the applicable portfolio advisor;
- that are regularly scheduled RRIF or LIF payments.

Redemptions caused by portfolio rebalancing within a discretionary model portfolio or asset allocation program or other similar investment product, excluding fund-of-fund programs, held by multiple individual discretionary client accounts managed by a portfolio manager licensed to engage in discretionary trading on behalf of its clients ("**discretionary investment vehicles**") will not be subject to a short-term trading fee where the unitholders participating in such program have been identified in writing to the Manager by the dealer or financial advisor administering the discretionary investment vehicle. Such redemptions may include instances involving unitholders who joined a discretionary investment vehicle immediately prior to a rebalancing or other transaction applicable to the program. The Manager will continue to monitor trades made as part of discretionary investment vehicles and will take such action as it considers appropriate to deter excessive or inappropriate short-term trading activities, including



charging the short-term trading fee.

If securities regulations mandate the adoption of specified policies relating to short-term trading, the funds will adopt such policies if and when implemented by the securities regulators. If required, these policies will be adopted without amendment to this simplified prospectus and without notice to you, unless otherwise required by such regulations.

Please refer to “Purchases, Switches and Redemptions – Redemptions” earlier in this document and “Fees and Expenses – Fees and Expenses Payable Directly by You – Other Fees and Expenses – Short-Term Trading Fees” later in this document for more information.

## **OPTIONAL SERVICES**

### ***Registered Plans***

We and our affiliates sponsor registered retirement savings plans (“RRSPs”), Dynamic Group RRSPs, registered retirement income funds (“RRIFs”), registered education savings plans (“RESPs”), locked-in retirement accounts, life income funds, deferred profit sharing plans, locked-in retirement income funds, tax-free savings accounts (“TFSA”), first home savings accounts (“FHSA”) and registered disability savings plans (“RDSPs”) (collectively, “Registered Plans”). Ask your dealer for an application to open a Registered Plan.

If you participate as a member of a defined contribution pension plan, you should be aware that although the inclusion of the Funds on the list of available investment opportunities may have been your employer's decision, your employer may disclaim any responsibility with respect to the performance of the Funds and will not monitor the performance of the Funds on an on-going basis. The decision to purchase and to keep or redeem units of a Fund is your decision alone. There may be other investment alternatives available and you should evaluate each investment alternative with a financial advisor.

### ***Pre-Authorized Chequing Plan***

By using a Pre-Authorized Chequing Plan you can make regular investments in the Fund of at least \$100 per transaction. We reserve the right to change the criteria, or to eliminate, this waiver at any time. You can choose to invest weekly, bi-weekly, semi-monthly, monthly, bi-monthly, quarterly, semi-annually or annually. Establishing a Pre-Authorized Chequing Plan or making any changes to an existing Pre-Authorized Chequing Plan requires the unitholder to give notice to the Manager at least five business days prior to the next scheduled debit date.

To ensure that payment of the purchase price for units of a Fund is confirmed by your bank (i.e., the cheque clears), we may withhold an amount, equal to 100% of the Pre-Authorized Chequing Plan amount, for a period of ten business days after your Pre-Authorized Chequing Plan purchase from any redemption of units of the Fund. Following confirmation from your bank, the Pre-Authorized Chequing Plan amount withheld from any redemption of units will be released to you.

You may terminate your participation in a Pre-Authorized Chequing Plan at any time before a scheduled investment date in accordance with our policies. Unless you request it at the time you enrol in the Pre-Authorized Chequing Plan or at any other time from your dealer, you will not receive additional copies of the then current Fund Facts or future Fund Facts of a Fund, in connection with your purchases of units under this plan. These documents instead can be found at either [www.dynamic.ca](http://www.dynamic.ca) or [www.sedarplus.ca](http://www.sedarplus.ca). Your rights to withdraw from an agreement to purchase units of a Fund within two business days of receiving the Fund Facts, or to cancel your purchase within forty-eight hours of receiving confirmation of your order, will apply to your first purchase of units of a Fund under the Pre-Authorized Chequing Plan but not to subsequent purchases. Your rights to cancel your purchase or make a claim for damages if there is any misrepresentation in the Fund Facts (or the documents incorporated by reference into the Simplified Prospectus) apply to both your initial and subsequent purchases under the Pre-Authorized Chequing Plan, even if you do not request copies of future Fund Facts of a Fund. You will be reminded annually in writing in an account statement sent by your dealer or otherwise how you may request copies of the Fund Facts of a Fund and of your rights described above.

## ***Systematic Withdrawal Investment Plans***

If the value of your investments in a Fund is at least \$5,000, you may open a systematic withdrawal investment plan (“SWIP”) under which you can pre-arrange to automatically redeem a specified dollar amount or number of units (minimum \$100) monthly, quarterly, semi-annually or annually.

Please note that if the amount of your withdrawals exceeds the amount of the reinvested dividends or distributions and net capital appreciation you are receiving on units of a Fund, the withdrawals will encroach on and possibly exhaust your original investment in a Fund. The Manager must receive notice of a unitholder’s intention to open a SWIP at least five business days prior to the first scheduled redemption date. In addition, any changes to an existing SWIP must be received by the Manager at least five business days prior to the next scheduled redemption date in order to be accommodated.

## ***SMART Investment Program***

You can establish a SMART Investment Program under which you may pre-arrange to “switch” a specified dollar amount (minimum \$100) of Series A, Series F, Series FH or Series H units from one Fund to another mutual fund managed by the Manager on a monthly, quarterly, semi-annual or annual basis. Switching Series A, Series F, Series FH or Series H units of a Fund under a SMART Investment Program will not be subject to a short-term trading fee.

## ***Pledges***

We have the right to refuse any requests made by an investor to pledge any of his/her or its Series O or Series OP units of a Fund.

## **FEES AND EXPENSES**

The following sections list the fees and expenses that you may have to pay if you invest in the Funds. You may have to pay some of these fees and expenses directly. Each Fund may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in the Fund. Your financial advisor will assist you in choosing the appropriate purchase option for you. Some of these fees and expenses are subject to Goods and Services Tax (“GST”) and may be subject to Harmonized Sales Tax (“HST”), including management fees, performance fees (if applicable), Administration Fees (as defined below) and Fund Costs (as defined below). Interest and sales charges, if any, are not currently subject to GST or HST.

A Fund is required to pay GST or HST on management fees payable to the Manager in respect of each series, performance fees payable to the Manager in respect of each series (if applicable), Administration Fee payable to the Manager in respect of each series and on Fund Costs attributed to each series, based on the residence for tax purposes of the unitholders of the particular series. GST is currently charged at a rate of 5% and HST is currently charged at a rate of between 13% and 15% depending on the province.

Generally, (i) any changes to the basis of calculation of a fee or expense that is charged to a Fund or directly to its unitholders by that Fund or the Manager in connection with holding of units of that Fund or (ii) the introduction of a new fee or expense that could, in either case, result in an increase in those charges is subject to unitholder approval except that, subject to applicable securities law requirements:

- (a) no unitholder approval will be required if the Fund is at arm's length to the person or company charging the fee or expense to the Fund and if written notice is sent to all unitholders at least 60 days before the effective date of the change that could result in an increase in charges to the Fund; and
- (b) no unitholder approval will be required for units that are purchased on a no load basis, if written notice is sent to all unitholders of such units at least 60 days before the effective date of the change that could result in an increase in charges to the applicable Fund.

## *Fees and Expenses Payable by the Funds*

### Management Fees

The Funds pay management fees for some series of units. Management fees for other series of units are paid directly by you (see “Fees and Expenses Payable Directly by You – Management Fees” later in this document).

The management fees cover the costs of managing the Funds, arranging for investment analysis, recommendations and investment decision making for the Funds, arranging for distribution of the Funds, marketing and promotion of the Funds and providing or arranging for other services.

The management fees paid by the Funds are accrued daily and are calculated daily and paid monthly. The management fee rate (not including applicable GST/HST) for each series of units for which the Funds pay a management fee is as follows:

	<b>Series A (%)</b>	<b>Series F<sup>1</sup> (%)</b>	<b>Series FH<sup>1</sup> (%)</b>	<b>Series H (%)</b>
Dynamic Credit Absolute Return Fund <sup>O</sup>	1.80	0.80	0.80	1.80
Dynamic Credit Opportunities Fund <sup>O</sup>	1.80	0.80	0.80	1.80

Notes:                   1       Series F and Series FH units are generally only available to investors who participate in an eligible fee-based or wrap program with their registered dealer and who are subject to a periodic asset-based fee rather than commissions on each transaction.

In certain circumstances, investors who purchase Series F and Series FH units must enter into an agreement with their dealer which identifies a Fee-Based Account Fee negotiated with their financial advisor and payable to their dealer. Investors may only purchase Series F and Series FH units through a financial advisor who is registered with a dealer that has signed an agreement with us. This Fee-Based Account Fee is in addition to the management fee payable by the Funds for Series F and Series FH units. No sales commissions or trailing commissions are payable by us to a dealer for investments in Series F and Series FH units. See “Purchases, Switches and Redemptions – Description of Units” earlier in this document for additional information.

<sup>O</sup>       There is no management fee payable by the Funds for Series O or Series OP units. Investors who purchase Series O or Series OP units must enter into an agreement with us which identifies the management fee negotiated with the investor and payable by the investor directly to us. The Series O and/or Series OP management fee for a Fund will in no circumstances be higher than the management fee payable on Series F units of that same Fund. No sales commissions or trailing commissions are payable by us to a dealer for investments in Series O or Series OP units. See “Purchases, Switches and Redemptions – Description of Securities” and “Fees and Expenses Payable Directly by You – Management Fees on Series O and Series OP units”.

In order to encourage very large investments in a Fund and to achieve effective management fees that are competitive for these large investments, the Manager may agree to waive a portion of the management fee that it would otherwise be entitled to receive from a Fund or a unitholder with respect to a unitholder's investment in the Fund. An amount equal to the amount so waived may be distributed to such unitholder by the Fund (called a “**Management Fee Distribution**”). This way, the costs of Management Fee Distributions are effectively borne by the Manager, not the Funds or the unitholders, as the Funds or unitholders, as applicable, are paying a discounted management fee. Management Fee Distributions are calculated and credited to the relevant unitholder on each business day and distributed on a monthly basis, first out of net income and net realized capital gains of the relevant Funds and thereafter out of capital. All Management Fee Distributions are automatically reinvested in additional units of the relevant series of a Fund. The payment of Management Fee Distributions by the Fund, to a unitholder in respect of a large investment is fully negotiable between the Manager, as agent for the Fund, and the unitholder's financial advisor and/or dealer,

and is primarily based on the size of the investment in the Fund. The Manager will confirm in writing to the unitholder's financial advisor and/or dealer the details of any Management Fee Distribution arrangement.

As a result of a discounted management fee being paid to the Manager in connection with a Management Fee Distribution, there will be fewer expenses to offset income from the Fund. The excess amount of income will be distributed solely to the particular unitholder and other unitholders will not be affected.

The tax consequences of receiving a Management Fee Distribution are discussed under "Income Tax Considerations For Investors" below.

### Performance Fees

#### *Dynamic Credit Absolute Return Fund*

Dynamic Credit Absolute Return Fund is required to pay to the Manager an annual performance fee equal to (a) 20% of the amount by which the Net Asset Value per Unit of a series on the last valuation day of the current performance fee period (before giving effect to any distributions by the Fund since the High Water Mark and adjusted to exclude the accrual of the performance fee during the performance fee period) exceeds the Adjusted High Water Mark multiplied by (b) the average number of Units of that series outstanding during such performance fee period.

The "High Water Mark" means in relation to Dynamic Credit Absolute Return Fund: (a) the High Water Mark applicable to the same series of units offered by Dynamic Credit Absolute Return II Fund; or (b) in respect of any calendar year subsequent to a year for which performance fees were paid, for Series A Units and Series F Units on or after the last valuation date of 2019, and for Series OP Units, Series H Units, and Series FH Units on or after last valuation date of 2022, units offered by Dynamic Credit Absolute Return II Fund, the greater of:

- (i) the Net Asset Value per Unit on the last valuation day of the most recent calendar year for which performance fees were paid after giving effect to all distributions in, and payments of performance fees for, such calendar year; and
- (ii) the Net Asset Value per Unit on the last valuation day of any calendar year subsequent to the most recent calendar year for which performance fees were paid before giving effect to all distributions since such calendar year;

provided that if the High Water Mark is the net asset value in (ii) above then, for purposes of calculating the performance fee, the High Water Mark for that calendar year will be the Net Asset Value per Unit on the last valuation day after giving effect to all distributions.

The "Adjusted High Water Mark" means: the High Water Mark on the first business day of the applicable performance fee period multiplied by the lesser of: (i) 100% + (the 90 day Treasury Bill rate on the first business day of the applicable performance fee period plus 1%); or (ii) 105%.

Series O Units of Dynamic Credit Absolute Return Fund do not pay a performance fee.

#### *Dynamic Credit Opportunities Fund*

Dynamic Credit Opportunities Fund is required to pay to the Manager an annual performance fee equal to (a) 20% of the amount by which the Net Asset Value per Unit of a series on the last valuation day of the current performance fee period (before giving effect to any distributions by the Fund since the High Water Mark and adjusted to exclude the accrual of the performance fee during the performance fee period) exceeds the Adjusted High Water Mark multiplied by (b) the average number of Units of that series outstanding during such performance fee period.

The "High Water Mark" means in relation to Dynamic Credit Opportunities Fund: (a) the initial Net Asset Value per Unit; or (b) in respect of any calendar year subsequent to a year for which performance fees were paid on or after the last valuation day of 2023 or the greater of:

- (i) the Net Asset Value per Unit on the last valuation day of the most recent calendar year for which performance fees were paid after giving effect to all distributions in, and payments of performance fees for, such calendar year; and
- (ii) the Net Asset Value per Unit on the last valuation day of any calendar year subsequent to the most recent calendar year for which performance fees were paid before giving effect to all distributions since such calendar year;

provided that if the High Water Mark is the net asset value in (ii) above then, for purposes of calculating the performance fee, the High Water Mark for that calendar year will be the Net Asset Value per Unit on the last valuation day after giving effect to all distributions.

The “Adjusted High Water Mark” means: the High Water Mark on the first business day of the applicable performance fee period multiplied by the lesser of: (i) 100% + (the 90 day Treasury Bill rate on the first business day of the applicable performance fee period plus 1%; or (ii) 105%.

Performance fees are estimated and accrued during the calendar year such that the Net Asset Value per Unit reflects such accrual. A separate performance fee is calculated for each series of Units offered by a Fund. The performance fee shall be accrued and adjusted daily and shall be payable within 30 days after the calendar year-end. The performance fee in respect of Series H Units and Series FH Units is calculated in U.S. dollars.

#### Operating Expenses

The Manager pays the operating expenses of each Fund, other than Fund Costs (as defined below), (the “**Operating Expenses**”) in exchange for the payment by the Fund of a fixed rate administration fee (the “**Administration Fee**”) to the Manager with respect to each series of the Fund. The Administration Fee paid to the Manager by a Fund in respect of a series may, in any particular period, be less than or exceed the Operating Expenses that the Manager incurs for the series. The Operating Expenses include, but are not limited to, audit fees, fund accounting costs, transfer agency and recordkeeping costs, custodian costs, administration costs and trustee services relating to Registered Plans, costs of printing and disseminating prospectuses, annual information forms, Fund Facts and continuous disclosure materials, legal fees, bank charges, investor communication costs and regulatory filing fees. The Manager is not obligated to pay any other expense, cost or fee, including those arising from new government or regulatory requirements relating to the foregoing expenses, costs and fees.

