

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

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



**Dynamic Payout Portfolio**  
**Offering Series A, F, I and O Units**

**SIMPLIFIED PROSPECTUS**

**DATED JANUARY 5, 2026**

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

The Fund is a mutual fund established as a trust. The Fund offers Series A, Series F, Series I and Series O units (the “**units**”). You will find the Fund and the series of units that it offers on the front cover of this Simplified Prospectus.

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

This document is divided into two parts. The first part (Part A), from pages 2 through 38, contains general information applicable to the Fund. The second part (Part B), from pages 39 through 62, contains specific information about the Fund described in this document.

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

- the fund facts (“**Fund Facts**”) most recently filed by the Fund;
- the Fund’s 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 Fund are available at [www.sedarplus.ca](http://www.sedarplus.ca).

## PART A: GENERAL INFORMATION

### RESPONSIBILITY FOR MUTUAL FUND ADMINISTRATION

#### *Manager*

1832 LP is the manager and portfolio adviser of the 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 Fund. 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 Fund, 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 at 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 Amended and Restated Master Declaration of Trust of the Fund dated as of October 23, 2024, as may be amended from time to time (the “**Master Declaration of Trust**”), 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 the Fund, the Manager is responsible for: (a) providing management, portfolio investment, registrar and administrative services to the Fund; and (b) arranging for the distribution of units of any series of the Fund.

The Manager is also responsible for valuation sources, fund accounting in respect of the 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 and municipalities of residence of each of the directors and executive officers of the General Partner, and their current positions and offices held with the General Partner are as follows:

Name and Municipality of Residence	Positions Held with the General Partner
Raquel Costa Toronto, Ontario	Chair of the Board and Director
Neal Kerr Toronto, Ontario	President and Director
Gregory Joseph Grimsby, Ontario	Chief Financial Officer

<b>Name and Municipality of Residence</b>	<b>Positions Held with the General Partner</b>
Rosemary Chan Toronto, Ontario	Director
Todd Flick Burlington, Ontario	Director
Craig Gilchrist Toronto, Ontario	Director
Anil Mohan Thornhill, Ontario	Director
Jim Morris Caledon, Ontario	Director
John Pereira Richmond Hill, 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 their current 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 Fund may invest all or a portion of its 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 the 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, the Fund will not 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 Manager provides investment adviser services to the Fund. 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 the Fund according to the investment objectives and strategies of the Fund. The Manager stresses the importance of regular meetings 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-advisers, as appropriate, to provide investment advice for the Fund. In retaining such sub-advisers, the Manager will look for investment management operations which it considers appropriate given the fundamental investment objectives of the Fund. Any agreements with such sub-advisers will provide that the Manager will be responsible for the advice given by such sub-advisers and will pay the fees of such sub-advisers.

The following table sets forth the names and titles of the employees of the Manager who are principally responsible for the day-to-day management of a material portion of the portfolio of the Fund, implementing a particular material strategy or managing a particular segment of the portfolio of the Fund.

<b>Name and Title</b>	<b>Role in Investment Decision-Making Process</b>
Marc-André Gaudreau Vice President and Senior Portfolio Manager	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.
Damian Hoang Vice President and Senior Portfolio Manager	Head of the Quantamental Team, responsible for asset allocation, fundamental research, and trading of options and U.S. equity funds.
Craig Maddock Vice President and Senior Portfolio Manager	Head of the Multi-Asset Management Team, responsible for overall investment strategy, asset allocation, and portfolio construction of multi-asset portfolios.

### ***Brokerage Arrangements***

The portfolio adviser or sub-adviser of the Fund, as applicable, makes decisions as to the purchase and sale of securities and other assets of the Fund, as well as decisions regarding the execution of portfolio transactions of the Fund, including the selection of market, broker and the negotiation of commissions. In effecting these portfolio transactions, the portfolio adviser or sub-adviser may place brokerage business with numerous dealers and brokers on the basis of best execution, which includes a number of considerations such as price, volume, speed and certainty of execution, and total transaction cost. The portfolio adviser and sub-advisers have policies in place regarding best execution and the selection of brokers.

The portfolio adviser or sub-adviser, as applicable, uses the same criteria in selecting all of its dealers and brokers, regardless of whether the dealer or broker is an affiliate of the Manager. In certain circumstances, the portfolio adviser or sub-adviser may receive goods or services from dealers or brokers in exchange for directing brokerage transactions to such dealers or brokers. These types of goods and services include research goods and services (“**research goods and services**”) and order execution goods and services (“**order execution goods and services**”).



The portfolio adviser currently has in place brokerage arrangements with its affiliate, Scotia Capital Inc. Scotia Capital Inc. may provide research goods and services, order execution goods and services and mixed-use goods and services in exchange for effecting brokerage transactions.

The portfolio adviser or sub-advisers may receive research goods and services including: (i) advice as to the value of securities and the advisability of effecting transactions in securities; and (ii) analyses and reports concerning securities, issuers, industries, portfolio strategy or economic or political factors and trends that may have an impact on the value of securities.

The portfolio adviser or sub-advisers may also receive order execution goods and services, such as data analysis, software applications and data feeds. These goods and services may be provided by the executing dealer directly or by a party other than the executing dealer.

In certain instances, the portfolio adviser or sub-advisers may receive goods and services containing some elements that qualify as research goods and services and/or order execution goods and services and other elements that do not qualify as either of such permitted goods and services. These types of goods and services are considered to be mixed-use goods and services. If the portfolio adviser or sub-adviser obtains mixed-use goods and services, brokerage commissions are only used to pay for the portion that is used for investment or trading decisions or in effecting securities transactions, each on behalf of the Fund or client accounts.

The portfolio adviser's investment management and trade execution teams decide which dealers or brokers are allocated brokerage business based on the competitiveness of the commission costs, their ability to provide best execution of trades and the range of services and quality of research received. The portfolio adviser may use research goods and services and order execution goods and services to benefit the Fund and clients other than those whose trades generated the brokerage commission. However, the portfolio adviser has policies and procedures in place such that over a reasonable period of time, all clients, including the Fund, receive fair and reasonable benefit in return for the commissions generated.

The services provided to the portfolio adviser or the sub-advisers to the Fund may 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 names of any dealer or third party, who have provided research goods and services and/or order execution goods and services since the date of the last simplified prospectus, are available upon request by contacting the Manager at 1-800-268-8186 or at [invest@dynamic.ca](mailto:invest@dynamic.ca).

The Fund does not pay sales charges or redemption fees when it purchases or redeems securities of another fund managed by the Manager or an affiliate of the Manager.

### ***Trustee***

The Manager is the trustee of the Fund.

### ***Custodian***

Pursuant to an Amended and Restated Master Custodian Contract dated April 27, 2004 (the "**Custodian Agreement**"), State Street Trust Company Canada, Toronto, Ontario ("**State Street**") is custodian of the assets attributable to the Fund. A change of custodian will, in certain events, require the prior approval of securities regulatory authorities. Where the 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 the 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.

State Street retains State Street Bank and Trust Company, Boston, Massachusetts, to act as its global sub-custodian. State Street Bank and Trust Company appoints its own network of sub-custodians throughout the global marketplace.

### ***Auditor***

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

### ***Registrar***

The Manager is the registrar of the Fund. As registrar, 1832 LP keeps the register of the units of the Fund at its head office in Toronto, Ontario.

### ***Securities Lending Agent***

In the event the Fund engages in a Lending or Repurchase Transaction then State Street Bank and Trust Company (“SSBTC”) will be appointed as the Fund’s securities lending agent. The principal office of SSBTC is located in Boston, Massachusetts. SSBTC is the principal sub-custodian of the Fund. SSBTC is independent of us. The agreement entered into with the securities lending agent provides 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 aggregate market value of all securities loaned pursuant to securities lending transactions by the Fund will not exceed 50% of the net asset value of the Fund immediately after the Fund enters into the 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.

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

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

The Manager has established an independent review committee (the “IRC”) in accordance with National Instrument 81-107 – *Independent Review Committee for Investment Funds* (“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 Fund. 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 the Fund and other funds, and any change of the auditor of the 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 four members, Stephen J. Griggs (Chair), Steven Donald, Heather A. T. Hunter, and Cecilia Mo, each of whom is independent of the Manager.

The IRC prepares and files a report to unitholders of the Fund 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. 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 IRC" for additional information.

## ***Fund Governance***

The Manager, as manager of the Fund, is responsible for the day-to-day administration and management of the Fund. The Manager is the portfolio adviser for the Fund and may retain portfolio sub-advisers for the Fund. The Manager receives regular reports from its portfolio sub-advisers regarding their compliance with applicable investment guidelines and parameters, and compliance with the investment restrictions and practices of the Fund.

The Manager has established appropriate policies, procedures, practices and guidelines to ensure the proper management of the Fund including, as required by NI 81-107, policies and procedures relating to conflicts of interest. The Manager has adopted a mutual fund sales practice policy that complies with National Instrument 81-105 – *Mutual Fund Sales Practices* ("NI 81-105"). The Manager has adopted a Personal Trading Policy for employees that addresses potential internal conflicts of interest in respect of the Fund. In addition, The Bank of Nova Scotia has adopted Guidelines for Business Conduct, which also addresses the issue of internal conflicts.

Risk management is dealt with on a number of levels. The sub-advisory agreements between the Manager and the portfolio sub-advisers specify that the Fund must comply with the investment restrictions and practices outlined in applicable securities legislation, including National Instrument 81-102 *Investment Funds* ("NI 81-102"), subject to any exemption granted by applicable securities authorities. The portfolio sub-advisers have established policies and guidelines relating to business practices, risk management controls and conflicts of interest. In addition, each portfolio sub-adviser has its own policy that addresses such things as personal trading by employees.