The “**Fund Costs**”, which are payable by the Funds, are fees, costs and expenses, including applicable taxes, borrowing and interest, securityholder meeting fees, the IRC of the Funds or other advisory committee, compliance with any governmental and regulatory requirements imposed commencing after May 30, 2012 (including relating to (i) the Operating Expenses (ii) compliance with IFRS, (iii) compliance with Canadian OTC Derivatives Trade Reporting Rules, and (iv) compliance with the “Voleker Rule” under the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and other applicable U.S. regulations, and any new types of costs, expenses or fees not incurred prior to May 30, 2012, including arising from new government or regulatory requirements relating to the Operating Expenses or related to external services that were not commonly charged in the Canadian mutual fund industry as of May 30, 2012.

The Manager may, in some years and in certain cases, absorb a portion of a series' management fees, Administration Fee or Fund Costs. The decision to absorb the management fees, Administration Fee or Fund Costs, or a portion thereof, is reviewed annually and determined at the discretion of the Manager, without notice to unitholders.

Each series of a Fund is responsible for its proportionate share of common Fund Costs of the Fund in addition to expenses it incurs alone (including, in the case of Series FH and Series H units, the costs relating to the U.S. currency hedging for these series).

The Administration Fee is equal to a specified percentage of the net asset value of a series, calculated and paid in the same manner as the management fees for a Fund. The rate of the annual Administration Fee (not including applicable GST/HST) for each series is set out below.

Fund	Series A	Series F	Series FH	Series H	Series O	Series OP
Dynamic Credit Absolute Return Fund	0.09%	0.09%	0.09%	0.09%	0.05%	0.05%
Dynamic Credit Opportunities Fund	0.09%	0.09%	0.09%	0.09%	-	0.05%

### *IRC and Trustee*

The Trustee of the Funds has not received any remuneration in its capacity as such.

The compensation and other reasonable expenses of the IRC will be paid out of the assets of the Fund, as well as out of the assets of the other investment funds for which the IRC may act as the independent review committee. Expenses of the IRC include premiums for insurance coverage, travel expenses and reasonable out-of-pocket expenses.

As at the date of this Simplified Prospectus, each member of the IRC receives an annual retainer of \$62,000 (\$77,000 for the Chair), plus expenses for each meeting. The fees and expenses, plus associated legal costs, are allocated among all of the funds managed by the Manager for which the IRC acts as the independent review committee in a manner that is considered by the Manager to be fair and reasonable.

### Portfolio Transaction Costs

Each Fund pays its portfolio transaction costs, which include costs associated with the purchase and sale of securities and other property, such as brokerage fees, commissions, service charges and research and execution costs.

### Derivatives Transaction Costs

The Funds may use a variety of derivatives, including options, forward contracts and swaps to hedge against foreign currency risk among other things. The Funds are responsible for paying the transaction costs associated with these derivative contracts.

### Underlying Fund Fees and Expenses

There are fees and expenses payable by the underlying funds whose securities are held by a Fund, in addition to the fees and expenses directly payable by the Fund. Each Fund indirectly bears its share of such fees and expenses. The fees and expenses of the underlying funds may be higher than the fees and expenses payable by the Fund. However, neither management fees nor performance fees will be paid to the manager of an underlying fund by a Fund which, to a reasonable investor, would duplicate a fee payable by the underlying fund for the same service. No sales charges or redemption fees are payable by a Fund in relation to its purchases or redemptions of securities of the underlying funds that are managed by us or any of our affiliates or associates or that, to a reasonable person, would duplicate a fee payable by unitholders of the Fund.

### Management Expense Ratio

Each Fund pays the following expenses relating to its operation and the carrying on of its activities: (a) management fees paid to the Manager for professional management services and distribution costs; (b) the Administration Fee paid to the Manager; and (c) Fund Costs (which include taxes).

The expenses outlined in the previous paragraph are expressed annually by each series of each Fund as its annual management expense ratio (“MER”), which are the total expenses of each series of the Fund (including, where applicable, such series’ share of the underlying funds’ fees and expenses indirectly borne by the Fund) for the year expressed as a percentage of the series of the Fund’s average daily net asset value during the year, calculated in accordance with applicable securities legislation. Portfolio transaction costs, derivatives transaction costs and income taxes are not included in the MER.

### ***Fees and Expenses Payable Directly by You***

The tables below list the fees and expenses that you may have to pay directly if you invest in a Fund.

Series O and Series OP Management Fees

The management fees for Series O and Series OP units are paid directly by Series O and Series OP unitholders, rather than by a Fund. Investors who purchase Series O or Series OP units must enter into an agreement with us which identifies the management fee payable by the investor directly to us. If you are considering an investment in Series O or Series OP units, you should consult your independent tax advisor about the tax treatment to you of paying the management fees directly. The management fees for Series O and Series OP units will not be higher than the management fees for Series A units of the same Fund.

Sales Charges

When you purchase Series A or Series H units of a Fund, you may pay a front-end sales charge negotiated with and paid to your dealer to a maximum of 5%.

No sales charges are applicable to Series F, Series FH, Series O or Series OP units of a Fund.

Switch and Reclassification Fees

This fee is negotiated with and paid to your dealer to a maximum of 2%.

There is no fee for switching Series A or Series H units of a Fund under a SMART Investment Program or for switching Series A or Series F units of a Fund using the Dynamic Dollar-Cost Averaging Fund as further described in this Simplified Prospectus.

Short-term trading fees may apply. See below for additional information.

Short-Term Trading Fees

If you redeem or switch units of any series of a Fund within 30 days of acquisition, we may, on behalf of the Fund, in our sole discretion, charge a short-term trading fee on behalf of the Fund of 1% of the net asset value of that series of units redeemed or switched.

Other Fees and Expenses

*Fee-Based Account Fee:*

If you purchase Series F or Series FH units of a Fund, you may pay a Fee-Based Account Fee. Please refer to “Purchases, Switches and Redemptions – Purchases” earlier in this document and “Dealer Compensation – Fee-Based Account Fee” later in this document for more information. In the case of purchases of Series F or Series FH units of a Fund, the Fee-Based Account Fee is negotiated with your financial advisor and paid to your dealer.

*Dishonoured Cheque or Electronic Transfer Fee:*

There may be a \$25.00 fee per dishonoured cheque or electronic transfer.

***Impact of Sales Charges***

The following table shows the amount of fees that you would have to pay if you acquired Series A or Series H units of a Fund under the different purchase options available to you if you made an investment of \$1,000 in the Funds, if you held that investment for one, three, five or ten years and redeemed immediately before the end of that period:

	<b>AT TIME OF PURCHASE</b>	<b>1 YEAR</b>	<b>3 YEARS</b>	<b>5 YEARS</b>	<b>10 YEARS</b>
<b>FRONT-END SALES CHARGE OPTION<sup>1</sup></b>	\$50.00	-	-	-	-

Notes:

1. *These calculations assume that you will pay the maximum front-end sales charge of 5% for Series A and Series H units. The actual amount of the front-end sales charge is to be negotiated between you and your dealer.*

## **DEALER COMPENSATION**

### **You Pay:**

**Front-end Sales Charges** – You pay this commission to your dealer at the time of purchase of units of a Fund. Please refer to “Purchases, Switches and Redemptions – Purchases” earlier in this document for further information.

**Switch Fees** – You pay this fee to your dealer when a switch takes place. Please refer to “Purchases, Switches and Redemptions – Switches and Reclassifications” for further information.

**Fee-Based Account Fee** – You may pay this fee to your dealer if you purchase Series F or Series FH units of a Fund. Please refer to “Fees and Expenses – Fees and Expenses Payable Directly by You” in this document for further information.

### **We Pay:**

We may pay quarterly or monthly, as we may from time to time advise, in arrears, a trailing commission of up to 1%, which is negotiated between us and your dealer, to your dealer for its financial advisors in respect of the assets of their clients invested in units of the Funds. We may change or cancel the terms of the trailing commissions in our discretion and without advance notice.

Generally, no trailing commissions are paid by us in respect of Series F Series FH, Series O or Series OP units of the Funds.

Effective, June 1, 2022, mutual funds are no longer authorized to pay any form of trailing commission when securities are bought or held in a discount brokerage account. As such only Series F and Series FH units of a Fund may be held in a discount brokerage account.

When you purchase Series A units of a Fund using the Dynamic Dollar-Cost Averaging Fund, we may pay your dealer a trailing commission at the rate applicable to the series of units of the Fund into which the initial investment in Dynamic Dollar-Cost Averaging Fund will be switched, up to a maximum rate of 1%.

We may provide a broad range of marketing support programs to dealers which include:

- research materials on the Funds;
- marketing materials describing the benefits of mutual fund investing;
- pre-approved advertising copy relating to the Funds; and
- an extensive support program for national media advertising.

We may also provide advertising programs for the Funds which may indirectly benefit your dealer and, in some cases, may share with your dealer the cost of local advertising and marketing activities (including investor conferences and seminars). The cost sharing is on a case by case basis and will not exceed 50% of the total direct costs incurred by your dealer. We may reimburse dealers for the registration fees of financial advisors attending certain conferences, seminars and courses organized and presented by third parties. We also may reimburse dealers and certain industry associations for up to 10% of the total direct costs they incur for other kinds of conferences, seminars and courses they organize and present. We may organize and present, at our expense, educational conferences and seminars for financial advisors and provide to financial advisors non-monetary benefits of a promotional nature and of minimal value.

It is important for you to know that all of the amounts described above are paid by us, not the Funds, and only in accordance with the rules established by the Canadian securities regulators for mutual fund sales practices.

## ***EQUITY INTERESTS***

The general partner of the Manager, 1832 Asset Management G.P. Inc., is wholly-owned by The Bank of Nova Scotia. The Bank of Nova Scotia also owns, directly or indirectly, 100% of Scotia Securities Inc. and Tangerine Investment



Funds Limited, each a mutual fund dealer, MD Management Limited and Scotia Capital Inc., each an investment dealer. Each of the above dealers may sell units of the Fund.

## INCOME TAX CONSIDERATIONS FOR UNITHOLDERS

This section is a general, but not an exhaustive, summary of how your investments in the Funds are taxed under the Tax Act. It applies to unitholders who are individuals (other than trusts that are not Registered Plans) who, for purposes of the Tax Act, are residents of Canada, deal with the Funds at arm's length and hold their securities as capital property. This summary is based on the current provisions of the Tax Act and the regulations thereunder, specific proposals to amend the Tax Act and regulations that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”), except as otherwise noted and the published administrative practices and assessing policies of the Canada Revenue Agency. It has been assumed that the Tax Proposals will be enacted as proposed; however, no assurance can be given in this respect.

This summary does not otherwise take into account or anticipate any change in law or administrative practice, whether by legislative, regulatory, administrative or judicial action. In addition, it does not take into account provincial, territorial or foreign tax considerations. This summary assumes that each Fund will qualify as a “mutual fund trust” within the meaning of the Tax Act at all material times. A Fund in the future may not qualify as a “mutual fund trust” and, in the event, reference is made to “*Taxation of the Funds – Non-Qualification as a Mutual Fund Trust*” below.

**This summary is of a general nature only and is not exhaustive of all possible income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular unitholder. Accordingly, prospective unitholders should consult their own tax advisors about their individual circumstances.**

### *Taxation of All Funds*

Each Fund will be subject to tax under Part I of the Tax Act, in each taxation year, on its net income (computed in Canadian dollars in accordance with the Tax Act), including any net realized taxable capital gains, interest that accrues to it to the end of the year, or becomes receivable or is received by it before the end of the year (except to the extent such interest was included in computing its income for a prior year) and dividends received in the year, less the portion thereof that it deducts in respect of amounts paid or payable to unitholders in the year. Each Fund will pay or make payable to unitholders sufficient net income and net realized capital gains, if any, in respect of each taxation year so that the Fund will not be liable for income tax under Part I of the Tax Act (after taking into account any applicable losses and any capital gains refund to which the Fund is entitled).

All of a Fund's revenues, deductible expenses (including expenses common to all series of the Fund and management fees, performance fees and other expenses specific to a particular series of a Fund), capital gains and capital losses, if any, will be taken into account in determining the income or losses of the Fund as a whole. Losses incurred by a Fund cannot be allocated to investors but may, subject to certain limitations, be deducted by the Fund from capital gains or other income realized in other years.

The “suspended loss” rules in the Tax Act may prevent a Fund from recognizing capital losses on the disposition of securities in certain circumstances which may increase the amount of net realized capital gains of a Fund to be paid to investors.

Each Fund is required to compute its respective net income and net realized capital gains in Canadian dollars for the purposes of the Tax Act. As a consequence, each Fund may realize income or capital gains by virtue of changes in the value of a foreign currency relative to the Canadian dollar. Also, where a Fund accepts subscriptions or makes payments for redemptions or distributions in foreign currency, it may experience a foreign exchange gain or loss between the date the order is accepted or the distribution is calculated and the date the Fund receives or makes payment.

Each Fund may derive income or gains from investments in countries other than Canada and, as a result, may be liable to pay or deemed to have paid income or profits tax to such countries.

In general, gains and losses realized by the Fund from derivative transactions, subject to the application of the DFA rules discussed below, and in respect of short sales of securities will be treated for income tax purposes as being on

income account unless applicable jurisprudence or CRA administrative policy would support treating such gains and losses as being on capital account. Any such gains and losses will generally be recognized for income tax purposes at the time they are realized by the Fund. Pursuant to the Tax Act, an election to realize gains and losses on “eligible derivatives” (as defined in the Tax Act) of the Fund on a mark-to-market basis may be available. The Manager will consider whether such election, if available, would be advisable for the Fund.

The DFA rules target financial arrangements (referred to as “derivative forward agreements”) that seek to deliver a return based on an “underlying interest” (other than certain excluded underlying interests). The DFA rules are broad in scope and could apply to other agreements or transactions (including certain options). If the DFA rules were to apply in respect of derivatives utilized by the Fund, gains realized in respect of the property underlying such derivatives could be treated as ordinary income rather than capital gains. The Tax Act exempts the application of the DFA rules on currency forward contracts or certain other derivatives that are entered into in order to hedge foreign exchange risk in of an investment held as capital property.”

If a Fund experiences a “loss restriction event” for the purposes of the tax loss restriction rules in the Tax Act, the Fund (i) will be deemed to have a year-end for tax purposes (which, if the Fund has not distributed sufficient net income and net realized capital gains, if any, for such taxation year, would result in the Fund being liable for income tax on such amounts under Part I of the Tax Act), and (ii) will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized losses and restrictions on its ability to carry forward losses. Generally, the Fund would be subject to a loss restriction event if a person becomes a “majority-interest beneficiary”, or a group of persons becomes a “majority-interest group of beneficiaries”, of the Fund, as those terms are defined in the Tax Act. A person would be a majority-interest beneficiary of the Fund if it, together with persons with whom it is affiliated, owns more than 50% of the fair market value of the Fund's outstanding units. The Tax Act excludes a person or group of persons from becoming a majority-interest beneficiary or a majority-interest group of beneficiaries of a trust that qualifies as an “investment fund”. Generally, a loss restriction event will be deemed not to occur for a Fund if it meets certain conditions to qualify as an “investment fund” under the Tax Act, including complying with certain asset diversification requirements.

Generally, under the excessive interest and financing expense limitation (“EIFEL”) rules, the deductible amount of “interest and financing expenses” (“IFE”) for certain corporations and trusts may be restricted. IFE include, among other things, certain amounts that are economically equivalent to interest or that can reasonably be considered part of the cost of funding and various expenses incurred in obtaining financing. The EIFEL rule does not apply to certain “excluded entities”, which include certain standalone Canadian-resident corporations and trusts, and groups consisting exclusively of Canadian-resident corporations and trusts, that carry on substantially all of the businesses, undertakings and activities in Canada. This exclusion applies only if, in general terms, no non-resident is a material foreign affiliate of, or holds a significant interest in, any group member, and no group member has any significant amount of interest and financing expenses payable to a non-arm's length “tax-indifferent investor”. The new EIFEL rules will generally apply in respect of taxation years that begin on or after October 1, 2023. If the EIFEL rules were to apply to a Fund, the net income of the Fund for tax purposes and the taxable component of distributions to its unitholders could increase.

#### *Non-Qualification as a Mutual Fund Trust*

If a Fund does not qualify as a “mutual fund trust”, the Fund could be subject to tax under Part XII.2 of the Tax Act. Part XII.2 of the Tax Act provides that certain trusts (excluding mutual fund trusts) that have a unitholder who is a “designated beneficiary” will be subject to a special tax at the rate of 40% on the trust's “designated income”. A designated beneficiary includes a non-resident person. “Designated income” generally includes income from a business carried on in Canada and taxable capital gains from dispositions of “taxable Canadian property”. If a Fund is subject to tax under Part XII.2, unitholders who are not designated beneficiaries may be entitled to a refund of a portion of the Part XII.2 tax paid by the Fund, provided that the Fund makes the appropriate designation. If a Fund does not qualify as a mutual fund trust (or does not qualify for another exemption) for purposes of the Tax Act, it may be subject to alternative minimum tax (“AMT”) under the Tax Act. Budget 2023 proposes to make several changes to the calculation of AMT, including broadening the AMT base by disallowing 50% of certain deductions, including interest and carrying charges incurred to earn income from property and non-capital loss carryovers. As well, a Fund will not be entitled to claim the capital gains refund that would otherwise be available to it if it were a mutual fund trust throughout the year. A Fund that does not qualify as a mutual fund trust will be a “financial institution” for purposes of the “mark-to-market” rules contained in the Tax Act at any time if more than 50% of the fair market value of all interests in the Fund are held at that time by one or more financial institutions. The Tax Act contains special

rules for determining the income of a financial institution. If a Fund is not a mutual fund trust and is a registered investment, the Fund may be liable for tax under Part X.2 of the Tax Act if, at the end of any month, a Fund holds property that is not a “qualified investment” for the type of Registered Plan in respect of which the Fund is registered.

## ***Taxation of Unitholders***

Unitholders are required to compute their net income and net realized capital gains in Canadian dollars for purposes of the Tax Act and may, as a consequence, realize income or capital gains by virtue of changes in the value of the U.S. dollar relative to the value of the Canadian dollar in connection with U.S. dollar denominated units of Funds purchased in U.S. dollars.

### Taxable Unitholders of the Funds

Upon the actual or deemed disposition of a unit of a Fund, including on the redemption of a unit by a Fund and on a switch between Funds (but not a reclassification of units between series of the same Fund except as described below), a capital gain (or a capital loss) will be realized to the extent that the proceeds of disposition of the unit of the Fund exceed (or are exceeded by) the aggregate adjusted cost base to the unitholder of the unit and any reasonable costs of disposition. Unitholders of a Fund must calculate the adjusted cost base separately for units of each series of a Fund owned. Generally, one-half of a capital gain is included in computing income as a taxable capital gain and one-half of a capital loss is an allowable capital loss which is deducted against taxable capital gains for the year. Generally, any excess of allowable capital losses over taxable capital gains of the unitholder for the year may be carried back up to three years or forward indefinitely and deducted against taxable capital gains in those other years.

The reclassification of units of a particular series of a Fund as units of another series of the same Fund will generally not be considered to be a disposition for tax purposes and, in that case, a unitholder will realize neither a gain nor a loss as a result of a reclassification, provided that the two series of units derive their value in the same proportion from the same property or group of properties, which will not be the case if the two series differ as to whether or how they use hedging instruments. Where a reclassification of units is not considered a disposition for tax purposes, the cost of the acquired units will be averaged with the adjusted cost base of identical units of such series owned by the unitholder.

If a unitholder disposes of units of a Fund and the unitholder, the unitholder's spouse or another person affiliated with the unitholder (including a corporation controlled by the unitholder) has acquired units of the same Fund within 30 days before or after the unitholder disposes of the unitholder's units (such newly acquired units being considered “substituted property”), the unitholder's capital loss may be deemed to be a “superficial loss”. If so, the unitholder's loss will be deemed to be nil and the amount of the loss will instead be added to the adjusted cost base of the units which are “substituted property”.

Unitholders (including certain trusts) may be liable for alternative minimum tax in respect of Canadian source dividends, capital gains dividends and capital gains realized by, or distributed to, the unitholder.

### *Distributions*

The NAV of a Fund will, in part, reflect any income and gains of the Fund that have accrued or have been realized, but have not been made payable at the time units of the Fund were acquired. Accordingly, a unitholder of a Fund who acquires units of the Fund, including on a reinvestment of distributions, may become taxable on the unitholder's share of such income and gains of the Fund. In particular, a unitholder who acquires units of a Fund at any time in the year but prior to a distribution being paid or made payable will have to pay tax on the entire distribution (to the extent it is a taxable distribution) notwithstanding that such amounts may have been reflected in the price paid by the unitholder for the units.

Unitholders must include in computing their income for the year the amount of net income and the taxable portion of net realized capital gains, if any, that are paid or payable to them (including Management Fee Distributions) by a Fund, whether or not such amounts are reinvested in additional units of the Fund.

To the extent that distributions (including Management Fee Distributions) to a unitholder by a Fund in any year exceed the unitholder's share of net income and any net realized capital gains of the Fund for the year, such excess distributions (except to the extent that they are proceeds of disposition) will not be taxable in the hands of the unitholder but will reduce the adjusted cost base of the unitholder's units of such Fund. To the extent that the adjusted cost base of a unit

would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the unitholder in the year and the unitholder's adjusted cost base of such unit will be increased by the amount of such deemed capital gain.

Provided that appropriate designations are made by the Fund, the amount, if any, of foreign source income, net taxable capital gains and taxable dividends from taxable Canadian corporations of the Fund that are paid or payable to a unitholder (including such amounts invested in additional units) will effectively retain their character for tax purposes and be treated as foreign source income, taxable capital gains and taxable dividends earned directly by the unitholder. Foreign source income received by the Fund will generally be net of any taxes withheld in the foreign jurisdictions. The taxes so withheld will be included in the determination of the Fund's income. To the extent that the Fund so designates, the unitholder will be deemed to have paid its proportionate share of such taxes.

Amounts that retain their character as taxable dividends on shares of taxable Canadian corporations will be eligible for the normal gross-up and dividend tax credit rules under the Tax Act. An “eligible dividend” will be entitled to an enhanced gross-up and dividend tax credit. To the extent possible, the Fund will pass on to unitholders the benefit of the enhanced dividend tax credit with respect to any eligible dividends received, or deemed to be received, by the Fund to the extent that such dividends are included in distributions to unitholders.

#### Non-Taxable Unitholders of the Funds

In general, distributions paid or payable to trusts governed by Registered Plans from, or capital gains realized on a disposition of units of, a Fund, will not be taxable under the Tax Act. Withdrawals from Registered Plans (other than TFSA's) may be subject to tax.

#### ***Eligibility for Registered Plans***

Provided that each Trust Fund is either a “registered investment” or a “mutual fund trust” within the meaning of those terms in the Tax Act at all material times, units of each Fund issued hereunder will be qualified investments for Registered Plans. See “Income Tax Considerations – Funds Held in a Registered Plan” in the Simplified Prospectus for additional information.

Provided that the annuitant or holder of a RRSP, RRIF, RESP, RDSP, FHSA or TFSA (i) deals at arm's length with a Fund, and (ii) does not hold a “significant interest” (as defined in the Tax Act) in the Fund, the securities of the Fund will not be a prohibited investment for a trust governed by a RRSP, RRIF, RESP, RDSP, FHSA or TFSA.

Investors should consult with their tax advisors regarding whether an investment in a Fund will be a prohibited investment for their RRSP, RRIF, RESP, RDSP, FHSA or TFSA.

#### ***International Information Reporting Requirements***

Under the terms of the intergovernmental agreement between Canada and the U.S. (the “**Canada-U.S. IGA**”) to provide for the implementation of the U.S. Foreign Account Tax Compliance provisions of the *U.S. Hiring Incentives to Restore Employment Act of 2010* (“**FATCA**”), and its implementing provisions under Part XVIII of the Tax Act, a Fund will be treated as complying with FATCA and not subject to the 30% withholding tax on certain U.S. sourced income if the Fund complies with the terms of the Canada-U.S. IGA. Under the terms of the Canada-U.S. IGA, the Fund will not have to enter into an individual FATCA agreement with the U.S. Internal Revenue Service (the “**IRS**”) but the Fund will be required to register with the IRS and to report information annually, including tax residency details and financial information such as account balances, of investors that are identified as, or in the case of certain entities as having one or more controlling persons who are, U.S. Persons owning, directly or indirectly, an interest in the Fund to the Canada Revenue Agency (the “**CRA**”). In addition, the Fund is required to report certain information on accounts held by investors that did not provide the required residency and identity information, if indicia of U.S. status is present. The CRA will in turn provide such information to the IRS.

The Funds will endeavor to comply with the requirements imposed under the Canada-U.S. IGA and its implementing provision under the Tax Act. However, if a Fund cannot satisfy the applicable requirements under the Canada-U.S. IGA or its implementing provision of the Tax Act and is unable to comply with the requirements under FATCA, the Fund may be subject to U.S. withholding tax on U.S. and certain non-U.S. source income. Any potential U.S. withholding taxes or penalties associated with such failure to comply would reduce the Fund's Net Asset Value.

In addition, to meet the objectives of the Organisation for Economic Co-operation and Development Common Reporting Standards (the “CRS”), each Fund is required under Part XIX of the Tax Act to identify and to report annually to the CRA certain information (including tax residency details and financial information such as account balances) relating to investments held by securityholders or by the “controlling persons” of certain entities who are tax resident in a country other than Canada or the United States. The information is shared with the CRS participating jurisdiction in which the securityholder resides for tax purposes under the provision and safeguards of the Multilateral Administrative Assistance in Tax Matters or the relevant bilateral tax treaty.

## WHAT ARE YOUR LEGAL RIGHTS?

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy securities of a mutual fund 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 securities of a mutual fund and get your money back, or to make a claim for damages, if the simplified prospectus, Fund Facts or financial statements misrepresent any facts about the mutual fund. These rights usually must be exercised within certain time limits.

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

## EXEMPTIONS AND APPROVALS

### Short Selling Relief

Dynamic Credit Absolute Return Fund and Dynamic Credit Opportunities Fund have been granted exemptive relief to permit each Fund to sell short Government Securities up to 300% and sell short non-Government Securities up to 100% of the Fund’s net asset value.

### Cash Borrowing Relief

Dynamic Credit Absolute Return Fund and Dynamic Credit Opportunities Fund have been granted exemptive relief to permit each Fund cash borrowing up to 100% of the Fund’s net asset value.

### Custody Relief

The Manager obtained exemptive relief to permit each Fund to appoint more than one Custodian. The Manager may appoint additional Custodians for the Funds from time to time.

Each Fund has received exemptive relief from the Canadian securities regulatory authorities to permit the Fund to deposit portfolio assets with a borrowing agent as security in connection with a short sale of securities in excess of 25% of the net asset value of the Fund at the time of deposit.

### Offerings Involving A Related Underwriter

The Funds are considered dealer managed investment funds and follow the dealer manager provisions prescribed by NI 81-102.

The Funds cannot knowingly make an investment during, or for 60 days after, the period (the “**Prohibition Period**”) in which an affiliate or associate of the Manager, such as Scotia Capital Inc., acts as an underwriter or agent in an offering of equity securities, unless the offering is being made under a prospectus and such purchases are made in compliance with the approval requirements of National Instrument 81-107 – *Independent Review Committee For Investment Funds* (“**NI 81-107**”).

The Funds, along with other mutual funds managed by the Manager, can rely on exemptive relief from the Canadian securities regulatory authorities to invest in private placement offerings of equity securities of an issuer during the Prohibition Period even if Scotia Capital Inc., an affiliate of the Manager, acts as underwriter in offerings of securities

of the same class, provided the issuer is at the time a reporting issuer in at least one province of Canada and the IRC approves of the investment in accordance with the approval requirements of NI 81-107.

The Funds, along with the other mutual funds managed by the Manager, have obtained exemptive relief from the Canadian securities regulatory authorities to purchase debt securities of an issuer that does not have an approved credit rating from an approved credit rating organization in a distribution for which a dealer related to the Manager, such as Scotia Capital Inc., acts as an underwriter or agent, provided such purchases are made in compliance with the approval requirements of NI 81-107 and certain other conditions.

The Funds, along with other mutual funds managed by the Manager, have obtained exemptive relief from the Canadian securities regulatory authorities that permits the Funds to invest in equity securities of an issuer that is not a reporting issuer in Canada during the Prohibition Period, whether relating to a private placement of the issuer in Canada or the United States or a prospectus offering of the issuer in the United States of securities of the same class even if an affiliate of the Manager acts as underwriter in the private placement or prospectus offering, provided the issuer is at the time a registrant in the United States and the IRC of the Funds approves of the investment in accordance with certain other conditions.

In addition to the above exemptive relief, the Funds may from time to time be granted exemptions from NI 81-102 to permit them to invest during the Prohibition Period in securities of an issuer, in which an affiliate or associate of the Manager, such as Scotia Capital Inc., acts as an underwriter or agent in the issuer's distribution of securities of the same class, where the Funds are not able to do so in accordance with NI 81-107 or the exemptive relief described above.

#### Investments in Closed-End Funds

Each Fund, along with the other mutual funds managed by the Manager, has obtained exemptive relief from the Canadian securities regulatory authorities to invest in non-redeemable (or closed-end) investment funds ("**Closed-End Funds**") that are traded on a stock exchange in the United States provided that certain conditions are met, including that immediately after each such investment no more than 10% of the net asset value of the Fund is invested in Closed-End Funds.

#### Gold Exchange-Traded Funds

The Funds have received the approval of the Canadian securities regulatory authorities to invest in exchange-traded funds that are traded on a stock exchange in the United States and that hold or seek to replicate the performance of gold, permitted gold certificates or specified derivatives, of which the underlying interest is gold or permitted gold certificates, on an unlevered basis ("**Gold ETFs**"), provided that the Fund does not invest more than 10% of its net assets, taken at the market value thereof at the time of investment, in gold (whether directly or indirectly, including Gold ETFs).

#### Fixed income securities

The Funds may rely on an exemption from the requirements in securities legislation relating to purchasing and holding illiquid assets with respect to certain fixed income securities that qualify for, and may be traded pursuant to, the exemption from the registration requirements of the *Securities Act of 1933*, as amended (the "US Securities Act"), as set out in Rule 144A of the US Securities Act for resales of certain fixed income securities to "qualified institutional buyers" (as such term is defined in the US Securities Act). The exemptive relief is subject to certain conditions.

#### Other Relief

The Manager has received exemptive relief from securities regulatory authorities from certain requirements in National Instrument 81-105 – *Mutual Fund Sales Practices* prohibiting sales representatives of affiliated dealers from effecting rebates of redemption fees in respect of the Funds, subject to the conditions of an exemption order dated April 28, 2000.