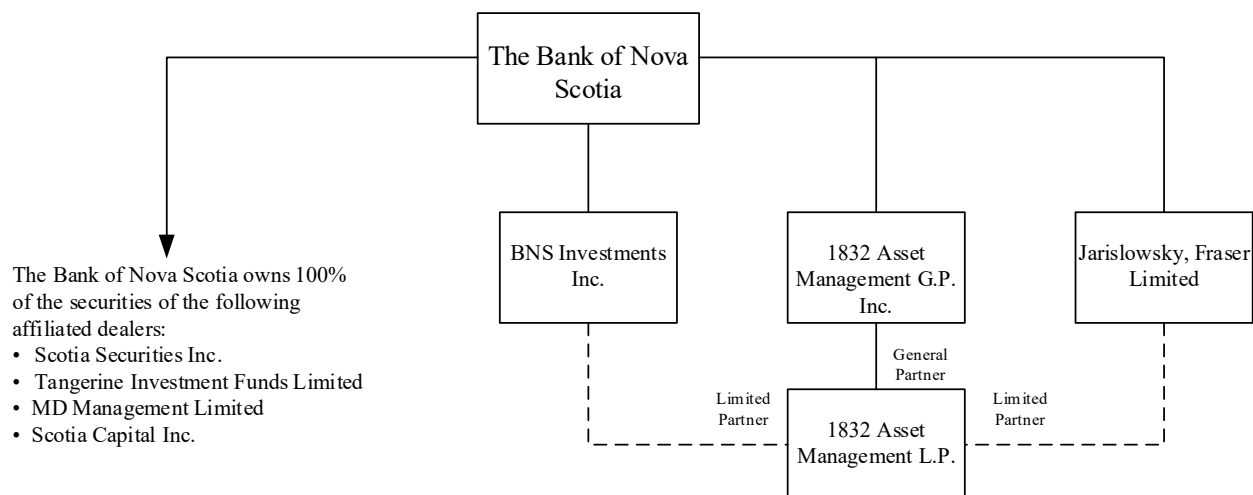
The Fund has a Trade Management Oversight Committee that is responsible for, among other things, the oversight of policies and procedures related to liquidity risk management. This committee is comprised of at least one member who is independent of portfolio management, in addition to representatives from the fund manager, the portfolio manager, investment risk, compliance, and operations, each of whom has relevant subject matter expertise. Liquidity risk management is part of the Fund's broader risk management process which includes documented internal policies and procedures pertaining to the measurement, monitoring, mitigation and reporting of risks within the Fund.

The Manager's ESG Investment Committee, among other things, supports the consideration of environmental, social and governance ("ESG") factors in the investment process, evaluates ESG-related policies and guidelines, recommends ongoing ESG improvements to investment teams and maintains ESG-related risk reporting.

## **AFFILIATED ENTITIES**

The general partner of 1832 LP, 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 LP and certain of its affiliates as at January 5, 2026 is shown below.



## DEALER MANAGER DISCLOSURE

The Fund is a “dealer managed investment fund” 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 Fund may use derivatives from time to time as described in this Simplified Prospectus. The Fund will only use derivatives as permitted by securities regulations. Any use of derivatives by the Fund 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 Fund may enter into over-the-counter bilateral derivative transactions with counterparties that are related to the Manager. The Manager monitors the risks associated with derivatives independent of the portfolio managers who advise on trading. The Manager runs regular stress test scenarios to determine how the Fund may react under specific stress conditions.

### *Securities Lending Risk Management*

The Fund may enter into Lending and Repurchase Transactions from time to time. 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 the 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.

Policies and procedures relating to any Lending and Repurchase Transaction entered into on behalf of the Fund will be developed by the Manager and the Fund's 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 the Fund relating to such transactions will be reviewed and approved by senior management of the Manager. See "Responsibility for Mutual Fund Administration – Securities Lending Agent" earlier in this document for more information.

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

The Fund may engage in short selling from time to time as described in this Simplified Prospectus. The Fund will only engage in short selling as permitted by securities regulations. 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 the 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. The Manager monitors the risks associated with short selling independent of the portfolio managers who advise on trading. The Manager runs regular stress test scenarios to determine how the Fund may react under specific stress conditions.

### ***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 adviser, acting on the Fund's behalf, receives proxies from the issuers held on behalf of the Fund. In certain circumstances, the Manager may delegate the right to vote proxies to the Fund's sub-adviser as part of such sub-adviser'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 adviser to the Fund. The Manager assesses each proxy including the recommendations of the independent proxy provider and votes such proxies in the best interests of the Fund.

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 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-adviser 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 the Fund, will not vote any of the securities the 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 the Fund to vote their share of those securities of the underlying fund.

Where we delegate proxy voting responsibility in respect of the securities held by a sub-advised Fund to the Fund's sub-adviser, each third-party portfolio sub-adviser's proxy voting policies and procedures guide that portfolio sub-adviser in determining whether and how to vote on any matter for which the Fund received proxy materials. We review the proxy voting policies of each third-party portfolio sub-adviser to ensure that the voting rights will be exercised in accordance with the best interests of the 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 the 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 the 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 Fund. All proxies voted with respect to related parties are reported to the IRC.

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

A copy of the proxy voting guidelines and the most recent proxy voting record for the Fund 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 Fund at any time after August 31st of that year.

***Voting Securities of Underlying Funds***

Generally, you do not have ownership or other rights in securities of underlying funds. When the Fund holds securities of an underlying fund managed by the Manager or an affiliate or associate of the Manager, the Fund will not vote any of those securities. The Manager may arrange for you to vote your proportion of these securities. To date the Manager has not exercised any of the voting rights attached to securities of underlying funds managed by the Manager or an affiliate or associate of the Manager held by the Fund.

***Policies on Related Party Transactions***

The Fund may, in certain circumstances, invest in securities offerings where a related underwriter is involved or trade securities of related parties or trade with related parties.

An IRC has been established to oversee such investments, with a view to ensuring that the Fund's investment decisions are based on the best interests of the Fund and are made free from any influence by a related underwriter, related party, or associates or affiliates of the Manager. In fulfilling its responsibilities, the Manager is required to act honestly, in good faith and in the best interest of the Fund. In so doing, the Manager must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.

The Manager has developed written policies and procedures relating to investments by the mutual funds it manages, including the Fund, in securities involving related parties, such as The Bank of Nova Scotia, an affiliate of the Manager, and Scotia Capital Inc., a related underwriter to the Manager. These policies and procedures were prepared and reviewed by senior management of the Manager, and were further reviewed and approved by the IRC, including, where applicable, to ensure compliance with the conditions of exemptions in securities legislation and any exemptive relief. Subject to the oversight by the IRC, the decision by the Fund to trade securities of, or involving a

related party, 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.

In addition, the IRC will review and assess, at least once every calendar quarter, the adequacy and effectiveness of: (a) any standing approvals granted by it for the mutual funds managed by the Manager; and (b) the Manager's written policies and procedures to ensure compliance with the conditions of exemptions in securities legislation and any exemptive relief.

## REMUNERATION OF TRUSTEE AND MEMBERS OF IRC

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

For the financial years ended June 30, 2025 and June 30, 2024, each member of the IRC received the compensation and reimbursement of reasonable expenses as set out in the table below.

IRC Member	Financial year ended June 30, 2025		Financial year ended June 30, 2024	
	Compensation	Expenses Reimbursed	Compensation	Expenses Reimbursed
Stephen Griggs (Chair)	\$77,000	\$0	\$77,000	\$0
Steven Donald	\$62,000	\$0	\$62,000	\$0
Heather Hunter	\$62,000	\$0	\$62,000	\$0
Cecilia Mo <sup>1</sup>	\$41,333	\$0	\$0	\$0
Jennifer L. Witterick <sup>2</sup>	\$51,667	\$0	\$62,000	\$0

<sup>1</sup> Ms. Mo joined the IRC effective November 1, 2024.

<sup>2</sup> On April 30, 2025, Ms. Witterick ceased to be a member of the IRC.

These fees and expenses were split equally among all of the investment funds managed by the Manager for which the IRC acts as the independent review committee.

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 Fund is dated as of October 23, 2024, as may be amended from time to time. 1832 LP is the trustee of the Fund pursuant to the Master Declaration of Trust.

1832 LP may terminate the Fund at any time by giving to the Trustee and each unitholder of the Fund 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 Fund, and 1832 LP in its capacity as manager of the Fund. 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. With respect to the Fund, the Master Management Agreement may be terminated at any time by the Manager on 90 days' written notice to the Trustee, or by the Trustee upon the expiry of the term in respect of the 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 Agreement***

The Custodian Agreement in respect of the Fund is with State Street, as custodian. The Custodian Agreement provides that an investment fund will become subject to its terms when named therein or added by an instrument of accession. The Custodian Agreement may be terminated with respect to the Fund by either the custodian, or the Trustee, as applicable, by giving 90 days' written notice to the other party. The Trustee may terminate the Custodian Agreement immediately if the 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***

The Securities Lending Authorization Agreement entered into with SSBTC as securities lending agent and dated October 1, 2015 provides 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 aggregate market value of all securities loaned pursuant to securities lending transactions by the Fund will not exceed 50% of the net asset value of the Fund immediately after the Fund enters into the transaction;
- the Fund will indemnify and hold harmless the securities lending agent from any loss or liability (including the reasonable fees and disbursements or 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.

### **LEGAL AND ADMINISTRATIVE PROCEEDINGS**

The Manager is not aware of any material litigation outstanding, threatened or pending by or against the Fund, 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 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 Fund this document pertains to can be found at [www.dynamic.ca](http://www.dynamic.ca).

## **VALUATION OF PORTFOLIO SECURITIES AND LIABILITIES**

In calculating the net asset value of the Fund or of a particular series of units of the 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 the Fund include:
  - a. all bills, notes and accounts payable;
  - b. all administrative expenses payable or accrued (including management fees and Fixed 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 the Fund, the 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 4:00 p.m. (Toronto time) on each 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.

## ***Differences from IFRS Accounting 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 the 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 IFRS Accounting Standards (“**IFRS**”), which are used for financial reporting purposes only.

The interim financial reports and annual financial statements of the Fund (the “**Financial Statements**”) are required to be prepared in compliance with IFRS. The Fund’s accounting policies for measuring the fair value of its 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 the 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 the 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, the 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 adjustments the Manager may determine and considers to be fair and reasonable for the security, the fair value of the financial assets and liabilities of the 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, if applicable.

## **NET ASSET VALUE**

How much the Fund or one of its series of units is worth is called its “net asset value”. When the 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 the 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 the Fund varies from day to day. The 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 the Fund includes the management fee and the Fixed Administration Fee (as defined herein), if applicable, 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 Fund has more than one series of units, a proportionate share of the assets and liabilities of the 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 the Fund generally will not be affected by the management fee, Fixed Administration Fee, if applicable, and other expenses specific to the other series of the Fund.