## CERTIFICATE OF THE FUNDS AND THE MANAGER AND PROMOTER OF THE FUNDS

September 7, 2023

Dynamic Credit Absolute Return Fund  
Dynamic Credit Opportunities Fund

(collectively, the “**Funds**”)

This simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each of the provinces and territories of Canada and do not contain any misrepresentations.

*“Neal Kerr”*

---

Neal Kerr  
President, (Signing in the capacity of Chief Executive Officer) 1832 Asset Management G.P. Inc., as general partner for and on behalf of 1832 Asset Management L.P., as manager, promoter and trustee of the Funds

*“Gregory Joseph”*

---

Gregory Joseph  
Chief Financial Officer, 1832 Asset Management G.P. Inc., as general partner for and on behalf of 1832 Asset Management L.P., as manager, promoter and trustee of the Funds

ON BEHALF OF THE BOARD OF DIRECTORS OF 1832 ASSET MANAGEMENT G.P. INC., AS GENERAL PARTNER FOR AND ON BEHALF OF 1832 ASSET MANAGEMENT L.P., AS MANAGER, PROMOTER AND TRUSTEE OF THE FUNDS

*“John Pereira”*

---

John Pereira  
Director

*“Jim Morris”*

---

Jim Morris  
Director

## CERTIFICATE OF THE PRINCIPAL DISTRIBUTOR OF THE FUNDS

September 7, 2023

To the best of our knowledge, information and belief, this simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each of the provinces and territories of Canada and do not contain any misrepresentations.

*“Gregory Joseph”*

---

Gregory Joseph  
Chief Financial Officer  
1832 Asset Management G.P. Inc., as general  
partner for and on behalf of 1832 Asset  
Management L.P., as principal distributor of the  
Funds



## **PART B: SPECIFIC INFORMATION ABOUT EACH OF THE FUNDS DESCRIBED IN THIS DOCUMENT**

The following profiles for each of the Funds provide you with specific information about each Fund. You should refer to this section when reading each Fund profile to ensure you have complete information about a particular Fund.

### **WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?**

#### ***What is the Main Purpose of a Mutual Fund?***

A mutual fund is a pool of money that represents the savings of many people who share the same investment objective. Your money is managed by professional investment managers who strive to make the best possible investment decisions according to the objectives of the particular fund. A mutual fund holds a portfolio of investments that may include interest-bearing securities (such as bonds, mortgages or treasury bills), equity securities (such as common shares, preferred shares, securities convertible into common shares of individual companies or units of income trusts) or securities of other investment funds (including mutual funds) depending on the investment objectives of the mutual fund and the manager's investment strategy.

There are different types of mutual funds. Some mutual funds are riskier than others. For example, it is unlikely that you will lose money in a mutual fund that buys money market instruments, such as treasury bills. Risk can sometimes work in your favour: the higher the risk, the bigger the potential return (and the bigger the potential loss); the lower the risk, the smaller the potential return (and the smaller the potential loss). To reduce your overall risk and enhance potential returns, you should invest in a diversified portfolio of mutual funds which have different risk characteristics.

Your investment in any of the Funds described in this document is not guaranteed. Unlike bank accounts or GICs, mutual fund units and shares are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer. Under exceptional circumstances a mutual fund may suspend redemptions. Please see “Purchases, Switches and Redemptions – Redemptions” later in this document.

#### ***What do Mutual Funds Invest In?***

Mutual funds own different types of investments, depending upon their investment objectives. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions, market and company news, and unforeseeable events. As a result, the value of a mutual fund's portfolio 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.

While there are many different types of securities that a mutual fund may invest in, they generally fit into two basic types: equity securities and debt securities. In addition to investing in equity and debt securities, mutual funds also may use other investment techniques such as investing in other investment funds (which may include mutual funds, alternative mutual funds, non-redeemable investment funds and/or exchange-traded funds) (collectively, “**underlying funds**”), using derivatives and engaging in securities lending and short selling.

#### **Equity Securities**

Companies issue common shares and other types of equity securities to help finance their operations. Equity securities are investments which give the holder part ownership in a company and the value of an equity security changes with the fortunes of the company that issued it. As the company earns profits and retains some or all of them, its equity value should grow, increasing the value of each common share and making them more attractive to investors. Conversely, a series of losses would reduce retained earnings and therefore reduce the value of the shares. In addition, the company may distribute part of its profit to shareholders in the form of dividends, however dividends are not obligatory. Although common shares are the most familiar type of equity security, equity securities also include preferred shares, securities convertible into common shares, such as warrants, and units of real estate, royalty, income and other types of investment trusts.

## Debt Securities

Debt securities generally represent loans to governments or companies that make a commitment to pay interest at fixed intervals and the principal upon maturity. Debt securities enable governments and companies to raise capital to finance major projects or to meet their daily expenses. Short-term debt securities which mature in one year or less are often called money market instruments and include government treasury bills, bankers' acceptances, commercial paper and certain high-grade short-term bonds. Debt securities which have a term to maturity of more than one year are often called fixed income securities and include government and corporate bonds, debentures and mortgages. Debt securities may also be referred to as fixed income securities because generally either a regular series of cash flows is paid on a lump sum invested or a regular series of cash flows is expected and accrued.

## Underlying Funds

Mutual funds may invest all or a portion of their assets indirectly in equity securities and/or debt securities by investing in underlying funds that are managed by us and/or by third party investment managers. The proportions and types of underlying funds held by a mutual fund will vary according to the risk and investment objectives of the fund. Please refer to "Underlying Funds" later in this document for more information.

## Exchange-Traded Funds

Mutual funds may invest all or a portion of their assets in securities of exchange-traded funds ("ETFs"). Generally under securities legislation, a mutual fund is permitted to invest in securities of an ETF only if:

- the underlying ETF is either (i) an "index participation unit" or (ii) an ETF that is a reporting issuer in Canada, and that is subject to National Instrument 81-102 Investment Funds ("NI 81-102");
- no management fees or incentive fees are payable by the mutual fund that, to a reasonable person, would duplicate a fee payable by the ETF for the same service;
- no sales fees or redemption fees are payable by the mutual fund in relation to its purchases or redemptions of the securities of the ETF if the ETF is managed by the manager or an affiliate or associate of the manager of the mutual fund; and
- no sales fees or redemption fees, other than brokerage fees, are payable by the mutual fund in relation to its purchases or redemptions of the securities of the ETF that, to a reasonable person, would duplicate a fee payable by an investor in the mutual fund.

The proportions and types of ETFs held by the Fund will vary according to the risk and investment objectives of the Fund. Please refer to Investing in Underlying Funds above for more information.

## Derivatives

The use of derivatives is usually designed to reduce risk and/or enhance returns. Mutual funds may use derivatives to protect against losses from changes in stock prices, exchange rates or market indexes. This practice is known as hedging. Mutual funds may also use derivatives to make indirect investments or to generate income.

A derivative is generally a contract between two parties to buy or sell an asset at a later time. The value of the contract is based on or derived from an underlying asset such as a stock, a bond, a market index, a currency, a commodity or a basket of securities. It is not a direct investment in the underlying asset itself. Derivatives may be traded on a stock exchange or in the over-the-counter market. Examples of different types of derivatives are:

Options – An option is the right, but not the obligation, to buy or sell a security, currency, commodity or market index at an agreed upon price by a certain date. The buyer of the option makes a payment called a premium to the seller for this right.

Forward Contracts – A forward contract is an agreement to buy or sell an asset, such as a security or currency, at an agreed upon price at a future date or to pay the difference in value between the contract date and the

settlement date. Forward contracts are generally not traded on organized exchanges and are not subject to standardized terms and conditions.

Futures Contracts – Like a forward contract, a futures contract is an agreement between two parties to buy or sell an asset at an agreed upon price at a future date or to pay the difference in value between the contract date and the settlement date. Futures contracts are normally traded on a registered futures exchange. The exchange usually specifies certain standardized features of the contract.

Swaps – A swap is an agreement between two parties to exchange or “swap” payments. The payments are based on an agreed underlying amount such as the amount of payment on a bond. However, each party's payments are calculated according to a different formula. For example, one party's payments may be based on a floating interest rate while the other party's payment may be based on a fixed interest rate. Generally swaps are not traded on organized exchanges. And many Swaps are not subject to standardized terms and conditions.

### Securities Lending, Repurchase and Reverse Repurchase Transactions

Mutual funds may enter into securities lending transactions, repurchase and reverse repurchase transactions (collectively, “**Lending and Repurchase Transactions**”) consistent with their investment objectives and as permitted by applicable securities and tax legislation. A securities lending transaction is where a mutual fund lends certain qualified securities to a borrower in exchange for a negotiated fee without realizing a disposition of the security for tax purposes. A repurchase transaction is where a mutual fund sells a security at one price and agrees to buy it back from the same party at a specified price on a specified date. A reverse repurchase transaction is where a mutual fund buys securities for cash at one price and agrees to sell them back to the same party at a specified price on a specified date.

### Short Selling

Mutual funds (other than money market funds) are permitted to engage in a limited amount of short selling under securities regulations. A “short sale” is where a mutual 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 mutual fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the mutual fund pays interest to the lender. If the value of the securities declines between the time that the mutual fund borrows the securities and the time it repurchases and returns the securities, the mutual fund makes a profit for the difference (less any interest the mutual fund is required to pay to the lender). In this way, the mutual fund has more opportunities for gains when markets are generally volatile or declining.

### ESG Considerations

For the actively managed funds advised by us, the consideration of ESG factors is part of the fundamental investment process, which means that the Manager considers relevant financial and non-financial factors (ESG and otherwise) when researching and analyzing securities.

Incorporating ESG factors into the investment process may include proprietary research, a systematic approach to risks and opportunities, and support from our ESG Investment Committee. Issuers may also be evaluated based on ESG data provided by third-party research. ESG-related factors that may be considered could include but are not limited to: direct or indirect impacts of climate change (e.g., greenhouse gas emissions and associated regulatory costs, property damage, supply disruptions), poor labour standards and/or hiring practices, and weak or ineffective governance policies and procedures (e.g., lack of ethics policies, bribery and corruption).

Funds that do not incorporate ESG considerations into their investment objectives or primary investment strategies, do not seek to achieve any ESG-related outcome or attributes at the security or portfolio level, and do not make any commitments regarding the ESG-related attributes at the security or portfolio level. For those funds that do not incorporate ESG considerations into their investment objectives or primary investment strategies, ESG factors are considered, when deemed material, alongside many other factors, through the lens of how they could impact the fund's risk and/or return and investment objectives.

Similarly, as part of the Manager’s active investment process, company engagement and proxy voting are informed by many considerations, including relevant ESG factors, but these activities are not necessarily directed towards any ESG related outcome. Company engagement may include meetings with issuers to foster a deeper understanding of specific companies and issues, direct engagement with issuers to communicate views to management, and exercising proxy voting rights. For those funds that are not actively managed, such as passive-index funds, the proxy voting policy and company engagement strategies will apply to those passive funds.

Please see “ESG Factor Risk” later in this document.

### ***How are Mutual Funds Structured?***

There are generally two legal forms for a mutual fund: a mutual fund trust or a mutual fund corporation. Both forms of mutual funds allow you to pool your savings with other investors seeking the same investment objective.

A mutual fund trust issues “units” of the trust to people who invest in the trust fund and a mutual fund corporation issues “shares” of the corporation to people who invest in shares of the corporation. Units and shares both represent an ownership interest in a mutual fund.

### ***What Do I Own When I Invest?***

#### What are Units?

When you invest in a mutual fund trust, you are buying an interest in the fund which is called a “unit” of the trust. You then become a unitholder of the trust fund. When you invest in a mutual fund corporation, you are buying an interest in the mutual fund corporation which is called a “share” of the corporation. You then become a shareholder of the mutual fund corporation. The units held by all the investors in a mutual fund trust make up a trust fund. The shares held by all the investors in a single class of shares of a mutual fund corporation make up a corporate fund. The shares held by all the investors in all the classes of shares (where a mutual fund corporation has multiple classes of shares) make up the entire ownership of the mutual fund corporation. The more money you invest in a mutual fund, the more units or shares you receive.

Each mutual fund calculates its net asset value per unit or share of each series of the fund which is the price you pay when you purchase units or shares of that particular series of the fund and the price you receive when you redeem units or shares of that particular series of the mutual fund. Please refer to “Purchases, Switches and Redemptions – Calculation of Net Asset Value” later in this document for more information.

You can terminate your investment in a mutual fund by redeeming your units or shares. Under exceptional circumstances, a mutual fund may suspend redemptions. Please refer to “Purchases, Switches and Redemptions – Redemptions” later in this document for more information.

### ***Why Should I Invest in a Mutual Fund?***

There are many advantages to investing in mutual funds. The main ones are explained below.

#### Professional Management

You benefit from the expertise of full-time professional investment managers who are dedicated to finding the best investments for a mutual fund portfolio. These managers have access to information, research, expertise and resources that are not often available to individual investors.

#### Diversification

Certain mutual funds maintain diversified portfolios. This means that they own many different investments at the same time. In essence, a mutual fund allows you to own many different securities at the same time. Although investments may go up or down over time, depending on market conditions, all the investments in a diversified portfolio are not likely to go up or down at the same time, or to the same extent. Therefore, a diversified mutual fund portfolio can protect the value of your investments. Another benefit of diversification is that historical evidence shows that a diversified portfolio may help you achieve better risk-adjusted returns over the long-term.

## Easy Access To Your Money

Mutual funds are liquid. This means you can get easy access to your money when you need it by redeeming the mutual fund securities you own subject to the possibility that, in exceptional circumstances, mutual funds may suspend redemptions temporarily. See “Purchases, Switches and Redemptions – Redemptions” later in this document for additional information.

## Easy To Track Your Investments

Your dealer or financial advisor will provide you with detailed, easy-to-read statements of your mutual fund investments. You are also entitled to receive, upon request, financial statements of the fund(s) you invest in and you will be sent year-end tax slips. The statements you receive from your dealer or financial advisor will help you keep track of your investments.

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

Investment involves putting savings to work to try to increase their value over time and improve your ability to achieve your financial goals. Investing your hard-earned financial resources can bring both benefits and risk, and there is a relationship between the potential “return” of an investment and the “risk” associated with an investment. In fact, there is a “balance” that must be reached.

The precise definition of risk, in a financial sense, and as related to any individual investor in particular, has difficulties. A dictionary would say that risk is a possibility of loss or a dangerous element or hazard. In the investing world, risk is usually portrayed as the product of the amount that may be lost or gained and the probability of that loss or gain occurring. Risk is also a function of your particular knowledge.

While the total amount of any loss can be easily calculated, much expertise is required to determine probability. Most experts would advise that you should not accept more risk of loss, even without concern over probability, than you are comfortable with. You should only accept a level of risk of loss that lets you sleep at night without concern and anxiety.

So what is your “risk/return” balance point? What risk of loss are you willing to accept in relation to the target return you hope to gain? The answer to this question is almost totally dependent on the kind of investor that you are and the type of investments you choose to achieve your financial goals.

Your risk/return balance point will be affected by many factors other than probability of loss, such as:

- your age (for example, younger people tend to be better able to accept higher risk than older people);
- how much you have to invest (for example, those with more money to invest are more prepared to accept risk of loss);
- your goals and how much you require to earn from your investments in order to realize your goals; and
- your time horizon, that is, how long before you need the money (if you need the money from your investments in two years, you will likely accept less risk than someone who does not need the money until retirement in say 35 years).

The primary purpose of investment is to put to work savings that you do not need today. In doing so, these financial resources can bring benefits to you in the future. They can help you realize your financial goals.

In general, there are two forms of investment. One form is a direct investment into some activity to actually take a stake in the ownership of the venture. This is referred to as an equity investment. Another way is to simply provide a loan and earn interest on the loan. This is referred to as a debt investment.

Some investment criteria that are important to consider when making investments are:

- growth potential

- knowledge of the investment opportunity
- liquidity
- return on investment
- safety/risk
- time horizon involved
- volatility

The safety, or the level of risk, involved in the investment is an obvious factor to consider. Do not get involved in any investments if they make you anxious, or if you cannot accept the loss if the investment should lose value, at least in the near term. A key point to note here is the link between the volatility of an investment and your time horizon.

By time horizon we are referring to when you will need the money from the investment. Do you need it in three years, five years, ten years, twenty years, twenty-five years, or more? The time horizon will depend on your goals and the use to which the investment funds will be put. This could include education, training, a house, children, travel, retirement, and so on.

The volatility of an investment refers to the extent of the potential swings, both up and down, in an investment's value. The capital markets and most investments tend to move in cycles. Ideally, you want to be able to leave your investment in the market for enough time to achieve the positive long-term averages. You do not want to find that you have to take your investments out of the market at a bad time, when you will face a loss.

There are some experts who would tell you that riskier investments are those with a higher volatility with wider swings in value. If you want to make those kinds of investments, it is better if you have more time before you need the money, so you can more easily wait out any of the bad times should they occur.

When a person invests, he/she is said to establish a portfolio. A portfolio refers to the collection of investments a person has. Mutual fund portfolios are always diversified, that is, they include in their portfolio a number of different types of investments. The goal is to achieve, within your portfolio, your personal risk/return balance. For example, you may have some investments that you perceive to be risky, others that you perceive to be moderate risk and others that are perceived as low risk. To diversify a portfolio can also mean to hold investments in different countries. For example, you may hold Canadian mutual funds, U.S. mutual funds, Asian mutual funds, European mutual funds, and so on. The investments can help balance each other.

Some investments and mutual funds offer a fixed rate of return. That is, they will guarantee to pay a specific amount of interest – a fixed income. A savings account deposit is an example, as is a bond, a term deposit, and so on. These forms of investment will tell you in advance what rate of return you will earn.

Other types of investments do not offer a guaranteed fixed rate of return. Instead, your return will depend on the success of the venture into which the investment was made. Purchasing common stock, as well as units or shares of mutual funds that hold common stock in their portfolio, are examples. Your return through dividends and capital gains will depend on the success of the company. The better the company does, the higher the return. Obviously, the opposite applies as well.

The growth potential of the investment is another important criterion. Will the value of the investment improve over time? An investment that pays a fixed rate of return usually has less growth potential in its value. An investment in equity shares or a house, though, may be another matter. The value of this type of investment may rise (providing you with a capital gain) or fall (providing you with a capital loss).

The liquidity of the investment should also be considered. Liquidity refers to how easily/quickly an asset can be converted into cash and how certain its value is. A savings account is an example of a highly liquid asset that can be turned into useable cash quickly, easily, and with a certain value. A five-year term deposit is not a very liquid asset. Your investment is locked up for five years; should you need the cash, you would have to get it elsewhere. A mutual fund is very liquid and can generally provide you cash within 24 to 48 hours. It is always important that an investment portfolio have some investments that are very liquid, just in case something unforeseen comes along and you find yourself in need of cash.

The time involved in looking after an investment is also a matter of concern. If you invest in a savings account or a term deposit, little of your time is required to oversee the investment. An investment in a business or in a house, for example, may require a good deal of your time. You need to decide how much time you have available and/or are willing to spend looking after your investments. The potential return on the investment may also affect your willingness to invest more of your time in managing the investment. Alternatively, you may use the services of a financial services company that will provide the time and expertise to manage your investment for a fee. Your knowledge of the investment is also important. It is unwise to invest in any investment that you do not fully understand. Effective investing is linked to knowledge and understanding. The Funds and their underlying funds are managed by investment professionals who have this knowledge and understanding over the portfolios that they look after.

In summary, money that you have available, over and above your current needs, can be put to work and invested in anything from a savings account to a mutual fund. Investing is something that should be considered by everyone, not only those with great wealth. Investment is not only good for the financial health of the individual or household; it also fuels the growth and development of our whole economy.

### ***Risk Factors***

Each Fund owns different types of investments, the value of which will change from day to day, reflecting changes in, among other things, interest rates, economic conditions, market and company news, and unforeseeable events. As a result, the value of a Fund's investments, and therefore its net asset value, may go up or down. When you redeem units of a Fund, their value may be more or less than your original investment. Outlined below are some of the most common risks associated with investing in the Funds. **To the extent that a Fund invests in underlying funds, it has the same risks as the underlying funds. Accordingly, any reference to a Fund in this section is intended to also refer to any underlying funds that the Fund may invest in.**

The Funds are alternative mutual funds. Each Fund has the ability to invest in asset classes and use investment strategies that are not permitted for conventional mutual funds. The specific strategies that differentiate the Funds from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes, increased ability to sell securities short and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with each Fund's investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.

#### Asset-Backed and Mortgage-Backed Securities Risk

Asset-backed securities are debt obligations that are backed by pools of consumer or business loans. Mortgage-backed securities are debt obligations backed by pools of mortgages on commercial or residential real estate. To the extent that a mutual fund invests in these securities, it will be sensitive to asset-backed and mortgage-backed securities risk. If there are changes in the market perception of the issuers of these types of securities, or in the creditworthiness of the parties involved, then the value of the securities may be affected. When investing in mortgage-backed securities, there is also a risk that there may be a drop in the interest rates charged on mortgages, a mortgagor may default on its obligations under a mortgage or there may be a drop in the value of the property secured by the mortgage.

#### Concentration Risk

If a Fund holds significant investments in a few issuers, changes in the value of the securities of those issuers may increase the volatility of the net asset value of the Fund. If a single issuer's securities represent a significant portion of the market value of a Fund's assets, it is possible that the Fund may experience reduced liquidity and diversification. In particular, the Fund may not be able to easily liquidate its position in the issuers as required to fund redemption requests. Generally, mutual funds that are alternative mutual funds are not permitted to invest more than 20% of their net assets in any one issuer. This restriction does not apply to investments in debt securities issued or guaranteed by the Canadian or U.S. government or the government of a Canadian province or territory, securities issued by a clearing corporation, securities issued by mutual funds that are subject to the requirements of NI 81-102 or index participation units issued by a mutual fund.

#### Credit Risk

To the extent that a Fund invests in fixed income securities, debt securities (including guaranteed mortgages) or mortgage-backed securities, it will be sensitive to credit risk. When a person, company, government or other entity

issues a fixed income security or a debt security, the issuer promises to pay interest and repay a specified amount on the maturity date, and the credit risk is that the issuer of the security will not live up to that promise. Generally, this risk is lowest among issuers who have received good credit ratings from recognized credit rating agencies, but the risk level may increase in the event of a downgrade in the issuer's credit rating or a change in the creditworthiness, or perceived creditworthiness, of the issuer. The most risky fixed income or debt securities, which are those with a low credit rating or no credit rating at all, usually offer higher interest rates to compensate for the increased credit risk. In the case of guaranteed mortgages and mortgage-backed securities, the credit risk is that the mortgagor will default on its obligations under a mortgage. A similar credit risk related to default also applies to debt securities other than mortgages. Please see "Foreign Investment Risk" in the case of investments in foreign government debt.

### Currency Risk

When a Fund buys an investment that is denominated in a foreign currency, changes in the exchange rate between that currency and the Canadian dollar will affect the value of the Fund. When a Fund calculates its net asset value in U.S. dollars, changes in the exchange rate between U.S. dollars and an investment denominated in a currency other than U.S. dollars will affect the value of the Fund.

Mutual funds may hedge currency exposure of their foreign portfolio positions to the extent deemed appropriate. Hedging against a decrease in the value of a currency does not, however, eliminate fluctuations in the prices of portfolio securities or prevent losses should the prices of the portfolio securities decline. It may also limit the opportunity for gain as a result of an increase in value of the hedged currency. Furthermore, it may not be possible for a mutual fund to hedge against generally anticipated devaluation as the mutual fund may not be able to contract to sell the currency at a price above the anticipated devaluation level.

### Cyber Security Risk

With the increasingly prevalent use of technologies such as the internet to conduct business, the manager and the funds are potentially more susceptible to operational, information security, and related risks through breaches in cyber security. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting the funds, the manager or the funds' service providers (including, but not limited to, sub-advisor(s) or the funds' custodian) have the ability to cause disruptions and impact each of their respective business operations, potentially resulting in financial losses, interference with the funds' ability to calculate their NAV, impediments to trading the portfolio securities of the funds, the inability of the funds to process transactions in units of the funds, such as purchases and redemptions of the funds' units, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs associated with the implementation of any corrective measures. Similar adverse consequences could result from cyber incidents affecting the issuers of securities in which the funds invest and counterparties with which the funds engage in transactions.

Similar to other operational risks, the manager and the funds have established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such systems will be successful in every instance. Inherent limitations exist in such systems including the possibility that certain risks have not been identified or anticipated. Furthermore, the manager and the funds cannot control the cyber security plans and systems of the funds' service providers, the issuers of securities in which the funds invest, the counterparties with which the funds engage in transactions, or any other third parties whose operations may affect the funds or its unitholders.

### Derivatives Risk

The use of derivatives is usually designed to reduce risk and/or enhance returns, but its use is not without its own risk. Here are some of the most common ones:

- There is no guarantee that a Fund will be able to complete a derivative contract when it needs to. This could prevent the Fund from making a profit or limiting a loss.



- A securities exchange could impose limits on trading of derivatives, thereby making it difficult to complete a contract. When using derivatives, a Fund relies on the ability of the counterparty to the transaction to perform its obligations. In the event that a counterparty fails to complete its obligations, for example, in the event of the default or bankruptcy of the counterparty, the Fund may bear the risk of loss of the amount expected to be received under options, forward contracts or other transactions.
- The other party to the derivative contract may be unable to honour the terms of the contract.
- The price of a derivative may not reflect the true value of the underlying security or index.
- The price of derivatives based on a stock index could be distorted if some or all of the stocks that make up the index temporarily stop trading.
- Derivatives traded on foreign markets may be harder to close than those traded in Canada.
- In some circumstances, investment dealers and futures brokers may hold some of a Fund's assets on deposit as collateral in a derivative contract. That increases risk because another party is responsible for the safekeeping of the assets.
- A hedging strategy involving the use of derivatives may not always work and could restrict a Fund's ability to increase in value.
- The regulation of derivatives is a rapidly changing area of law and is subject to modification by government and judicial action. The effect of any future regulatory changes may make it more difficult, or impossible, for a Fund to use certain derivatives.
- Costs relating to entering and maintaining derivatives contracts may reduce the returns of a Fund.
- Changes in domestic and foreign tax laws, regulatory laws, or the administrative practices or policies of a tax or regulatory authority may adversely affect a Fund and its investors. For example, the domestic and foreign tax and regulatory environment for derivative instruments is evolving, and changes in the taxation or regulation of derivative instruments may adversely affect the value of derivative instruments held by a Fund and the ability of a Fund to pursue its investment strategies. In addition, interpretation of the law and the application of administrative practices or policies by a taxation authority may also affect the characterization of a Fund's earnings as capital gains or income. In such a case, the net income of a Fund for tax purposes and the taxable component of distributions to investors could be determined to be more than originally reported, with the result that investors or the Fund could be liable to pay additional income tax. A Fund may also become liable for unremitted withholding taxes on prior distributions to non-resident unitholders. Any liability imposed on a Fund may reduce the value of the Fund and the value of an investor's investment in the Fund.

### ESG Factor Risk

Certain funds do not incorporate ESG considerations into their investment objectives. For such funds, ESG factors are considered, when deemed material, alongside many other factors, through the lens of how they could impact the investment objectives of each fund. The ESG factors considered in a fund's investment process and the extent to which they are considered, if at all, depend on the fund's particular investment objectives and strategies. Funds that do not incorporate ESG considerations into their investment objectives do not seek to achieve any ESG-related outcome or attributes at the security or portfolio level, and do not make any commitments regarding the ESG-related attributes at the security or portfolio level. The investment approach of the portfolio advisor or sub-advisor, as applicable, may not eliminate the possibility of the fund having exposure to companies that certain investors may perceive to exhibit negative ESG characteristics or poor performance on certain ESG factors. Investors can differ in their views of what constitutes positive or negative ESG performance on any given ESG factor. As a result, a fund may invest in issuers that do not reflect the beliefs and values of every investor.

### Foreign Investment Risk

Investments in foreign companies, securities and governments are influenced by economic and market conditions in the countries in which the governments or companies operate. Foreign investments may be considered more risky than Canadian investments as there is often less available information about foreign issuers or governments. Some other countries also have lower standards for accounting, auditing and financial reporting than those of Canada or the United States. In some countries that may be politically unstable, there may also be a risk of nationalization, expropriation or currency controls. It can also be difficult to trade foreign securities solely through foreign securities markets as they can be less liquid and, due to lower trading volumes, more volatile than securities of comparable issuers traded in North America or securities of governments in North America. These and other risks can contribute to larger and more frequent price changes among foreign investments. U.S. investments are not considered to have foreign investment risk.

There may also be Canadian tax consequences for a Fund related to the holding by the Fund of interests in certain foreign investment entities. The information available to a Fund and the Manager relating to the characterization, for Canadian tax purposes, of the income realized or distributions received by the Fund from issuers of the Fund's investments may be insufficient to permit the Fund to accurately determine its income for Canadian tax purposes by the end of a taxation year and to make sufficient distributions to ensure that it will not be liable to pay income tax in respect of that year.

### Fund on Fund Risk

The Funds may invest in securities of underlying funds, including underlying funds managed by the Manager or an affiliate or associate of the Manager. The proportions and types of underlying funds held by a Fund will vary according to the risk and investment objectives of the Fund.

If a Fund invests in, or has exposure to, an underlying fund, the risks associated with investing in that Fund include the risks associated with the securities in which the underlying fund invests, along with the other risks of the underlying fund. Accordingly, a Fund takes on the risk of an underlying fund and its respective securities in proportion to its investment in that underlying fund. If an underlying fund suspends redemptions, the Fund that invests in, or has exposure to, the underlying fund may be unable to value part of its investment portfolio and may be unable to process redemption orders.

Pursuant to the requirements of applicable securities legislation, no Fund will vote any of the securities it holds in an underlying fund managed by us or any of our affiliates and associates.

To the extent that a Fund holds units of an underlying fund, the Fund will be required to include in the calculation of its income for a taxation year the net income, including net taxable capital gains, paid or payable to the Fund by such underlying fund in the calendar year in which that taxation year ends, notwithstanding that certain of such amounts may be reinvested in additional units of the underlying fund.

Any reassessment by a taxation authority of an underlying fund resulting in an increase in its net income for tax purposes and/or changes to the taxable components of its distributions, may result in additional taxable distributions to its unitholders (including the Fund). As a result, the Fund or its unitholders could be liable to pay additional income tax.

### Inflation Risk

The value of fixed income investments and currencies can depreciate as the level of inflation rises in the country of origin. Inflation rates are generally measured by the government and are reported as the Consumer Price Index ("CPI"). During times of higher and rising rates of the CPI, investors are better protected by being invested in hard asset investments such as real estate, commodities and precious metals or mutual funds that invest in companies in these industries.