The net asset value per unit of the Fund is the price you pay per unit when you purchase units of the Fund and is the price you receive when you redeem units of the Fund. You may purchase or redeem units of any series of the 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 the 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 the 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 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 4:00 p.m. (Toronto time) on each 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.

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

### **PURCHASES, SWITCHES AND REDEMPTIONS**

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

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

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

**Series A:** Available to all investors, however Series A units may not be purchased in order execution only accounts at dealers for which the dealer provides no advice (“**discount brokerage accounts**”).

**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. Series F units may also be purchased in 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 adviser and payable to their dealer. Investors may only purchase Series F units through a financial adviser 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 Fund for Series F units.

No sales commissions or trailing commissions are payable by us to a dealer for

investments in Series F units.

**Series I:**

Generally only available for certain individual investors who make large investments in the Fund. The management fees for Series I units are paid directly by Series I unitholders, not by the Fund. Investors may only purchase Series I units through a financial adviser who is registered with a dealer that has signed an agreement with us. In addition, Series I unitholders may pay an annual dealer fee (a "**Dealer Fee**") which is payable to their dealer. See "Fees and Expenses Payable Directly by You – Other Fees and Expenses – Dealer Fee". This Dealer Fee is in addition to the management fee payable directly to us by investors who purchase Series I units. Series I units are also available for certain investors who are clients of the Manager's private client division, named 1832 Asset Management. Such investors who purchase Series I 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. No sales commissions or trailing commissions are payable by us to a dealer for investments in Series I units.

**Series O:**

Generally only available for certain investors who make large investments in the 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 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 O units.

The fees and expenses for the 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.

Please see "Fees and Expenses" later in this document for a description of Management Fee Distributions which may effectively reduce the management fee for investors who invest large amounts in the Fund.

***Purchases***

You can purchase units of any series of the Fund through financial advisers, planners, registered brokers and dealers who will send your order to us. For details of the series of units offered by the Fund, please see the front cover of this Simplified Prospectus. See also "Description of Securities" earlier in this document for a description of each series of units offered by the Fund. The issue price of units is based on the net asset value per unit for that particular series.

All series of units of the Fund are qualified for distribution in all Canadian provinces and territories pursuant to this Simplified Prospectus. Units of each series of the Fund will be issued at the net asset value per units 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.

Series A units of the Fund may be purchased on a front-end sales charge basis. The front-end sales charge is 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 the Fund. Please see "Fees and Expenses" for a description of Management Fee Distributions which may effectively reduce the management fee for clients who invest large amounts in the 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 the Fund may be acquired at regular intervals.

For Series A, Series F and Series O units of the Fund, the minimum initial investment amount in a Fund is \$500 and the minimum amount for each subsequent investment is \$100. For Series I units of the Fund, the minimum initial investment amount is \$10,000 and the minimum amount for each subsequent investment is \$1,000. 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 or, in the case of Series I securities, \$1,000 per transaction. In addition, an investor's eligibility to make subsequent investments or to continue to hold Series I units of the Fund is contingent on the investor maintaining a minimum investment amount of \$10,000 in Series I units of the Fund.

We reserve the right to change or waive the minimum investment amounts and minimum subsequent investment amounts in a series of the 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 and/or Series F securities of the Fund 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 simplified prospectus for Dynamic Dollar-Cost Averaging Fund for further information concerning that fund. You can get a copy of the simplified 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 simplified 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 one business day 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 the Fund you wish to invest in or you have not met the minimum investment requirement for such Fund, we may invest your money, as appropriate, into Series A units of Dynamic Money Market Fund. An investment in Dynamic Money Market Fund may earn you interest until we receive complete instructions regarding which Fund 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 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 on that switch date.

If the Fund has not received from your dealer within one business day 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 the Fund caused by you.

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

The Fund is valued and may be bought in Canadian dollars. Series A and Series F units of the Fund may also be bought in U.S. dollars.

## ***U.S. Dollar Option***

A U.S. dollar purchase option is provided as a convenience for purchasing, transferring and redeeming Series A and Series F units of the Fund with U.S. dollar denomination and is not a means to effect currency arbitrage. Funds offering these series usually focus on U.S. investments. **The performance of a series of Mutual Fund securities of a Fund purchased in U.S. dollars may differ from the performance of that same series of the Fund purchased in Canadian dollars due to fluctuations in the Canadian dollar and U.S. dollar exchange rate, and as such purchasing a series of a Fund in U.S. dollars will not shield you from, or act as a hedge against, such currency fluctuations.**

## ***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 the Fund to the same or different series of units of 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, provided that the series of units you wish to reclassify to is offered by the Fund and is offered in the same currency. In order to effect a reclassification between series of the Fund that are offered in different currencies, your financial adviser may recommend that you temporarily switch into 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. The tax implications of different types of switches and reclassifications that are available to you are described below.

If you are invested in Series A and/or Series F of the Fund using the Dynamic Dollar-Cost Averaging Fund, you may not switch part of such investment to another eligible specified mutual fund managed by the Manager or portfolio of the Marquis Investment Program using the Dynamic Dollar-Cost Averaging Fund. Switching part of your investment out of Dynamic Dollar-Cost Averaging Fund into another fund managed by the Manager is permitted. In the case of such partial switches, the original weekly dollar amount invested in Series A and/or Series F units of the Fund will not change with respect to the portion remaining in Dynamic Dollar-Cost Averaging Fund. See the simplified prospectus for Dynamic Dollar-Cost Averaging Fund for further information concerning that fund.

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

The different types of switches and reclassifications that are available to you 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 the 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. There is no fee for switching Series A, Series F or Series I units of the Fund under a SMART Investment Program or Series A and/or Series F units of the Fund using Dynamic Dollar-Cost Averaging Fund as further described in this document.

In addition, if you switch your units of any series of the Fund within 30 calendar days of acquisition, we may, on behalf of the Fund, in our sole discretion, charge a short-term trading fee of 1% of the prior business day net asset value of that series of units switched.

The timing and processing rules applicable to purchases and redemptions also apply to switches and reclassifications. 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 the 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

##### *(a) Switching From the Fund to Another Trust Fund:*

A switch from a series of units of the Fund to the same or a different series of units of another Trust Fund (including a temporary switch into a Transition Fund) will be considered a disposition for tax purposes and accordingly, you may realize a capital gain or a capital loss.

##### *(b) Switching From the Fund to a Corporate Fund:*

A switch from a series of units of the Fund to the same or a different series of shares of a Corporate Fund will be considered a disposition for tax purposes and accordingly, you may realize a capital gain or a capital loss.

##### *(c) Reclassifying Between Series of Units of the Fund:*

A reclassification between series of units of the Fund (other than those reclassifications described in the following sentence) will generally not be considered a disposition for tax purposes and, in that case, you will not realize a capital gain or a capital loss. Although it is not free from doubt, a reclassification from or to (i) a series of units that employs a hedging strategy and (ii) a series of units that either does not employ a hedging strategy or that employs a different hedging strategy, within the same Fund, may result in a disposition for tax purposes, in which case you may realize a capital gain or a capital loss.

### ***Redemptions***

You may redeem your units of the Fund by delivering to your dealer a request in writing that a specified dollar amount or number of units of the relevant series of the Fund be redeemed. In addition, certificates, if issued, representing the units of the 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 unit 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 that currency is U.S. dollars, then you will be paid by cheque.

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 the Fund or securities legislation for redemption of units of the Fund.



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

The short-term trading fee is paid by you to the Fund and is in addition to any sales commission that is payable by you to us. To minimize short-term trading fees, units of any series which are subject to the lowest short-term trading fee will be deemed to be the first units of that series redeemed. 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 such term is defined below under “Optional Services”) 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 (other than Series I) in your account for the Fund is less than \$500, the Manager may redeem the units of the Fund in your account. If the value of your Series I units in your account for the Fund is less than \$10,000, the Manager may switch such Series I units into Series A units of the Fund. 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 units. The minimum balance does not apply to accounts with an active Pre-Authorized Chequing Plan. We reserve the right to change or waive the minimum account holding 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.

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. Payment will be made either by cheque or, if you provide the necessary information, electronically to your bank account within one business day of the determination of the net asset value per security of the units redeemed.

The 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.

The 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 the Fund may be suspended whenever the right to redeem securities is suspended for any underlying fund in which the Fund invests all of its assets directly or indirectly.

#### **Allocations of Capital Gains to Redeeming Unitholders**

Pursuant to the Master Declaration of Trust, the Fund may allocate and designate as payable any capital gains realized by the Fund as a result of any disposition of property of the Fund undertaken to permit or facilitate the redemption of units to a unitholder whose units are being redeemed. In addition, the Fund has the authority to distribute, allocate and designate any capital gains of the Fund to a unitholder who has redeemed units of the Fund

during a year in an amount equal to the unitholder's share, at the time of redemption, of the Fund's capital gains for the year. Any such distributions, allocations and designations will reduce the redemption price otherwise payable to the redeeming unitholder.

Taxable capital gains allocated and designated to redeeming unitholders of the Fund generally will only be deductible to the extent of half of the amount of the gains that would otherwise be realized by the unitholders on the redemption of such securities.

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

Short-term trading activities in the Fund may adversely affect unitholders. Short-term trading has the potential to increase costs associated with the administration of the Fund 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 the Fund to determine whether one or more redemptions and/or switches are made within 30 calendar days of purchasing the units. 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 prior business day 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:

- in respect of the Dynamic Dollar-Cost Averaging Fund, Dynamic Money Market Fund or Dynamic Money Market Class;
- in respect of units of the Fund under a SMART Investment Program or a SWIP;
- in respect of units that are purchased through the automatic reinvestment of distributions or dividends;
- 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 the 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 adviser;
- that are transfers of units of the Fund between two accounts belonging to the same unitholder; and
- 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 adviser 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 Fund 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”) (which include Dynamic Group RRSPs and locked-in retirement accounts), registered retirement income funds (“RRIFs”) (which include life income funds and locked-in retirement income funds), registered education savings plans (“RESPs”), deferred profit sharing plans, first home savings accounts (“FHSAs”) and tax-free savings accounts (“TFSA”) (collectively, together with registered disability savings plans (“RDSPs”), “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 Fund 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 Fund and will not monitor the performance of the Fund on an on-going basis. The decision to purchase and to keep or redeem securities of the Fund is your decision alone. There may be other investment alternatives available and you should evaluate each investment alternative with a financial adviser.