### Interest Rate Risk

Funds that invest in fixed income securities, such as bonds, mortgages and money market instruments, are sensitive to changes in interest rates. In general, when interest rates are rising, the value of these investments tends to fall. When

rates are falling, fixed income securities tend to increase in value. Fixed income securities with longer terms to maturity are generally more sensitive to changes in interest rates. Certain types of fixed income securities permit issuers to repay principal before the security's maturity date. There is a risk that an issuer will exercise this prepayment right after interest rates have fallen and the Funds that hold these fixed income securities will receive payments of principal before the expected maturity date of the security and may need to reinvest these proceeds in securities that have lower interest rates.

### Leverage Risk

When a Fund makes investments in derivatives, borrows cash for investment purposes, or uses physical short sales on equities, fixed income securities or other portfolio assets, leverage may be introduced into a Fund. Leverage occurs when a Fund's notional exposure to underlying assets is greater than the amount invested. It is an investment technique that can magnify gains and losses. Consequently, any adverse change in the value or level of the underlying asset, rate or index may amplify losses compared to those that would have been incurred if the underlying asset had been directly held by a Fund and may result in losses greater than the amount invested in the derivative itself. Leverage may increase volatility, may impair a Fund's liquidity and may cause the Fund to liquidate positions at unfavourable times. A Fund is subject to a gross aggregate exposure limit of three times its net asset value which is measured on a daily basis and described in further detail within the "Investment Strategies" section in Part B of this simplified prospectus.

### Liquidity Risk

Investors often describe the speed and ease with which an asset can be sold and converted into cash as its liquidity. Most of the securities owned by a Fund can usually be sold promptly at a fair price and therefore can be described as relatively liquid. But a Fund may also invest in securities that are illiquid, which means they cannot be sold quickly or easily or for the value used in calculating the net asset value. Some securities are illiquid because of legal restrictions, the lack of an organized trading market, the nature of the investment itself, or for other reasons. Sometimes, there may simply be a shortage of buyers. A Fund that has trouble selling a security can lose value or incur extra costs. In addition, illiquid securities may be more difficult to value accurately and may experience larger price changes. This can cause greater fluctuations in a Fund's value.

### Market Disruptions Risk

Significant events such as natural disasters, incidents of war, terrorism, civil unrest or disease outbreaks and related geopolitical risks may in the future lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally, including U.S., Canadian and other economies and securities markets. The effects of such unexpected disruptive events on the economies and securities markets of countries cannot be predicted and could also have an acute effect on individual issuers or related groups of issuers. These risks could also adversely affect securities markets, inflation and other factors relating to the value of the portfolios of the Funds, and may adversely affect the performance of the Funds. Upon the occurrence of a disruptive event, the impacted country may not efficiently and quickly recover from such event, which could have a materially adverse effect on borrowers and other developing economic enterprises in such country.

### Prime Broker Risk

Some of the assets of the Funds may be held in one or more margin accounts due to the fact that a Fund may borrow cash for investment purposes, sell securities short and post margin as collateral for specified derivatives transactions. The margin accounts may provide less segregation of customer assets than would be the case with a more conventional custody arrangement. As a result, the assets of a Fund could be frozen and inaccessible for withdrawal or subsequent trading for an extended period of time if a prime broker experiences financial difficulty. In such case, a Fund may experience losses due to insufficient assets of the prime broker to satisfy the claims of its creditors. In addition, the possibility of adverse market movements while its positions cannot be traded could adversely affect the total return to a Fund.

The Funds have received exemptive relief from the Canadian securities regulatory authorities to permit each Fund to deposit portfolio assets with a borrowing agent as security in connection with a short sale of securities in excess of 25% of the net asset value of the Fund at the time of deposit.

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

Some Funds may enter into securities lending transactions & repurchase and reverse repurchase transactions to generate additional income consistent with their investment objectives and as permitted by applicable securities and tax legislation.

A securities lending transaction is where a mutual fund lends certain qualified securities to a borrower in exchange for a negotiated fee without realizing a disposition of the security for tax purposes.

When a Fund agrees to sell a security at one price and buy it back on a specified later date from the same party with the expectation of a profit, it is entering into a repurchase transaction. When a Fund agrees to buy a security at one price and sell it back on a specified later date to the same party with the expectation of a profit, it is entering into a reverse repurchase agreement.

These transactions involve certain risks. In the event that the Fund undertakes Lending and Repurchase Transactions, the Fund will rely on the ability of the counterparty to the transaction to perform its obligations. If the other party to these agreements goes bankrupt, or is for any reason unable to fulfil its obligations under the agreement, such Funds may experience difficulties or delays in receiving payment. In the event that a counterparty fails to complete its obligations, for example, in the event of the default or bankruptcy of a counterparty, the Fund may bear the risk of loss of the amount expected to be received under the transaction.

In lending its securities, a Fund is exposed to the risk that the borrower may not be able to satisfy its obligations under the securities lending agreement and the lending Fund is forced to take possession of the collateral held. Losses could result if the collateral held by the Fund is insufficient, at the time the remedy is exercised, to replace the securities borrowed.

Funds engaging in repurchase and reverse repurchase transactions are exposed to the risk that the other party to the transaction may become insolvent and unable to complete the transaction. In those circumstances, there is a risk that the value of the securities bought may drop or the value of the securities sold may rise between the time the other party becomes insolvent and the time the Fund recovers its investment.

To address these risks, any such transactions entered into by a Fund will comply with applicable securities legislation including the requirement that each agreement be, at a minimum, fully collateralized by investment grade securities or cash with a value of at least 102% of the market value of the securities subject to the transaction.

The Funds will enter into these transactions only with parties that we believe, through conducting credit evaluations, have adequate resources and financial ability to meet their obligations under such agreements.

In the case of securities lending transactions or repurchase and reverse repurchase transactions, the aggregate market value of all securities loaned pursuant to the transactions, together with those that have been sold pursuant to repurchase transactions, by the Fund will not exceed 50% of the net asset value of that Fund immediately after the Fund enters into the transaction.

### Series Risk

Each Fund is available in more than one series. If a Fund cannot pay the expenses of one series using its proportionate share of the Fund's assets, the Fund will be required to pay those expenses out of the other series' proportionate share of the Fund's assets. This may lower the investment returns of the other series of the Fund.

### Short Selling Risk

Each Fund may engage in short selling consistent with its investment objectives and as permitted by the Canadian securities regulators. A "short sale" is where a 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 interest to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities, the Fund makes a profit for the difference (less any interest 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 interest paid by the Fund and make a profit for the Fund, and securities sold short may instead appreciate in value. A 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 a Fund has borrowed securities may go bankrupt and the Fund may lose the collateral it has deposited with the lender. Each Fund that engages in short selling, 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 Funds will also deposit collateral only with lenders that meet certain criteria for creditworthiness and only up to certain limits. The Funds are generally permitted to sell securities short up to a maximum of 50% of its net asset value, including up to 10% of its net asset value in the securities of one issuer, as described in further detail within the “Investment Strategies” section in Part B of this simplified prospectus.

Dynamic Credit Absolute Return Fund and Dynamic Credit Opportunities Fund have been granted exemptive relief to permit each Fund to sell short Government Securities up to 300% and sell short non-Government Securities up to 100% of the Fund’s net asset value.

### Significant Securityholder Risk

Securities of Funds may be purchased and sold by large investors, including institutions such as banks and insurance companies or other funds. If a large investor redeems a portion or all of its investment from a Fund, that Fund may have to incur capital gains and other transaction costs in the process of making the redemption. In addition, some securities may have to be sold at unfavourable prices, thus reducing the Fund’s potential return. Conversely, if a large investor were to increase its investment in a Fund, that Fund may have to hold a relatively large position in cash for a period of time until the portfolio adviser finds suitable investments, which could also negatively impact the performance of the Fund. Since the performance of the Fund may be negatively impacted, so may the investment return of any remaining investors in the Fund, including other top Funds which may still be invested in the Fund.

Generally, a Trust Fund that does not qualify as an “investment fund” for the purposes of the tax loss restriction rules in the Tax Act may be subject to a loss restriction event if an investor becomes a “majority-interest beneficiary”, or a group of persons becomes a “majority-interest group of beneficiaries”, of the Trust Fund, as those terms are defined in the affiliated persons rules contained in the Tax Act, with certain modifications. The Trust Fund (i) will be deemed to have a year-end for tax purposes (which, if the Trust Fund has not distributed sufficient net income and net realized capital gains, if any, for such taxation year, would result in the Trust Fund being liable for income tax on such amounts under Part I of the Tax Act), and (ii) will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses.

### Taxation Risk

The Funds intend to meet all the requirements to qualify as a “mutual fund trust” for the purposes of the Tax Act. If a Fund does not qualify as a mutual fund trust under the Tax Act, or were to cease to so qualify, the income tax considerations described under the heading “Income Tax Considerations for Investors” would be materially and adversely different in certain respects. The Tax Act provides for a special tax on the designated income of certain trusts (other than a trust that was throughout the year a mutual fund trust) that have designated beneficiaries. The Manager intends to monitor the activities of any Fund that is not a mutual fund trust so as to ensure that such Fund does not earn any designated income for purposes of the Tax Act. On this basis, it is anticipated that the Funds will not have any liability with respect to this special tax. However, if a Fund is not a mutual fund trust for purposes of the Tax Act and is considered to be carrying on business in respect of any of its investing activities for purposes of these rules, the income related thereto may be designated income and may be subject to the above-noted special tax. Such a Fund may be subject to alternative minimum tax under the Tax Act for a taxation year if the Fund is not a mutual fund trust under the Tax Act throughout the taxation year.

The tax treatment of gains and losses realized by the Funds will depend on whether such gains or losses are treated as being on income or capital account. Whether gains or losses realized by a Fund in respect of a particular transaction are on income or capital account will depend largely on factual considerations. In determining its income for tax purposes, each Fund will generally treat gains or losses realized on the disposition of portfolio securities held by it as capital gains and losses unless the Fund is considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Fund has acquired the securities in a transaction or transactions considered to be an adventure or concern in the nature of trade. In general, gains and losses realized by a Fund from derivative transactions and short sale of securities will be on income account except where such derivatives are used

to hedge portfolio securities held on capital account provided the Fund is not a financial institution and there is sufficient linkage, subject to the DFA Rules discussed below. The CRA's practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained. In addition, there can be no assurance that the CRA will agree with the tax treatment otherwise adopted by a Fund in filing its tax return. If the CRA disagrees with any tax treatment adopted by a Fund, the net income of the Fund for tax purposes and the taxable component of distributions to its Unitholders could increase. Any such redetermination by the CRA may result in the Fund being liable for unremitted withholding taxes on prior distributions made to its Unitholders who were not resident in Canada for purposes of the Tax Act at the time of the distribution. Such potential liability may reduce the NAV and NAV per Unit of that Fund.

The Tax Act contains rules relating to "derivative forward agreements" (the "DFA Rules") that target certain financial arrangements that seek to deliver a return based on an "underlying interest" (other than certain excluded underlying interests) for purposes of the DFA Rules. The DFA Rules are broad in scope and could apply to other agreements or transactions. If the DFA Rules were to apply in respect of any derivatives to be utilized by the Funds, gains realized in respect of the property underlying such derivatives could be treated as ordinary income rather than capital gains.

Generally, a Fund that does not qualify as an "investment fund" for the purposes of the tax loss restriction rules in the Tax Act may be subject to a loss restriction event if an investor becomes a "majority-interest beneficiary", or a group of persons becomes a "majority-interest group of beneficiaries", of the Fund, as those terms are defined in the affiliated persons rules contained in the Tax Act, with certain modifications. The Fund (i) will be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of the Fund's net income and net realized capital gains, if any, at such time to Unitholders so that the Fund is not liable for income tax on such amounts under Part I of the Tax Act), and (ii) will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses (with the result that the taxable component of distributions in the future may be larger). It may not be possible for the Fund to determine on a timely basis when a loss restriction event has occurred. Therefore, there can be no assurances that the Funds will not experience a loss restriction event, and there can be no assurances regarding when or to whom the distributions resulting from a loss restriction event will be made or that the Funds will not be required to pay tax notwithstanding such distributions.

Generally, under the EIFEL rules, the deductible amount of IFE for certain corporations and trusts may be restricted. IFE include, among other things, certain amounts that are economically equivalent to interest or that can reasonably be considered part of the cost of funding and various expenses incurred in obtaining financing. The EIFEL rule does not apply to certain "excluded entities", which include certain standalone Canadian-resident corporations and trusts, and groups consisting exclusively of Canadian-resident corporations and trusts, that carry on substantially all of the businesses, undertakings and activities in Canada. This exclusion applies only if, in general terms, no non-resident is a material foreign affiliate of, or holds a significant interest in, any group member, and no group member has any significant amount of interest and financing expenses payable to a non-arm's length "tax-indifferent investor". The new EIFEL rules will generally apply in respect of taxation years that begin on or after October 1, 2023. If the EIFEL rules were to apply to a Fund, the net income of the Fund for tax purposes and the taxable component of distributions to its unitholders could increase.

### Underlying ETFs Risk

The Fund may invest in ETFs, which may invest in stocks, bonds, commodities, and other financial instruments. ETFs and their underlying investments are subject to the same general types of investment risks as those that apply to the Funds. The risk of each ETF will be dependent on the structure and underlying investments of the ETF.

A Fund's ability to realize the full value of an investment in an ETF will depend on its ability to sell such ETF units or shares on a stock exchange. If a Fund chooses to exercise its rights to redeem ETF units or shares, then it may receive less than 100% of the ETF's then net asset value per unit or share. The trading price of the units or shares of ETFs will fluctuate in accordance with changes in the ETFs' net asset value, as well as market supply and demand on the respective stock exchange on which they are listed. Units or shares of an ETF may trade in the market at a premium or discount to the ETF's net asset value per unit or share and there can be no assurance that units or shares will trade at prices that reflect their net asset value. The ETFs are or will be listed on a Canadian or U.S. stock exchange, or such other stock exchanges as may be approved from time to time by Canadian securities regulators, however there is no assurance that an active public market for an ETF will develop or be sustained.

A Fund may invest in ETFs that (i) invest in securities that are included in one or more indices in substantially the same proportion as those securities are reflected in a referenced index or indices, or (ii) invest in a manner that

substantially replicates the performance of such a referenced index or indices. If the computer or other facilities of the index providers or a stock exchange malfunction for any reason, calculation of the value of these indices may be delayed and trading in units or shares of such an ETF may be suspended for a period of time. If constituent securities of these indices are cease traded at any time, the manager of such an ETF may suspend the exchange or redemption of units or shares of the ETF until such time as the transfer of the securities is permitted by law. The indices on which an ETF may be based may not have been created by index providers for the purpose of the ETF. Index providers generally have the right to make adjustments or to cease calculating the indices without regard to the particular interests of the manager of an ETF, an ETF or investors in an ETF.

Adjustments to baskets of securities held by an ETF to reflect rebalancing of and adjustments to the underlying indices on which it is based will depend on the ability of the manager of the ETF and its brokers to perform their respective obligations. If a designated broker fails to perform, an ETF would be required to sell or purchase, as the case may be, constituent securities of the index on which it is based in the market. If this happens, the ETF would incur additional transaction costs that would cause the performance of the ETF to deviate more significantly from the performance of such index than would otherwise be expected.

Deviations in the tracking by an ETF of an index on which it is based could occur for a variety of reasons. For example, the total return generated will be reduced by the management fee payable to the manager of the ETF and transaction costs incurred in adjusting the portfolio of securities held by the ETFs and other expenses of the ETFs, whereas such transaction costs and expenses are not included in the calculation of such indices.