### Pre-Authorized Chequing Plan

By using a Pre-Authorized Chequing Plan you can make regular investments of at least \$100 per transaction in the Fund or \$1,000 per transaction in Series I units of the Fund. 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 existing Pre-Authorized Chequing Plans require 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 the 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 the 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 the 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 the 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 this 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 the 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 the Fund and of your rights described above.

### 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 or Series I units from the Fund to another mutual fund managed by the Manager on a monthly, quarterly, semi-annual or annual basis. SMART Investment Programs are not available for the Dynamic Dollar-Cost Averaging Fund. Switching Series A, Series F, or Series I units of the Fund under a SMART Investment Program will not be subject to a short-term trading fee.

### Systematic Withdrawal Investment Plans

If the value of your investments in the 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 the Fund, the withdrawals will encroach on and possibly exhaust your original investment in the 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.

### Pledges

We have the right to refuse any requests made by an investor to pledge any of the investor’s Series I or Series O units of the Fund.

### Optional Personalized Rebalancing Services

For investors who hold a minimum of \$10,000 in the Fund, we will provide optional personalized rebalancing services between individual eligible mutual funds managed by the Manager. If you choose to use our personalized rebalancing services, we will automatically invest and switch among units of eligible mutual funds managed by the Manager to maintain your target asset allocation and mix of eligible mutual funds managed by the Manager.

To take advantage of this service, investors must specify a target asset allocation and mix of eligible mutual funds managed by the Manager, then set a rebalancing threshold (either  $\pm 2.5\%$ ,  $\pm 5.0\%$ ,  $\pm 7.5\%$ ,  $\pm 10.0\%$  or  $\pm 15\%$  from the target mix) and the desired rebalancing frequency (monthly, quarterly, semi-annually or annually). This information is specified on our rebalancing form, which must be signed by you and given to your adviser. The personalized rebalancing service will not always maintain the exact product mix weightings you have specified for your account, but aims to maintain the product mix weightings within the specified threshold you have chosen. Rebalancing will only occur if one or more of the investments varies from your target asset mix by more than your selected rebalancing trigger. Investments that you hold outside of your selected target asset mix are not included in the automatic rebalancing. Your account will be automatically rebalanced according to the information we have on file for you, so it is important to keep us informed of any changes to your holdings.

Personalized rebalancing can cause a securityholder to realize capital gains which are taxable for non-registered accounts. Short-term trading fees will not apply to personalized rebalancing transactions.

## **FEES AND EXPENSES**

The following sections list the fees and expenses that you may have to pay, directly or indirectly, if you invest in the Fund. You may have to pay some of these fees and expenses directly. The Fund may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in the Fund. Some of these fees and expenses are subject to Goods and Services Tax (“**GST**”), Harmonized Sales Tax (“**HST**”), or Quebec Sales Tax (“**QST**”) including management fees, performance fees (if applicable) and operating expenses (as set out below), at a rate determined 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. Changes in existing GST or HST rates, changes to which provinces impose GST or HST and changes in the breakdown of the residence for tax purposes of the Fund's unitholders will have an impact on the total expenses payable by the Fund.

Generally, (i) any changes to the basis of calculation of a fee or expense that is charged to the Fund or directly to its unitholders by the Fund or the Manager in connection with holding of securities of the 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 securities that are purchased on a no load basis, if written notice is sent to all unitholders of such securities at least 60 days before the effective date of the change that could result in an increase in charges to the Fund.

## ***Fees and Expenses Payable by the Fund***

### **Management Fees**

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

The Fund pays us a management fee with respect to each series of units, other than Series I or Series O units, for providing general management services. The management fees paid by the Fund are accrued and calculated daily and paid monthly.

#### ***Series I***

There is no management fee payable by the Fund for these series of units. The management fees for these series of units are paid directly by the unitholders, not by the Fund. See "Fees and Expenses Payable Directly by You – Management Fees".

#### ***Series O***

There is no management fee payable by the Fund for these series of units. Investors who purchase these series of 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 will in no circumstances be higher than the management fee payable on Series A units of the Fund. See "Fees and Expenses – Fees and Expenses Payable Directly by You – Management Fees on O Units".

The management fee rate (not including applicable GST/HST) for each of the remaining series of units of the Fund is set out below.

	<b>Series A (%)</b>	<b>Series F (%)</b>
Dynamic Payout Portfolio	1.65%	0.65%

### **Management Fee Distributions**

To encourage very large investments in the 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 the 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**"). Management Fee Distributions in respect of the Fund, where applicable, 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 Fund and thereafter out of capital. All Management Fee Distributions are automatically reinvested in additional units of the relevant series of the 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 of the Fund, and the unitholder's financial adviser 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 adviser and/or dealer the details of any Management Fee Distribution arrangement. Any Management Fee Distributions will be available only to beneficial owners of units and not to the holdings of units by dealers, brokers or other CDS Participants that hold units on behalf of beneficial owners.

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".

### Operating Expenses

#### *Fixed Administration Fees*

Each series of the Fund pays a fixed administration fee (the "**Fixed Administration Fee**") to the Manager in return for the Manager paying certain operating expenses of the Fund. These operating expenses include, but are not limited to, audit fees, fund accounting costs, transfer agency and recordkeeping costs, custodian costs, administration costs, costs of printing and disseminating prospectuses, Fund Facts and continuous disclosure materials, legal fees, bank charges, investor communication costs and regulatory filing fees. Each series of the Fund is also responsible for paying the operating expenses described under "Fund Costs" below.

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

Fund	Series A	Series F	Series I	Series O
Dynamic Payout Portfolio	0.07%	0.07%	0.07%	0.07%

#### *Fund Costs*

The Fund also pays certain other operating expenses, including all applicable taxes, borrowing and interest, unitholder meeting fees, each IRC or other advisory committee, and any new types of costs, expenses or fees not incurred prior to September 17, 2020, including arising from new government or regulatory requirements or related to external services that were not commonly charged in the Canadian mutual fund industry as of September 17, 2020 (collectively, "**Fund Costs**").

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. 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.

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 split equally among all of the investment funds managed by the Manager for which the IRC acts as the independent review committee.

Each series of the Fund is allocated its own Fund Costs and its proportionate share of Fund Costs that are common to all funds managed by the Manager.

#### Underlying Fund Fees and Expenses

There are fees and expenses payable by the underlying funds whose securities are held by the Fund, in addition to the fees and expenses directly payable by the Fund. The 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. To ensure that there is no duplication of management fees or performance fees chargeable in connection with the Fund that, to a reasonable person, would duplicate any management fees or performance fees payable by the underlying funds for the same service, the Manager will absorb such fees that are incurred resulting from its investments in any underlying funds. No sales charges or redemption fees are payable by the Fund in relation to their 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. Certain underlying funds held by the Fund may pay performance fees, including performance fees to the Manager.

#### Management Expense Ratio

The management expense ratio (“**MER**”) is based on the total expenses (including applicable management fees, performance fees, and operating expenses) of each series of the Fund and a proportional share of any underlying fund fees and expenses, where applicable, and is expressed as an annualized percentage of the series’ daily average net asset value during the period, calculated in accordance with applicable securities legislation.

The Manager, in its sole discretion, may waive or absorb a portion of a series’ total expenses. Such waivers or absorptions may be terminated at any time without notice.

Portfolio and derivative transaction costs, and income taxes, where applicable, are not included in the MER.

#### Portfolio and Derivatives Transaction Costs

The 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.

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

### ***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 the Fund.

#### Management Fees

Management fees for Series I units are paid directly by Series I unitholders, not by the Fund, based on a management fee schedule as set out in the table below. The total value of a unitholder's holdings in the applicable series of the Fund will determine the management fee rate applicable with respect to all unit held by the unitholder in such series of the Fund.

In addition, Series I unitholders may pay a Dealer Fee which is payable to their dealer. See “Fees and Expenses Payable Directly by You – Other Fees and Expenses – Dealer Fee”. This Dealer Fee is in addition to the management fee payable directly to us by investors who purchase Series I units.

In cases where such units were purchased by investors who are clients of the Manager’s private client division, named 1832 Asset Management, the management fees are those set out in the agreement with such investor. The agreement identifies the management fee negotiated with the investor and payable directly by the investor to us and the management fee in such case will not be higher than the management fee for Series A units of the Fund.

The management fees, together with the Dealer Fee, paid by Series I unitholders of the Fund are accrued and calculated daily based on the aggregate daily net asset value of the Series I units of the Fund held by you at the end of each business day and paid by you to the Manager, plus applicable tax, quarterly through the automatic redemption by the Manager of the applicable series of units of the Fund held by you. The redemption proceeds therefrom will be applied by the Manager to the payment of the management fees, Dealer Fee and applicable taxes. The redemption of units of a Fund held by you to pay such management fees or Dealer Fee may result in taxes payable. See “Income Tax Considerations for Investors”.

Series I units of the Fund will also pay a Fixed Administration Fee and may also incur certain Fund Costs. See “Fees and Expenses Payable by the Fund – Operating Expenses”.

In addition, management fees on Series I units are subject to GST/HST or any other applicable taxes. If you are considering an investment in Series I units, you should consult your independent tax adviser about the tax treatment to you of paying the management fees directly.

<b>Management Fee Schedule for Series I Units</b>				
	<b>For account holdings up to \$250,000</b>	<b>For account holdings with no less than \$250,000 and up to \$1 million</b>	<b>For account holdings with no less than \$1 million and up to \$5 million</b>	<b>For account holdings with no less than \$5 million and greater</b>
Dynamic Payout Portfolio	0.650%	0.575%	0.525%	0.475%

#### Management Fees on Series O Units

The management fees for Series O units are paid directly by Series O unitholders, rather than by the Fund. Investors who purchase Series O 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 units, you should consult your independent tax adviser about the tax treatment to you of paying the management fees directly. The management fees for Series O units will not be higher than the management fees for Series A units of the Fund.

#### Sales Charges

##### *Front-End Sales Charge:*

This fee is negotiated with and paid to your dealer to a maximum of 5% when you purchase Series A units of the Fund.

#### Switch and Reclassification Fees<sup>1</sup>

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

There is no fee for switching Series A, Series F or Series I units of the Fund under a SMART Investment Program or for switching Series A or Series F units of the 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 for Units<sup>1</sup>

If you redeem or switch units of any series of the Fund within 30 calendar 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 prior business day net asset value of that series of units redeemed or switched.



### Other Fees and Expenses

#### *Dealer Fee:*

You may pay a Dealer Fee if you purchase Series I units of the Fund. Please refer to “Purchases, Switches and Redemptions – Description of Securities” earlier in this document and “Dealer Compensation – Dealer Fee” later in this document for more information.

#### *Fee-Based Account Fee:*

In certain circumstances, if you purchase Series F units of the Fund, you may pay a Fee-Based Account Fee. Please refer to “Purchases, Switches and Redemptions – Description of Securities” earlier in this document and “Dealer Compensation – Fee-Based Account Fee” later in this document for more information. Fee-Based Account Fee is negotiated with your financial adviser and paid to your dealer.

#### *Dishonoured Cheque or Electronic Transfer Fee:*

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

### Notes:

1. To minimize short-term trading fees, your units that are subject to the lowest short-term trading fee will be redeemed or switched before other units of the Fund. Units acquired through the automatic reinvestment of distributions or dividends are not subject to any sales charges. Please refer to “Purchases, Switches and Redemptions – Redemptions” earlier in this document for more information.

## **DEALER COMPENSATION**

### **You Pay:**

**Front-End Sales Charges** – You pay this commission to your dealer at the time of purchase of Series A units of the 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.

**Dealer Fee** – You may pay this fee to your dealer if you purchase Series I units of the Fund. This fee is negotiated between you and your financial adviser when you purchase Series I units.

**Fee-Based Account Fee** – You may pay this fee to your dealer in certain circumstances if you purchase Series F units of the Fund. The Fee-Based Account Fee is negotiated with your financial adviser and payable to your dealer. 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 advisers in respect of the assets of their clients invested in units of the Fund. 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 I or Series O units of the Fund. When you purchase Series A units of the 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%.

Only Series F units of the Fund may be purchased in a discount brokerage account.

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

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

We may also provide advertising programs for the Fund 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 advisers 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 advisers and provide to financial advisers 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 Fund, and only in accordance with the rules established by the Canadian securities regulators for mutual fund sales practices.

#### Equity interests

The Bank of Nova Scotia owns, directly or indirectly, 100% of Scotia Securities Inc., Scotia Capital Inc. (which includes ScotiaMcLeod and Scotia iTRADE), Tangerine Investment Funds Limited and MD Management Limited. The above dealers may sell securities of the Fund.

### **INCOME TAX CONSIDERATIONS FOR INVESTORS**

This section is a general, but not an exhaustive, summary of how your investments in the Fund are taxed under the Income Tax Act (the “**Tax Act**”). It applies to unitholders who are individuals (other than trusts that are not Registered Plans) who, for the purposes of the Tax Act, are residents of Canada, deal at arm’s length with each of, and are not affiliated with any of, the Fund, the Manager and each Dealer, and hold their units 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 (the “**CRA**”). 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 the Fund will qualify or be deemed to qualify as a “mutual fund trust” within the meaning of the Tax Act at all material times. The Fund is expected to qualify as a mutual fund trust by March 2026 and the Manager intends to file the necessary election so that the Fund will qualify as a mutual fund trust from its inception in 2026.

If the Fund were not to qualify as a mutual fund trust, the income tax considerations as described below would in some respects be materially different. For a description of certain income tax considerations relating to the Fund if it does not qualify as a mutual fund trust, see “Taxation of the Fund – 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. Accordingly, prospective investors should consult their own tax advisers about their individual circumstances.**

### ***Taxation of the Fund***

The 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 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.

The Fund will pay or make payable to unitholders sufficient net income and net realized capital gains 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 the 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 the Fund), capital gains and capital losses will be taken into account in determining the income or losses of the Fund as a whole. Losses incurred by the Fund cannot be allocated to investors but may, subject to certain limitations, be deducted by the Fund from taxable capital gains or other income realized in other years.

The Fund is required to compute its net income and net realized capital gains in Canadian dollars for the purposes of the Tax Act. As a consequence, the Fund may realize income or capital gains by virtue of changes in the value of a foreign currency relative to the Canadian dollar.

The 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.

To the extent the Fund holds trust units issued by a trust resident in Canada that is not at any time in the relevant taxation year a "SIFT trust" (generally, a publicly traded Canadian trust that owns certain types of property defined as "non-portfolio property") and held as capital property for purposes of the Tax Act, 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 trust in the calendar year in which that taxation year ends, notwithstanding that certain of such amounts may be reinvested in additional units of the trust. Provided that appropriate designations are made by such trust, generally net taxable capital gains realized by the trust, foreign source income of the trust and taxable dividends from taxable Canadian corporations received by the trust that are paid or payable by the trust to the Fund will effectively retain their character in the hands of the Fund. The Fund will be required to reduce the adjusted cost base of units of such trust by any amount paid or payable by the trust to the Fund except to the extent that the amount was included in calculating the income of the Fund or was the Fund's share of the non-taxable portion of capital gains of the trust, the taxable portion of which was designated in respect of the Fund. If the adjusted cost base to the Fund of such units becomes a negative amount at any time in a taxation year of the Fund, that negative amount will be deemed to be a capital gain realized by the Fund in that taxation year and the Fund's adjusted cost base of such units will be increased by the amount of such deemed capital gain to zero.

In general, upon the actual or deemed disposition of a security included in the Fund's portfolio, the Fund will realize a capital gain (or capital loss) to the extent the proceeds of disposition net of any reasonable costs of disposition exceed (or are less than) the adjusted cost base of such security to the Trust Fund, unless the Fund were 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 security in a transaction or transactions considered to be an adventure or concern in the nature of trade. The Fund will generally take the position that gains and losses realized on the disposition of its securities are capital gains and capital losses. In addition, the Fund may make (if applicable) an election under subsection 39(4) of the Tax Act in its taxation year in which it first disposed or disposes of "Canadian securities" (as defined in the Tax Act) to have all such Canadian securities deemed to be capital property of the Fund.

In general, gains and losses realized by the Fund from derivative transactions and in respect of short sales of securities (other than short sales of “Canadian securities” as defined in the Tax Act if the Fund has made an election under subsection 39(4)) will be treated for income tax purposes as being on income account except where such derivatives are used to hedge portfolio units held on capital account provided there is sufficient linkage, subject to the derivative forward agreement rules (“**DFA Rules**”) discussed below. Any such gains and losses will generally be recognized for income tax purposes at the time they are realized by the Fund. Gains or losses in respect of currency hedges entered into in respect of amounts invested in the portfolio of the Fund will constitute capital gains and capital losses to the Fund if the units in the Fund’s portfolio are capital property to the Fund and provided there is sufficient linkage.

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 respect of an investment held as capital property.

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

If the 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 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. 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. Generally, a loss restriction event will be deemed not to occur for the Fund if it meets the conditions to qualify as an “investment fund” under the Tax Act, including complying with certain asset diversification requirements.

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

The Fund may not qualify as a “mutual fund trust” under the Tax Act. If the 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 and generally includes a person exempt from Canadian tax. “Designated income” generally includes income from a business carried on in Canada and taxable capital gains from dispositions of “taxable Canadian property”. If the 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 the Fund does not qualify as a mutual fund trust (and does not qualify for another exemption) for purposes of the Tax Act, it may be subject to alternative minimum tax. The Fund may also be subject to the dividend stop loss rules under the Tax Act. If the Fund does not qualify as a mutual fund trust, it 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. If the Fund does not qualify as a mutual fund trust, it 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 the 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, the Fund holds property that is not a “qualified investment” for the type of Registered Plan in respect of which the Fund is registered, however, pursuant to the Qualified Investment Amendments (as described under “Income Tax Considerations for Investors - Eligibility for Registered Plans”), the registered investment regime (including Part X.2 of the Tax Act) is proposed to be repealed, effective January 1, 2027. The Qualified Investment Amendments do not currently address whether the tax under Part X.2 would apply to a Trust Fund that meets one of the new categories prior to the repeal of the registered investment regime.

Investors should consult with their tax advisers regarding the implications of investing in the Fund if the Fund does not qualify as a “mutual fund trust” under the Tax Act.

## ***Taxation of Unitholders***

### **Taxable Unitholders of the Fund**

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 the Fund purchased in U.S. dollars.

Upon the actual or deemed disposition of a unit of the Fund, including on the redemption of a unit by the Fund and on a switch between the Fund and another mutual fund managed by the Manager (but not a reclassification of units among series of the Fund), 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 the Fund must calculate the adjusted cost base separately for units of each series of the 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.

If a unitholder disposes of units of the 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 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 may be liable for alternative minimum tax in respect of Canadian source dividends and capital gains realized by, or distributed to, the unitholder.

#### ***(i) Distributions***

Unitholders must include in computing their income for the year the amount of net income and the taxable portion of net realized capital gains that are paid or payable to them (including Management Fee Distributions) by the 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 the Fund in any year exceed the unitholder's share of net income and 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 the 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 for the purpose of computing any foreign tax credit that may be available to the unitholder.

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.

The net asset value of the 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 the 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 the 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. Further, if the Fund has validly elected to have a December 15 taxation year end, where an investor acquires units in a calendar year after December 15 of such year, such investor may become taxable on income earned or capital gains realized in the taxation year ending on December 15 of such calendar year but that had not been made payable before the units were acquired.

(ii) *Reclassifications*

The reclassification of units of a particular series of the Fund as units of another series of the 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. The cost of the acquired units will be averaged with the adjusted cost base of identical units of such series owned by the unitholder.

Non-Taxable Unitholders of the Fund

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

***Eligibility for Registered Plans***

Subject to the Qualified Investment Amendments discussed below, provided that the Fund is a "registered investment" or a "mutual fund trust", in each case within the meaning of such term in the Tax Act and at all material times, the units of the Fund issued hereunder will be qualified investments for Registered Plans.