## **INVESTMENT RESTRICTIONS AND PRACTICES**

This simplified prospectus contains detailed descriptions of the investment objectives, investment strategies and risk factors for each of the Funds. Before a change is made to the fundamental investment objective of a Fund, the prior approval of unitholders of the Fund is required. This approval must be given by a resolution passed by at least a majority of the votes cast at a meeting of unitholders of the Fund. In addition, each Fund is subject to certain restrictions and practices contained in securities legislation, including NI 81-102, which are designed in part to ensure that the investments of the Funds are diversified and relatively liquid and to ensure the appropriate administration of the Funds. Each Fund is managed in accordance with these restrictions and practices. The Funds have received exemptive relief from securities regulatory authorities from certain requirements in NI 81-102 as noted under “Exemptions and Approvals” above.

The Funds are subject to restrictions that result from each Fund’s intention to qualify as or remain a “mutual fund trust” under the provisions of the Tax Act and to ensure the units and shares of the Funds remain “qualified investments” as defined in the Tax Act for Registered Plans

No Fund will engage in any undertaking other than the investment of its assets in property for the purposes of the Tax Act. The Funds that are or intend to become registered investments under the Tax Act will not acquire an investment that is not a “prescribed investment” under the Tax Act if, as a result thereof, the Fund would become subject to tax under Part X.2 of the Tax Act.

## **DESCRIPTION OF THE SECURITIES OFFERED BY THE MUTUAL FUNDS**

The fees and expenses for a Fund may differ from series to series. Please see “Fees and Expenses” in the for a description of the fees and expenses that you may have to pay if you invest in any of the above units of a Fund. Certain series of certain Funds may pay performance fees to us.

### Distribution Rights of the Funds

Each series of units of a Fund ranks equally with all other series of units of the Fund in the payment of distributions (other than Management Fee Distributions). A series of units of a Fund will generally be entitled to the portion of a distribution equal to that series' proportionate share of the adjusted net income of the Fund. Adjusted net income is the Fund's net income adjusted for series specific expenses and Management Fee Distributions. As a result, the amount of distributions for one series of unit of a Fund will likely be different than the amount of distributions for the other series of units of the Fund.

## Liquidation Rights

Units of each series of a Fund will generally be entitled to a distribution on liquidation of the Fund equal to that series' proportionate share of the net assets of the Fund less expenses of the Fund attributable to that series.

## Voting Rights

Each unitholder of a Fund is entitled to vote on certain amendments to the Master Declaration of Trust in respect of the Fund in accordance with such documents or where required by securities legislation. At a unitholder meeting called to vote on these issues, a unitholder will be entitled to one vote per unit of any series of a Fund. If a series of units is affected differently than the other series of units of a Fund, the affected series of units is entitled to vote separately as a series.

The following matters currently require unitholder approval pursuant to securities legislation:

- (i) changing the basis of the calculation of a fee or expense that is charged to a Fund or directly to its unitholders by the Fund or the Manager in connection with the holding of units of the Fund in a way that could result in an increase in charges to the Fund or to its unitholders, or (ii) introducing a fee or expense to be charged to a Fund or directly to its unitholders by the Fund or the Manager in connection with the holding of units of the Fund that could result in an increase in charges to the Fund or to its unitholders. No unitholder approval will be required (a) if a Fund is at arm's length to the person or company charging the fee or expense to that Fund, and if written notice is sent to all unitholders at least 60 days before the effective date of the change that could result in an increase in charges to the Fund, and (b) for units purchased on a no load basis if written notice is sent to all unitholders of such units at least 60 days before the effective date of the change that could result in an increase in charges to the applicable Fund or its unitholders;
- changing the manager of a Fund other than to an affiliate of the Manager;
- changing the fundamental investment objectives of a Fund;
- decreasing the frequency of the calculation of a Fund's net asset value per unit (for a description of net asset value, please see "Net Asset Value" in this document);
- where a Fund undertakes a reorganization with, or transfers its assets to another issuer, and the Fund ceases to continue after the reorganization or transfer of assets and the transaction results in unitholders of the Fund becoming unitholders of the other issuer. Notwithstanding the foregoing, no unitholder approval will be required for such a change if that change is approved by the IRC of the Funds, the assets of the Fund are being transferred to another mutual fund to which NI 81-102 and NI 81-107 both apply and that is managed by the Manager or an affiliate of the Manager, the reorganization or transfer of assets complies with other relevant securities legislation, and written notice of the reorganization or transfer is sent to the Fund's unitholders at least 60 days prior to the effective date of the reorganization or transfer;
- where a Fund undertakes a reorganization with, or acquires assets from another issuer, continues after such reorganization or acquisition of assets, and the transaction results in the unitholders of the other issuer becoming unitholders of the Fund and the transaction would be a material change to the Fund; and
- where a Fund is restructured into a non-redeemable investment fund or into an issuer that is not an investment fund.

Subject to IRC approval, no unitholder approval will be required for a change of auditors of a Fund if unitholders of the Fund are sent a written notice at least 60 days before the effective date of the change.



## Redemption

Holders of any series of units of a Fund are entitled to require the Fund to redeem their units as described under “Redemption of Units” in this document.

## Switches and Reclassifications for Funds

Subject to certain criteria which may be established by the Trustee of a Fund and restrictions set forth in the Simplified Prospectus, you may request that your investment be switched from one Trust Fund into another Trust Fund or a different mutual fund managed by the Manager for the same or a different series of securities, or be reclassified from one series of units into another series of units of the same Trust Fund, if you meet the criteria to hold the securities of such other series that you are switching or reclassifying into. Please see “Switches and Reclassifications – Switches and Reclassifications Involving Funds” later in this document for more information.

## **NAME, FORMATION AND HISTORY OF THE FUNDS**

<b>Name of Fund</b>	<b>Establishment, Amendments, Fund Mergers and Name Changes</b>	<b>Changes to Portfolio Advisors</b>
Dynamic Credit Absolute Return Fund	September 7, 2023 – Supplemental to the Master Declaration of Trust to create Dynamic Credit Absolute Return Fund.	
Dynamic Credit Opportunities Fund	September 7, 2023 – Supplemental to the Master Declaration of Trust to create Dynamic Credit Opportunities Fund.	

The head office and principal place of business of the Funds is the head office of the Manager located at 40 Temperance Street, 16<sup>th</sup> Floor, Toronto, Ontario M5H 0B4. The Manager may be contacted toll-free at 1-800-268-8186 or by email at [invest@dynamic.ca](mailto:invest@dynamic.ca). Information about the Funds may be obtained on the Manager’s website at [www.dynamic.ca](http://www.dynamic.ca) or at [www.sedarplus.ca](http://www.sedarplus.ca).

## **INVESTMENT RISK CLASSIFICATION METHODOLOGY**

As required by applicable securities legislation, we determine the investment risk level of each Fund in accordance with a standardized risk classification methodology that is based on the Fund’s historical volatility as measured by the 10-year standard deviation of the returns of the Fund. Standard deviation is a statistical tool used to measure the historical variability of a Fund’s returns relative to the Fund’s average return. The higher the standard deviation of a Fund, the greater the range of returns it has experienced in the past. A Fund with a higher standard deviation will be classified as more risky.

Where a Fund has offered securities to the public for less than 10 years, the standardized methodology requires the use of the standard deviation of a reference mutual fund or reference index that reasonably approximates or, for a newly established fund, is reasonably expected to approximate, the standard deviation of the Fund. The reference mutual fund or the reference index used to determine the risk rating of a Fund is specified in Part B for such Fund, under the heading “Who Should Invest in this Fund?”.

Using this methodology, each Fund will have a risk rating in one of the following categories: low, low to medium, medium, medium to high and high.

We will review the investment risk rating of each Fund at least annually as well as if there is a material change in a Fund’s investment objectives or investment strategies.

Historical performance may not be indicative of future returns and a Fund’s historical volatility may not be indicative of its future volatility. There may be times when we believe the standardized methodology produces a result that does not reflect the Fund’s risk based on other qualitative factors. As a result, we may assign a higher risk rating to the Fund if we determine it is reasonable to do so in the circumstances.

The methodology that the Manager uses to identify the investment risk level of a Fund is available on request, at no cost, by calling us at 1-800-268-8186, by emailing us at [invest@dynamic.ca](mailto:invest@dynamic.ca) or by writing to us at the address on the back cover of this Simplified Prospectus.

## DYNAMIC CREDIT ABSOLUTE RETURN FUND

### Fund Details

<b>Type of Fund:</b>	Alternative Fund
<b>Nature of Securities Offered:</b>	Series A, Series F, Series FH, Series H, Series O and Series OP units of a mutual fund trust
<b>Series A Start-up Date:</b>	September 7, 2023
<b>Series F Start-up Date:</b>	September 7, 2023
<b>Series FH Start-up Date:</b>	September 7, 2023
<b>Series H Start-up Date:</b>	September 7, 2023
<b>Series O Start-up Date:</b>	September 7, 2023
<b>Series OP Start-up Date:</b>	September 7, 2023
<b>Registered Plan Eligible:</b>	Yes
<b>Portfolio Advisor:</b>	The Manager

### What Does the Fund Invest In?

#### *Investment Objectives*

Dynamic Credit Absolute Return Fund seeks to maximize absolute returns over a complete market cycle through investment in diversified long and short positions of primarily North American credit securities while seeking to mitigate interest rate risk while maintaining a weighted averaged credit rating of “Investment Grade”. The Fund may invest in one or more underlying funds. The Fund will use alternative investment strategies including the use of leverage.

The aggregate gross exposure of the Fund shall not exceed the limits on the use of leverage described in the “Investment Strategies” section in this Simplified Prospectus or as otherwise permitted under applicable securities legislation.

Before a fundamental change is made to the investment objectives of the Fund, the prior approval of unitholders is required. This approval must be given by a resolution passed by a majority of the votes cast at a meeting of unitholders.

#### *Investment Strategies*

To achieve the Fund’s investment objectives, the Fund will follow a comprehensive top-down and bottom-up investment process focused on the risk-reward relationship of individual credit investments inside a diversified portfolio. The Fund will, from time to time and among other investment strategies:

- invest primarily in North American fixed income and credit markets as well as other forms of debt and debt-like instruments, including but not limited to investment grade corporate bonds, high yield bonds, government bonds, senior secured loans, structured products, preferred shares, convertible bonds & debentures, common shares, exchange traded and Closed-End Funds, derivative products and other income-generating securities;
- invest in corporate bonds primarily with 5-year maturities to take advantage of their profit as they roll down the credit curve, while short selling Government Securities of equivalent maturities to reduce interest rate sensitivity;
- prepare macroeconomic forecasts for the respective global and local economies to establish investment themes and industries to overweight/underweight (or possibly sell short) based on the portfolio advisor’s outlook for a particular sector, view of current market trends and phase of the credit cycle;
- utilize fundamental credit research to identify securities believed to offer the potential for attractive risk-adjusted returns based on the portfolio advisor’s view of an issuer’s ability to maintain and/or improve its credit metrics;

## Dynamic Credit Absolute Return Fund

- invest in high yield bonds that were rated investment grade at the time of their issuance (“fallen angels”) as well as distressed securities, such as high yield bonds and/or leveraged loans, currently in or heading towards default, bankruptcy protection, or corporate restructuring;
- short sell securities identified as unattractive investments or with deteriorating credit metrics based on the Manager’s fundamental analysis as a means of generating absolute returns or to hedge market exposure and/or credit risk;
- combine a long position in an issuer’s senior debt with a short position in its junior debt, common stock or preferred stock;
- combine a long position in an issuer’s convertible securities, including convertible bonds/debentures, warrants, and convertible preferred shares, with a short position in its common stock;
- combine a long position in the debt of a particular issuer, index, sector, or segment of the credit market with a short position in the debt of the same issuer, index, sector or segment of the credit market at a different maturity as a means of hedging long bond positions and/or exploiting pricing inefficiencies;
- take opposing long and short positions in various credit, fixed income and derivative instruments to exploit price discrepancies while limiting interest rate risk;
- take long positions in securities of an issuer, index, sector or segment of the credit market while taking a short position in securities of another issuer, index, sector or segment of the credit market to exploit relative valuation differences;
- invest up to 100% of the Fund’s assets in securities issued in the United States and other foreign securities;
- use warrants, ETFs and derivatives such as options, forward contracts, futures contracts and swaps to:
  - hedge against losses from changes in the prices of the Fund’s investments and from exposure to foreign currencies; and/or
  - gain exposure to individual securities and markets instead of buying the securities directly; and/or
  - generate income; and
- hold cash or fixed income securities for strategic reasons.

The Fund has been granted an exemption from the investment restrictions applicable to alternative funds in NI 81-102 to permit it to sell short Government Securities up to 300% and sell short non-Government Securities up to 100% of the Fund’s net asset value.

The Fund’s aggregate gross exposure, which will not exceed 300% of the Fund’s net asset value, is calculated as the sum of the following: (i) the aggregate market value of the Fund’s indebtedness; (ii) the aggregate market value of securities sold short by the Fund; and (iii) the aggregate notional value of the Fund’s specified derivatives positions excluding any specified derivatives used for “hedging purposes” as defined in NI 81-102. The combined use of short-selling of non-Government Securities and cash borrowing by the Fund is subject to an aggregate overall limit of 100% of the Fund’s net asset value. The Fund may short sell Government Securities up to 300% of the Fund’s net asset value. The Fund primarily uses borrowing by purchasing securities on margin to enhance the returns on its investment portfolio.

The Fund has received exemptive relief from the Canadian securities regulatory authorities to permit the Fund to deposit portfolio assets with a borrowing agent as security in connection with a short sale of securities in excess of 25% of the net asset value of the Fund at the time of deposit.

The Fund will only use derivatives as permitted by securities regulations. The Fund may use derivatives as part of its investment strategies. A derivative is generally a contract between two parties to buy or sell an asset at a later time. The value of the contract is based on or derived from an underlying asset such as a stock, a market index, a currency, a commodity or a basket of securities. It is not a direct investment in the underlying asset itself. Derivatives may be traded on a stock exchange or in the over-the-counter market. For a description of the different types of derivatives and the risks associated, please see “What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? – What do Mutual Funds Invest In? – Derivatives”.

There are several risks associated with the Fund's use of derivatives which are described earlier in this document under “What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?”. The Fund will comply with all applicable requirements of securities and tax legislation with respect to the use of derivatives. The Fund may use derivatives to hedge its investments against losses from factors like currency fluctuations, stock market risks and interest rate changes, or to invest indirectly in securities or financial markets, provided the investment is consistent with the Fund's investment objectives. If the Fund uses derivatives for purposes other than hedging, it will do so within the limits of applicable securities regulations.

Up to 100% of the net assets of the Fund may be invested in securities of one or more other mutual funds, including mutual funds managed by the Manager or an associate or affiliate of the Manager. In particular, the Fund may initially invest all of its assets in underlying funds until such time as the Manager determines that the Fund has sufficient assets to invest directly in securities of other issuers. The proportions and types of underlying funds held by the Fund will be selected with consideration for the underlying fund's investment objectives and strategies, past performance and volatility among other factors.