The 2025 Federal Budget included a Tax Proposal (the "**Qualified Investment Amendments**") to add two new categories of trusts whose units would be qualified investments for Registered Plans, effective November 4, 2025: (1) a trust that is subject to, and substantially complies with, the requirements of NI 81-102 – *Investment Funds* and (2) a trust that is an "investment fund" for purposes of the "loss restriction event" rules in the Tax Act and that is managed by a registered investment fund manager as described in NI 31-103 – *Registration Requirements, Exemptions and Ongoing Registration Obligations* (each of (1) and (2) being a "**new category**"). The Qualified Investment Amendments would also repeal the "registered investment" regime, effective January 1, 2027. Units of a mutual fund trust and units that are listed on a "designated stock exchange" would continue to be qualified investments for Registered Plans.

Provided that the annuitant, subscriber or holder of a RRSP, RRIF, RESP, RDSP, FHSA or TFSA (i) deals at arm's length with the Fund, and (ii) does not hold a "significant interest" (as defined in the Tax Act) in the Fund, the units 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 advisers regarding whether an investment in the 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 required to register with the U.S. Internal Revenue Service (the "IRS") and to report information annually, including tax residency details and financial information, such as account balances, of investors that failed to provide information or required documents to their financial adviser or dealer related to their citizenship and residency for tax purposes and indicia of U.S. status are identified or 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 CRA. The CRA will in turn provide such information to the IRS.

In addition, to meet the objectives of the Organisation for Economic Co-operation and Development Common Reporting Standards (the "CRS"), the Fund is required under Part XIX of the Tax Act to identify and to report annually to the CRA certain information (including the residency details and financial information such as account balances) relating to investments held by unitholders 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 unitholder resides for tax purposes under the provision and safeguards of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters or the relevant bilateral tax treaty.

Investments held in Registered Plans are excluded from being reportable accounts under FATCA and CRS.

### **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 must usually 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**

#### ***Offerings Involving a Related Underwriter***

The Fund is considered a dealer managed investment fund and follows the dealer manager provisions prescribed by NI 81-102. The Fund cannot knowingly make an investment during, or for 60 days after, the 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 securities (the "Prohibition Period"), unless the security is a class of securities of a reporting issuer and the distribution of securities of the reporting issuer is made by prospectus or under an exemption from the prospectus, such purchases are made in compliance with the approval requirements of NI 81-107 and certain other conditions are satisfied.

The Fund has obtained exemptive relief from the Canadian securities regulatory authorities to purchase debt securities of a nonreporting issuer during the Prohibition Period for which a dealer related to the Manager, such as Scotia Capital Inc., acts as an underwriter or agent, provided the IRC of the Fund approves of the investment in accordance with the approval requirements of NI 81-107 and certain other conditions are satisfied.

The Fund has obtained exemptive relief from the Canadian securities regulatory authorities that permits the Fund 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 Fund approves of the investment in accordance with certain other conditions.

### ***In-Specie Transactions***

The Fund has obtained exemptive relief from the Canadian securities regulatory authorities to permit certain investment funds and managed accounts managed by the Manager, or an affiliate of the Manager, to purchase units of the Fund by delivering units to the Fund as payment of the issue price, or to redeem units of the Fund by receiving units from the investment portfolio of the Fund as payment of redemption proceeds. Such in-specie transactions are subject to certain conditions, including approval by the IRC of the Fund.

### ***Depositing Portfolio Assets with Borrowing Agents***

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 10% of the net asset value of the Fund at the time of deposit. The exemptive relief is subject to certain conditions.

### ***Depositing portfolio assets as margin for exchange-traded specified derivatives***

The Fund has obtained exemptive relief from the Canadian securities regulatory authorities to permit the Fund to deposit as margin portfolio assets of up to 35% of the Fund's NAV as at the time of deposit with any one futures commission merchant in Canada or the United States (each, a "**Dealer**") and up to 70% of the Fund's NAV at the time of deposit with all Dealers in the aggregate, for transactions involving standardized futures, clearing corporation options, options on futures, or cleared specified derivatives.

### ***Appointment of Additional Custodians***

The Fund has obtained exemptive relief to permit the Fund to appoint more than one Custodian, including prime brokers, subject to certain conditions, including that each custodian is qualified to be a custodian under NI 81-102 and is subject to all other requirements for custodians under NI 81-102. The Manager may appoint additional Custodians for the Fund from time to time.

### ***Gold and Precious Metals***

The Fund has received the approval of the Canadian securities regulatory authorities to invest in exchange-traded funds ("**ETFs**") 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**"), up to 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).

### ***Investments in Closed-End Funds***

The Fund 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.

### ***Fixed Income Securities***

The Fund 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 “**U.S. Securities Act**”), as set out in Rule 144A of the U.S. Securities Act for resales of certain fixed income securities to “qualified institutional buyers” (as such term is defined in the U.S. Securities Act). The exemptive relief is subject to certain conditions.

### ***Private Asset Funds***

The Funds have obtained exemptive relief from the Canadian securities regulatory authorities that will permit a Fund, in accordance with its investment objectives and strategies, to invest a portion of its assets in investment funds managed by the Manager or an affiliate of the Manager, that are not reporting issuers in Canada and that are not subject to NI 81-102 or NI 81-107 (“**Private Asset Funds**”). A Private Asset Fund may in turn invest more than 10% of its net asset value in other investment funds, including investment funds managed by the Manager or an affiliate of the Manager. Any investment by a Fund in a Private Asset Fund is subject to certain conditions, including approval by the IRC.

### ***Sales Communications***

The Fund has been granted exemptive relief to permit the Fund to reference in its sales communications: (a) Lipper, Inc. (“**Lipper**”) leader ratings and Lipper awards (where the Fund has been awarded a Lipper award) and (b) FundGrade Ratings and FundGrade A+ Awards (where the Fund has been awarded a FundGrade A+ Award), in each case, provided that certain conditions are met.

### ***Other Relief***

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

**CERTIFICATE OF DYNAMIC PAYOUT PORTFOLIO AND THE MANAGER AND PROMOTER OF  
DYNAMIC PAYOUT PORTFOLIO**

January 5, 2026

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 units 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”*

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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 Fund

*“Gregory Joseph”*

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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 Fund

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 FUND

*“Todd Flick”*

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Todd Flick  
Director

*“Jim Morris”*

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Jim Morris  
Director

## **PART B: SPECIFIC INFORMATION ABOUT THE MUTUAL FUND DESCRIBED IN THIS DOCUMENT**

### **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. We currently offer Canadian equity funds, U.S. equity funds, global equity funds, regional equity funds, balanced/asset allocation funds with different investment approaches, income funds (equity income, fixed income, diversified income and money market), specialty funds which invest in particular sectors and funds that invest in diversified portfolios of other investment funds (including 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 the Fund described in this document is not guaranteed. Unlike bank accounts or GICs, mutual fund units 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" earlier 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 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. Types of underlying funds may include conventional mutual funds, exchange-traded funds, alternative mutual funds, Private Asset Funds and/or Closed-End Funds. Alternative mutual funds have the ability to invest in asset classes and use investment strategies that are generally not permitted for conventional mutual funds. Examples include the increased use of derivatives for hedging and non-hedging purposes, the increased ability to sell securities short, and the ability to borrow cash to use for investment purposes. For more information on investing in Private Asset Funds see the discussion under "Exemptions and Approvals – Private Asset Funds".

## Exchange-Traded Funds

Mutual funds may invest all or a portion of their assets in securities of 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 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.

## 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.

Commodity Futures Contracts – A commodity futures contract is a futures contract with an underlying interest in a commodity, such as oil or gas or certain precious metals.

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 certain swaps are not subject to standardized terms and conditions.

#### Securities Lending, Repurchase and Reverse Repurchase Transactions

The Fund may enter into securities lending transactions, repurchase and reverse repurchase transactions (collectively, “**Lending and Repurchase Transactions**”) consistent with its investment objectives and as permitted by applicable securities and tax legislation. A securities lending transaction is where the Fund lends certain qualified securities to a borrower in exchange for a negotiated fee without realizing a disposition of the securities for tax purposes. A repurchase transaction is where the 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 the 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. These transactions involve certain risks. If the other party to these transactions goes bankrupt or is for any reason unable to fulfil its obligations under the agreement, the Fund may experience difficulties or delays in receiving payment. To address these risks, any such transactions entered into by the 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 Fund will enter into such transactions only with parties that we believe, through conducting credit evaluations, have adequate resources and financial ability to meet their obligations under such agreements (“**qualified borrowers**”). In the case of a securities lending transaction and a repurchase transaction, the aggregate market value of all securities loaned pursuant to securities lending transactions together with securities sold pursuant to repurchase transactions by the Fund will not exceed 50% of the net asset value of the Fund immediately after the Fund enters into the transaction.

Lending and Repurchase Transactions involve certain risks which are described in this document under “What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?”

#### Short Selling

The Fund may engage in a limited amount of short selling. A short sale is where the Fund borrows securities from a lender which are then sold in the open market (or “**sold short**”). At a later date, the same number of securities are repurchased by the Fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the Fund pays 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). In this way, the Fund has more opportunities for gains when markets are generally volatile or declining.

The Fund may engage in short selling only within certain controls and limitations. Securities are sold short only for cash. As well, at the time securities of a particular issuer are sold short by the Fund, the aggregate market value of all securities of that issuer sold short will not exceed 5% of the net asset value of the Fund. The aggregate market value of all securities sold short by the Fund will not exceed 20% of the net asset value of the Fund. The Fund may deposit assets with lenders in accordance with industry practice in relation to its obligations arising under short sale transactions. The Fund also will hold cash cover (as defined in NI 81-102) in an amount, including the Fund's assets deposited with lenders, that is at least 150% of the aggregate market value of all securities it sold short on a daily marked-to-market basis. No proceeds from short sales will be used by the Fund to purchase long positions other than cash cover. The Fund will also abide by all other NI 81-102 restrictions relating to short selling.

Short selling will be used by the Fund only as a complement to the Fund's current primary discipline of buying securities or commodities with the expectation that they will appreciate in market value. In addition, the Fund may be indirectly exposed to short selling if the underlying funds in which the Fund invests short sell.

### ESG Considerations

Mutual funds managed by the Manager 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 mutual funds managed by the Manager that do not incorporate ESG considerations into their investment objectives or primary investment strategies, ESG factors are not determinative of portfolio holdings and play a limited role in the investment process. For those actively managed funds advised by the Portfolio Adviser 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. For passively managed funds, such as index-trackers, that do not incorporate ESG considerations into their investment objectives or primary investment strategies, ESG factors are not considered in the investment process, except insofar as the Portfolio Adviser or Sub-adviser, as applicable, incorporates ESG considerations into proxy voting.

For actively managed funds advised by the Portfolio Adviser, the consideration of ESG factors is part of the fundamental investment process, which means that relevant financial and non-financial factors (ESG and otherwise) are considered when researching and analyzing securities and may include shareholder engagement strategies. Incorporating ESG factors into the investment process may include proprietary research, and a systematic approach to risks and opportunities. 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). 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 both actively and passively managed funds, proxy voting is informed by many considerations, including relevant ESG factors, but these activities are not necessarily directed towards any ESG related outcome. Proxies will be voted in the best interest of the funds in all cases. The rationale for proxy votes could be informed by ESG considerations along with many other factors to determine what is in the best interest of funds.

Please see "ESG Factor Risk" later in this document.

### Real Estate Investment Trusts

A real estate investment trust ("REIT") is an entity that buys, manages and sells real estate assets. REITs allow participants to invest in a professionally managed portfolio of real estate properties. REITs qualify as pass-through

entities, which are able to distribute the majority of income cash flows to investors without taxation at the REIT level (providing that certain conditions are met). As a pass-through entity, whose main function is to pass profits on to investors, a REIT's business activities are generally restricted to generation of property rental income. Another major advantage of a REIT is its liquidity (ease of liquidation of assets into cash), as compared to traditional private real estate ownership which can be difficult to liquidate. One reason for the liquid nature of a REIT is that its units are primarily traded on major exchanges, making it easier to buy and sell REIT assets/units than to buy and sell properties in private markets. Please see "Sector Risk" and "Investment Trust 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. The units held by all the investors in a mutual fund trust make up a trust fund. The more money you invest in a mutual fund, the more units you receive.

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

You can terminate your investment in a mutual fund by redeeming your units. Under exceptional circumstances, a mutual fund may suspend redemptions. Please refer to "Purchases, Switches and Redemptions – Redemptions" earlier 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 experience 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, 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, the mutual fund may suspend redemptions temporarily. See “Purchases, Switches and Redemptions – Redemptions” earlier in this document for additional information.

### Easy To Track Your Investments

Your dealer or financial adviser 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 mutual fund(s) you invest in and you will be sent year-end tax slips. The statements you receive from your dealer or financial adviser 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 shouldn’t 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 doesn’t need the money until retirement in say 35 years).

The primary purpose of investment is to put to work savings that you don’t 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. Don't get involved in any investments if they make you anxious, or if you can't 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 don't want to find that you have to take your investments out of the market at a bad time, when you'll 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's 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.

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 high risk, others that you perceive to be moderate risk and others that are perceived as low risk. To diversify a portfolio can also mean holding investments from 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 has 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 experience 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 don't fully understand. Effective investing is linked to knowledge and understanding. The Fund and its 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***

The 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 the Fund's investments, and therefore its net asset value, may go up or down. When you redeem securities of the 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 Fund. **To the extent that the Fund invests in underlying funds, it has the same risks as the underlying funds. Accordingly, any reference to the Fund in this section is intended to also refer to any underlying funds that the Fund may invest in.**

### Commodity Risk

The Fund invests directly or indirectly in gold, silver, platinum or palladium or in companies engaged in the energy or natural resource industries, such as gold, silver, platinum, palladium, oil and gas, or other commodity focused industries. These investments, and therefore the value of the Fund's investment in these commodities or in these companies and the net asset value of the Fund, will be affected by changes in the price of commodities which include, among others, gold, silver, palladium and platinum and which can fluctuate significantly in short time periods. Commodity prices can change as a result of a number of factors, including supply and demand, speculation, government and regulatory activities, international monetary and political factors, central bank activity and changes in interest rates and currency values. In the case the Fund holds bullion, the bullion will be insured by the custodian or the sub-custodian against all risk, including, but not limited to, the risk of loss, damage, destruction or misdelivery, and excepting only those risks for which insurance is not currently available, including, but not limited to, war, terrorist events, nuclear incident or government confiscations. Direct purchases of bullion by the Fund may generate higher transaction and custody costs than other types of investments, which may impact the performance of the Fund.

### Concentration Risk

If the 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 are not permitted to invest more than 10% 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 the Fund invests in fixed income securities or 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 Fund 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 Fund, the Manager or the Fund's service providers (including, but not limited to, sub-adviser(s) or the Fund's custodian) have the ability to cause disruptions and impact each of their respective business operations, potentially resulting in financial losses, interference with the Fund's ability to calculate their NAV, impediments to trading the portfolio securities of the Fund, the inability of the Fund to process transactions in units of the Fund, such as purchases and redemptions of the Fund's 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 Fund invests and counterparties with which the Fund engages in transactions.

Similar to other operational risks, the Manager and the Fund 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 Fund cannot control the cyber security plans and systems of the Fund's service providers, the issuers of securities in which the Fund invests, the counterparties with which the Fund engages in transactions, or any other third parties whose operations may affect the Fund 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 the 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.
- Where the derivatives contract is a commodity futures contract with an underlying interest in sweet crude oil or natural gas, a mutual fund that is permitted to trade in commodity futures contracts will always endeavour to settle the contract with cash or an offsetting contract. However, there is no guarantee the Fund will be able to do so. This would result in the Fund having to make or take delivery of the underlying commodity.
- A securities exchange could impose limits on trading of derivatives, thereby making it difficult to complete a contract. When using derivatives, the 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 the 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 the 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 the Fund to use certain derivatives.

- Costs relating to entering and maintaining derivatives contracts may reduce the returns of the Fund.
- Changes in domestic and/or foreign tax laws, regulatory laws, or the administrative practices or policies of a tax or regulatory authority may adversely affect the 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 the Fund and the ability of the 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 the Fund's earnings as capital gains or income. In such a case, the net income of the 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. The Fund may also become liable for unremitted withholding taxes on prior distributions to non-resident unitholders. Any liability imposed on the Fund may reduce the value of the Fund and the value of an investor's investment in the Fund.

### Equity Risk

In general, when stock markets rise, the value of companies (equity securities) tends to rise. When stock markets fall, the value of companies (equity securities) tends to fall.

Mutual funds that invest in equity securities, such as common shares, are affected by changes in the general economy and financial markets, as well as by the success or failure of the companies that issued the securities. 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.

Companies issue common shares and other types of equity securities to help finance their operations; 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. Certain equity securities may also have investment trust risk, and convertible securities may also be subject to interest rate risk. See "Interest Rate Risk" and "Investment Trust Risk" below.

### ESG Factor Risk

The ESG factors considered in the 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. Mutual 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. For those mutual funds that do not incorporate ESG considerations into their investment objectives, 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 investment approach of the portfolio adviser or sub-adviser, 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, the 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 foreign and/or Canadian tax consequences for the Fund related to the holding by the Fund of interests in certain foreign investment entities. The information available to the 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 their income for Canadian tax purposes by the end of a taxation year and, in the case of the Fund, to make sufficient distributions in respect of that year.

#### Fund on Fund Risk

The Fund 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 the Fund will vary according to the risk and investment objectives of the Fund.

If the Fund invests in, or has exposure to, an underlying fund, the risks associated with investing in the Fund include the risks associated with the securities in which the underlying fund invests, along with the other risks of the underlying fund. Accordingly, the 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, the Fund will not 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 the 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.

#### High Yield Securities Risk

The Fund may invest in or have exposure to high yield securities that are, at the time of purchase, rated below investment grade (or, as applicable, are determined by the Manager or an affiliate to be of similar quality). High yield securities risk is the risk that securities that are rated below investment grade (commonly referred to as "junk bonds," which include those bonds rated lower than "BBB-" by Standard and Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., and by Fitch Rating Service Inc., or "Baa3" by Moody's Investor's Services, Inc.), or, as applicable, are determined by the Manager or an affiliate to be of similar quality to securities so rated, at the time of purchase, may be more volatile than higher-quality securities of similar maturity.

High yield securities may also be subject to greater levels of credit or default risk than higher-quality securities. Where applicable, the markets on which high yield securities are traded may be less liquid than the markets for higher-quality securities. The value of high yield securities can be adversely affected by overall economic conditions, such as an economic downturn or a period of rising interest rates, and high yield securities may be less liquid and more difficult to sell at an advantageous time or price, or to value than higher-quality securities.

In particular, high yield securities are often issued by smaller, less creditworthy companies, or by highly leveraged (indebted) firms, which are generally less able to make scheduled payments of interest and principal than more financially stable firms. High yield securities may also be issued by sovereign governments of countries with less-well developed economies, political systems, and/or financial markets. The Fund may, in certain circumstances, as a result of a restructuring or corporate action of an issuer of high yield securities in which the Fund is invested, hold resulting securities of a different type and quality for a period of time which may not be of the type and quality in which the Fund would normally invest.

#### Inflation Risk

The value of fixed income investments and currencies could depreciate as the level of inflation rises in the country of origin. Inflation rates are generally measured by 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

Mutual 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 mutual 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.

#### Investment Trust Risk

The Fund may invest in real estate, royalty, income and other investment trusts which are investment vehicles in the form of trusts rather than corporations. To the extent that claims, whether in contract, in tort or as a result of tax or statutory liability, against an investment trust are not satisfied by the trust, investors in the investment trust, including the Fund if it has invested in such investment trust, could be held liable for such obligations. Investment trusts generally seek to make this risk remote in the case of contracts by including provisions in their agreements that the obligations of the investment trust will not be binding on investors. However, investors in investment trusts, which may include the Fund, could still have exposure to damage claims not mitigated contractually, such as personal injury and environmental claims.

Certain jurisdictions have enacted legislation to protect investors in investment trusts, including the Fund if it has invested in the investment trust, from the possibility of such liability. Investors in most Canadian investment trusts have been placed on the same footing as shareholders of Canadian corporations which receive the protection of statutorily mandated limited liability in several provincial jurisdictions. However, the extent to which the Fund remains at risk for the obligations of investment trusts ultimately depends on the local laws of the jurisdictions where the Fund invests in investment trusts.

#### 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 the Fund can usually be sold promptly at a fair price and therefore can be described as relatively liquid. But the 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. If the Fund has trouble selling a security, the Fund could lose value or incur extra costs. In addition, illiquid securities may be more difficult to value accurately and may be subject to larger price changes. This can cause greater fluctuations in the Fund’s net asset value.