Lending and Repurchase Transactions will be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate by the portfolio advisor to achieve the Fund's investment objectives and to enhance the Fund's returns. For a description of Lending and Repurchase Transactions and the limits placed on the Fund entering into these transactions, please refer to “Additional Information – Securities Lending, Repurchase and Reverse Repurchase Transactions” earlier in this document. We will try to minimize the risk of loss to the Fund by requiring that each securities loan be, at a minimum, secured by investment grade securities or cash with a value of at least 102% of the market value of the securities subject to the transaction. The amount of collateral is adjusted daily to ensure this collateral coverage is maintained at all times. All such securities loans will only be with qualified borrowers. In addition, the aggregate market value of all securities loaned pursuant to securities lending transactions, together with securities sold pursuant to repurchase transactions, by a Fund will not exceed 50% of the net asset value of the Fund immediately after the Fund enters into the transaction. The Fund will comply with all other applicable requirements of securities and tax legislation with respect to Lending and Repurchase Transactions.

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

The Fund may be subject to the following risks:

- Asset-Backed and Mortgage-Backed Securities Risk
- Concentration Risk
- Credit Risk
- Currency Risk
- Cyber Security Risk
- Derivatives Risk
- ESG Factor Risk
- Foreign Investment Risk
- Fund on Fund Risk
- Inflation Risk
- Interest Rate Risk
- Leverage Risk
- Liquidity Risk

## Dynamic Credit Absolute Return Fund

- Market Disruptions Risk
- Prime Broker Risk
- Securities Lending, Repurchase and Reverse Repurchase Transaction Risk
- Series Risk
- Short Selling Risk
- Significant Securityholder Risk (As at September 7, 2023, the Manager held 100% of the outstanding units of the Fund.)
- Taxation Risk
- Underlying ETF Risk

These risks are explained in detail under “What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? – Risk Factors” earlier in this document.

### Who Should Invest in this Fund?

As currently required by Canadian securities legislation, we make the very general statement that this Fund may be suitable for investors with a low to medium tolerance for risk. As this is a new fund, the Fund’s risk classification is based on the Fund’s returns and the returns of a blended reference index consisting of the following reference indices:

Reference Index	% Weighting of Reference Index	Description
HFRI RV: Fixed Income-Corporate Index (US\$)	67%	This index includes strategies in which the investment thesis is predicated on realization of a spread between related instruments in which one or multiple components of the spread is a corporate fixed income instrument.
HFRI ED: Credit Arbitrage Index (US\$)	33%	This index includes Credit Arbitrage strategies, which employ an investment process designed to isolate attractive opportunities in corporate fixed income securities.

For additional information on the investment risk classification methodology used by the Fund, including the use of a reference index to determine the Fund’s investment risk level, see “Investment Risk Classification Methodology” earlier in the document.

In addition, we make a very general statement in the Fund Facts regarding investment horizon. However, the level of risk and the investment horizon associated with any particular investment depends largely on your own personal circumstances. You should consult your personal investment profile, consult your financial advisor and read the more detailed explanation of risk under the heading “What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?” earlier in this document before making a decision whether this Fund is suitable for you.

### Distribution Policy

The Fund currently pays a monthly distribution at a variable rate. Distributions are not guaranteed and may change at any time at our discretion. The Fund will also distribute, in respect of each taxation year, any net income and any net realized capital gains in excess of the monthly distributions by December 31 of each year, or at such other times as may be determined by the Manager, with a view to reducing its income tax liability to nil. A portion of the Fund’s distributions to unitholders may represent return of capital.

A return of capital made to you is not taxable, but generally will reduce the adjusted cost base of your units for tax purposes. However, if the distributions are reinvested in additional units of the Fund, the adjusted cost base will

## **Dynamic Credit Absolute Return Fund**

increase by the amount reinvested. Where net reductions to the adjusted cost base of your units would result in the adjusted cost base becoming a negative amount, such amount will be treated as a capital gain realized by you and the adjusted cost base of your related units will then be nil. Any further net reductions to the adjusted cost base will similarly be treated as realized capital gains.

For additional information refer to “Specific Information About Each of the Mutual Funds Described in This Document” earlier in this document.

## DYNAMIC CREDIT OPPORTUNITIES FUND

### Fund Details

<b>Type of Fund:</b>	Alternative Fund
<b>Nature of Securities Offered:</b>	Series A, Series F, Series FH, Series H, and Series OP units of a mutual fund trust
<b>Series A Start-up Date:</b>	September 7, 2023
<b>Series F Start-up Date:</b>	September 7, 2023
<b>Series FH Start-up Date:</b>	September 7, 2023
<b>Series H Start-up Date:</b>	September 7, 2023
<b>Series OP Start-up Date:</b>	September 7, 2023
<b>Registered Plan Eligible:</b>	Yes
<b>Portfolio Advisor:</b>	The Manager

### What Does the Fund Invest In?

#### *Investment Objectives*

The Fund seeks to generate absolute returns over a complete market cycle through long and short positions in primarily corporate debt securities. The Fund will use alternative investment strategies including the use of leverage.

The aggregate gross exposure of the Fund shall not exceed the limits on the use of leverage described in the “Investment Strategies” section in this Simplified Prospectus or as otherwise permitted under applicable securities legislation.

Before a fundamental change is made to the investment objectives of the Fund, the prior approval of unitholders is required. This approval must be given by a resolution passed by a majority of the votes cast at a meeting of unitholders.

#### *Investment Strategies*

To achieve the Fund’s investment objectives, the Fund will follow a comprehensive top-down and bottom-up investment process focused on the risk-reward relationship of individual credit investments inside a diversified portfolio. The Fund will, from time to time and among other investment strategies:

- invest primarily in North American corporate debt securities, as well as other forms of debt and debt-like instruments. This can include, but is not limited to high yield bonds, investment grade corporate bonds, government bonds, senior secured loans, structured products, preferred shares, convertible bonds and debentures. The Fund may also invest in common shares, exchange traded funds, derivative products and other income generating securities, including funds managed by the Portfolio Manager.
- use alternative investment strategies including opportunistic use of leverage and short selling to reduce asset class correlations, enhance income generation, and generate capital gains.
- prepare macroeconomic forecasts for the respective global and local economies to establish investment themes and industries to overweight/underweight (or possibly sell short) based on the portfolio manager’s outlook for a particular sector, view of current market trends and phase of the credit cycle;
- enter into long positions in securities where the Portfolio Manager’s fundamental credit research process identifies the potential for attractive risk-adjusted income generated returns;
- enter into either long or short positions in securities which the Portfolio Manager expects to be impacted by event-driven credit catalysts such as mergers and acquisitions, capital structure reorganizations, refinancings, calls, rating changes, takeouts, or other opportunistic event-driven situations;



## Dynamic Credit Opportunities Fund

- enter into both long and short positions in multiple securities of a single issuer, or its related entities, to exploit mispriced valuations within an issuer's capital structure;
- enter into either long or short positions in securities with the potential for attractive risk-adjusted returns based on the Portfolio Manager's view of an issuers' forward-looking credit profile, including, but not limited to:
  - securities which the Portfolio Manager believes will be impacted by either improving or deteriorating fundamental credit metrics;
  - relative value analysis with comparable securities;
  - mispriced securities where the Portfolio Manager's believes an issuers' credit rating does not fully reflect its underlying credit risk including fallen angels and rising stars;
- short Government securities to reduce interest rate sensitivity;
- opportunistically hedge overall market exposure through the use of diversified hedging tools including, but not limited to: derivative instruments, exchange traded funds, credit default swaps, and government securities in a manner consistent with the investment objectives of the Fund and as permitted by securities regulations.
- invest up to 100% of the Fund's assets in securities issued in the United States and other foreign securities;
- may invest across credit quality, capital structures, sectors, currencies and countries.
- use warrants, ETFs, equities, and derivatives such as options, futures, forward contracts, and swaps to:
  - hedge against losses from changes in the prices of the Fund's investments and from exposure to foreign currencies;
  - gain exposure to individual securities and markets instead of by the securities directly;
  - generate income; and
- hold cash or cash equivalents for strategic reasons.

The Fund has been granted exemptive relief from the investment restrictions applicable to alternative funds in NI 81-102 to engage in short sales and cash borrowing transactions provided that (a) the aggregate market value of non-Government securities sold short by the Fund does not exceed 100% of the Fund's net asset value; (b) the aggregate market value of Government securities sold short by the Fund does not exceed 300% of the Fund's net asset value; (c) the aggregate value of all cash borrowing by the Fund does not exceed 100% of the Fund's net asset value; (c) the aggregate market value of non-Government securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund's net asset value; and (d) the Fund's aggregate exposure to short selling, cash borrowing and specified derivatives does not exceed 300% of the Fund's net asset value.

The Fund's aggregate gross exposure, which will not exceed 300% of the Fund's net asset value, is calculated as the sum of the following: (i) the aggregate market value of the Fund's indebtedness; (ii) the aggregate market value of securities sold short by the Fund; and (iii) the aggregate notional value of the Fund's specified derivatives positions excluding any specified derivatives used for "hedging purposes" as defined in NI 81-102. The combined use of short selling of non-Government Securities and cash borrowing by the Fund is subject to an aggregate overall limit of 100% of the Fund's net asset value. The Fund may short sell Government Securities up to 300% of the Fund's net asset value. The Fund primarily uses borrowing by purchasing securities on margin to enhance the returns on its investment portfolio.

The Fund has received exemptive relief from the Canadian securities regulatory authorities to permit the Fund to deposit portfolio assets with a borrowing agent as security in connection with a short sale of securities in excess of 25% of the net asset value of the Fund at the time of deposit.

The Fund will only use derivatives as permitted by securities regulations. The Fund may use derivatives as part of its investment strategies. A derivative is generally a contract between two parties to buy or sell an asset at a later time. The value of the contract is based on or derived from an underlying asset such as a stock, a market index, a currency, a commodity or a basket of securities. It is not a direct investment in the underlying asset itself. Derivatives may be traded on a stock exchange or in the over-the-counter market. For a description of the different types of derivatives and the risks associated, please see “What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? – What do Mutual Funds Invest In? – Derivatives”.

There are several risks associated with the Fund's use of derivatives which are described earlier in this document under “What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?”. The Fund will comply with all applicable requirements of securities and tax legislation with respect to the use of derivatives. The Fund may use derivatives to hedge its investments against losses from factors like currency fluctuations, stock market risks and interest rate changes, or to invest indirectly in securities or financial markets, provided the investment is consistent with the Fund's investment objectives. If the Fund uses derivatives for purposes other than hedging, it will do so within the limits of applicable securities regulations.

Up to 100% of the net assets of the Fund may be invested in securities of other mutual funds, including mutual funds managed by the Manager or an associate or affiliate of the Manager. In particular, the Fund may initially invest all of its assets in underlying funds until such time as the Manager determines that the Fund has sufficient assets to invest directly in securities of other issuers. The proportions and types of underlying funds held by the Fund will be selected with consideration for the underlying fund's investment objectives and strategies, past performance and volatility among other factors.

Lending and Repurchase Transactions will be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate by the portfolio advisor to achieve the Fund's investment objectives and to enhance the Fund's returns. For a description of Lending and Repurchase Transactions and the limits placed on the Fund entering into these transactions, please refer to “Additional Information – Securities Lending, Repurchase and Reverse Repurchase Transactions” earlier in this document. We will try to minimize the risk of loss to the Fund by requiring that each securities loan be, at a minimum, secured by investment grade securities or cash with a value of at least 102% of the market value of the securities subject to the transaction. The amount of collateral is adjusted daily to ensure this collateral coverage is maintained at all times. All such securities loans will only be with qualified borrowers. In addition, the aggregate market value of all securities loaned pursuant to securities lending transactions, together with securities sold pursuant to repurchase transactions, by a Fund will not exceed 50% of the net asset value of the Fund immediately after the Fund enters into the transaction. The Fund will comply with all other applicable requirements of securities and tax legislation with respect to Lending and Repurchase Transactions.

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

The Fund may be subject to the following risks:

- Asset-Backed and Mortgage-Backed Securities Risk
- Concentration Risk
- Credit Risk
- Currency Risk
- Cyber Security Risk
- Derivatives Risk
- ESG Factor Risk
- Foreign Investment Risk
- Fund on Fund Risk
- Inflation Risk
- Interest Rate Risk
- Leverage Risk
- Liquidity Risk

## Dynamic Credit Opportunities Fund

- Market Disruptions Risk
- Prime Broker Risk
- Securities Lending, Repurchase and Reverse Repurchase Transaction Risk
- Series Risk
- Short Selling Risk
- Significant Securityholder Risk (As at September 7, 2023 the Manager held 100% of the outstanding units of the Fund.)
- Taxation Risk
- Underlying ETF Risk

These risks are explained in detail under “What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? – Risk Factors” earlier in this document.

### Who Should Invest in this Fund?

As currently required by Canadian securities legislation, we make the very general statement that this Fund may be suitable for investors with a low to medium tolerance for risk. As this is a new fund, the Fund’s risk classification is based on the Fund’s returns and the returns of a blended reference index consisting of the following reference indices:

Reference Index	% Weighting of Reference Index	Description
Bloomberg U.S. High Yield Very Liquid Index (C\$, Hedged)	67%	The Bloomberg U.S. High Yield Very Liquid Index (C\$, Hedged) a component of the U.S. Corporate High Yield Index that is designed to track a more liquid component of the USD-denominated, high yield, fixed-rate corporate bond market.
FTSE Canada All Corporate Bond Index	33%	The FTSE Canada All Corporate Bond Index measures the performance of the Canadian corporate bond sector. It is comprised primarily of semi-annual pay fixed rate corporate bonds issued domestically in Canada.

In addition, we make a very general statement regarding investment horizon. The level of risk and the investment horizon associated with any particular investment depends largely on your own personal circumstances and considerations. You should consult your personal investment profile, consult your financial advisor and read the more detailed explanation of risk under the heading “What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?” earlier in this document before making a decision on whether this Fund is suitable for you.

### Distribution Policy

The Fund expects to pay monthly distributions at a variable rate. Distributions are not guaranteed and may change at any time at our discretion. The Fund expects to distribute to Unitholders, in respect of each taxation year, any net income and any net realized capital gains in excess of the monthly distributions by December 31 of each year, or at such other times as may be determined by the Manager, with a view to reducing its income tax liability to nil.

A portion of the Fund’s distributions to unitholders may represent return of capital. A return of capital made to you is not taxable, but generally will reduce the adjusted cost base of your units for tax purposes. However, if the distributions are reinvested in additional units of the Fund, the adjusted cost base will increase by the amount reinvested. Where net reductions to the adjusted cost base of your units would result in the adjusted cost base

## **Dynamic Credit Opportunities Fund**

becoming a negative amount, such amount will be treated as a capital gain realized by you and the adjusted cost base of your related units will then be nil. Any further net reductions to the adjusted cost base will similarly be treated as realized capital gains.

For additional information, refer to “Specific Information About the Fund Described in This Document” earlier in this document.

**DYNAMIC CREDIT ABSOLUTE RETURN FUND  
DYNAMIC CREDIT OPPORTUNITIES FUND**

Additional information about the Funds is available in the Funds' Fund Facts, management reports of fund performance and financial statements. 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 this document.

You can get a copy of these documents at your request and at no cost, by calling 1-800-268-8186 or from your dealer or by e-mail at [invest@dynamic.ca](mailto:invest@dynamic.ca). These documents and other information about the Funds, such as information circulars and material contracts, are also available on our website at [www.dynamic.ca](http://www.dynamic.ca) or at [www.sedarplus.ca](http://www.sedarplus.ca).

**Managed by:**

**1832 Asset Management L.P.  
40 Temperance Street, 16<sup>th</sup> Floor  
Toronto, Ontario M5H 0B4  
Toll Free Tel.: 1-800-268-8186  
Toll Free Fax: 1-800-361-4768  
Website: [www.dynamic.ca](http://www.dynamic.ca)**