### Market Disruptions Risk

Significant events such as natural disasters, incidents of war, terrorism, civil unrest, disease outbreaks, significant policy or legislative changes (such as the imposition of tariffs or other trade restrictions), or public uncertainty about whether and to what extent such events may occur, and related geopolitical risks may lead to increased short-term market volatility and may have adverse long-term effects on regional and global economies and markets. Such disruptive events may have effects that cannot be predicted and may have acute effects on individual issuers or related groups of issuers. When a disruptive event occurs, impacted countries may not efficiently and quickly recover, which could adversely affect borrowers and other developing economic enterprises in such countries. These and other impacts of disruptive events may significantly reduce the value of the Fund's investments and adversely affect the Fund's performance.

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

The Fund may enter into securities lending transactions & repurchase and reverse repurchase transactions to generate additional income consistent with its 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, the Fund 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 the 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 Fund 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 the Fund immediately after the Fund enters into the transaction.



### Series Risk

The Fund is available in more than one series. If the 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

The Fund may engage in a limited amount of short selling consistent with their investment objectives and as permitted by the Canadian securities regulators. A "short sale" is where the Fund borrows securities from a lender which are then sold in the open market (or "sold short"). At a later date, the same number of securities are repurchased by the Fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the Fund pays 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. The Fund also may experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist. The lender from whom the Fund has borrowed securities may go bankrupt and the Fund may lose the collateral it has deposited with the lender. When the Fund engages in short selling, it will adhere to controls and limits that are intended to offset these risks by short selling only securities of larger issuers for which a liquid market is expected to be maintained and by limiting the amount of exposure for short sales. The Fund also will deposit collateral only with lenders that meet certain criteria for creditworthiness and only up to certain limits.

### Taxation Risk

The discussion of income tax considerations described under the heading "Income Tax Considerations for Investors" assumes that the Fund will qualify or be deemed to qualify as a "mutual fund trust" within the meaning of the Tax Act at all material times. If the Fund does not qualify as a mutual fund trust under the Tax Act, or if the Fund 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.

For example, if the Fund is a "registered investment" and is not a "mutual fund trust", the Fund may be liable for a penalty tax under Part X.2 of the Tax Act if, at the end of any month, the Fund holds any investments that are not qualified investments for Registered Plans; however, pursuant to the Qualified Investment Amendments (as described under "Income Tax Considerations for Investors – Eligibility for Registered Plans"), the registered investment regime (including Part X.2 of the Tax Act) is proposed to be repealed, effective January 1, 2027. The Qualified Investment Amendments do not currently address whether the tax under Part X.2 would apply to a Trust Fund that meets one of the new categories prior to the repeal of the registered investment regime. As noted in the Investment Restrictions, the Manager intends to restrict its investments so that the Fund will not be liable for a material amount of tax under Part X.2, but no assurance can be given in this regard. In addition, if the Fund does not qualify as a mutual fund trust, the Fund may be subject to a special tax on designated income under Part XII.2 of the Tax Act. The Manager intends to monitor the activities of the Fund if it does not qualify as a mutual fund trust so as to ensure that the Fund does not earn any designated income for purposes of the Tax Act. On this basis, it is anticipated that the Fund will not have any liability with respect to this special tax, but no assurance can be given in this regard. If the Fund is not a mutual fund trust, it may also be subject to the "mark-to-market" rules applicable to "financial institutions", will not be entitled to the capital gains refund, and may be subject to alternative minimum tax under the Tax Act. However, trusts that qualify as "investment funds" for purposes of the "loss restriction event" rules are generally exempt from alternative minimum tax.

Generally, if the Fund does not qualify as an "investment fund" for the purposes of the tax loss restriction rules in the Tax Act, it 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. If the Fund is subject to a loss restriction event, 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 Fund 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 Fund will not be required to pay tax notwithstanding such distributions.

The tax treatment of gains and losses realized by the Fund will depend on whether such gains or losses are treated as being on income or capital account. In determining its income for tax purposes, the Fund will generally treat gains or losses realized on the disposition of portfolio securities (other than derivatives and short selling as described below) held by it as capital gains and losses. In general, gains or losses from short selling are treated on income rather than capital account, unless the gains or losses are from short selling "Canadian securities" as defined in the Tax Act and the Fund has made a subsection 39(4) election under the Tax Act. Gains and losses realized by the Fund from derivative transactions will generally 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 the Fund. If the CRA disagrees with any tax treatment adopted by the Fund, including if the foregoing dispositions or transactions of the Fund are determined not to be on capital account (whether because of the DFA Rules discussed below or otherwise), the net income of the Fund for tax purposes and the taxable distributions to its Unitholders could increase. The Fund may also become liable for unremitted withholding taxes on prior distributions to non-resident unitholders. Any liability imposed on the Fund may reduce the value of the Fund and the value of an investor's investment in the 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 Fund, gains realized in respect of the property underlying such derivatives could be treated as ordinary income rather than capital gains.

#### 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 Fund. The risk of each ETF will be dependent on the structure and underlying investments of the ETF.

The 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 the 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.

The 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 the Fund. Before a change is made to the fundamental investment objective of the 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, the 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 Fund are diversified and relatively liquid and to ensure the appropriate administration of the Fund. The Fund is managed in accordance with these restrictions and practices. The Fund has received exemptive relief from securities regulatory authorities from certain requirements in NI 81-102 as noted under “Exemptions and Approvals” above.

The Fund is subject to restrictions that result from the 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 Fund remain “qualified investments” as defined in the Tax Act for Registered Plans.

The Fund will not engage in any undertaking other than the investment of its assets in property for the purposes of the Tax Act. The Fund is intended to become registered investments under the Tax Act and 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 UNITS OFFERED BY THE FUND**

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

### **Distribution Rights of the Fund**

Each series of units of the Fund ranks equally with all other series of units of the Fund in the payment of distributions (other than Management Fee Distributions and capital gains allocated and designated to redeeming unitholders). A series of units of the 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 units of the Fund will likely be different than the amount of distributions for the other series of units of the Fund.

All distributions by the Fund to its unitholders will be automatically reinvested in additional units of the same series of the Fund. You may, by written request, elect to receive cash payment by electronic transfer to your bank account, however the Manager may, in respect of certain distributions, cause any such cash payment to be automatically reinvested in additional units of the same series of the Fund. Cash distributions are not available for Registered Plans.

Units acquired through the reinvestment of distributions are not subject to any sales charges.

#### Liquidation Rights

Units of each series of the 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 the Fund is entitled to vote on certain amendments to the Master Declaration of Trust and supplemental trust indentures 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 the Fund. If a series of units is affected differently than the other series of units of the 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 the 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 the 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 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) for securities 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 Fund or its unitholders;
- changing the manager of the Fund other than to an affiliate of the Manager;
- changing the fundamental investment objectives of the Fund;
- decreasing the frequency of the calculation of the Fund's net asset value per security (for a description of net asset value, please see "Net Asset Value" in this document);
- where the 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 Fund, 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 the 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 the 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 the 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 the Fund are entitled to require the Fund to redeem their units as described under “Purchases, Switches and Redemptions - Redemptions” in this document.

### Switches and Reclassifications for the Fund

Subject to certain criteria which may be established by the Trustee of the Fund, and restrictions set forth in this Simplified Prospectus, you may request that your investment be switched from the Fund into 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 Fund, if you meet the criteria to hold the securities or units of such other series that you are switching or reclassifying into. Please see “Switches and Reclassifications” in this document for more information.

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

The Fund described in this Simplified Prospectus is governed as an investment trust by the Master Declaration of Trust and a supplemental establishing the Fund dated January 5, 2026 under the laws of the Province of Ontario.

The head office and principal place of business of the Fund 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 Fund 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 a mutual fund managed by the Manager in accordance with a standardized risk classification methodology that is based on the mutual fund’s historical volatility as measured by the 10-year standard deviation of the returns of the mutual fund. Standard deviation is a statistical tool used to measure the historical variability of the mutual fund’s returns relative to the mutual fund’s average return. The higher the standard deviation of a mutual fund, the greater the range of returns it has experienced in the past. A mutual fund with a higher standard deviation will be classified as more risky.

As the Fund has offered units 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, for the portion of the 10-year period before units of the Fund were offered to the public. The reference mutual fund or the reference index used to determine the risk rating of the Fund is specified in Part B of this Simplified Prospectus for the Fund, under the heading “Investment Risk Classification”.

Using this methodology, the 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 the Fund at least annually as well as if there is a material change in the Fund’s investment objectives or investment strategies.

Historical performance may not be indicative of future returns and the 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 the 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 PAYOUT PORTFOLIO

### Fund Details

<b>Type of Fund:</b>	Diversified Income Fund
<b>Nature of Securities Offered:</b>	Series A, Series F, Series I and Series O units of a mutual fund trust
<b>Registered Plan Eligible:</b>	Yes
<b>Portfolio Adviser:</b>	The Manager

### What Does the Fund Invest In?

#### *Investment Objectives*

Dynamic Payout Portfolio seeks to provide monthly income with the potential for modest long-term capital appreciation by investing primarily in a diversified portfolio of income-oriented equity and fixed income investment funds and/or securities.

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*

The Fund employs a diversified, multi-strategy approach to provide income by investing primarily in mutual funds and exchange-traded funds (including alternative funds) that have investment objectives to generate income.

The portfolio adviser uses a variety of techniques in managing the Fund which includes, but is not limited to, dynamic allocation to underlying funds and managing certain equity or fixed income strategies directly. The selection of underlying funds considers each underlying fund's investment objectives and strategies, past and assumed forward-looking performance, volatility, geographic exposure and investment style, among other factors, in constructing a diversified portfolio to achieve the Fund's investment objective.

The portfolio adviser also monitors and dynamically allocates to underlying funds based on the portfolio adviser's long-term capital market assumptions and its view of general market conditions, the anticipated risk inherent in each underlying fund and its forward-looking potential. As such, the asset mix, underlying funds, and their weights in the portfolio may vary from time to time according to the portfolio adviser's sole discretion. The Fund may invest in other mutual funds (including exchange-traded funds and alternative mutual funds) which are managed by us, one of our affiliates or associates, or by other fund managers. The Fund may also invest in Private Asset Funds, subject to certain conditions. You will find more information on investing in Private Asset Funds in "What Do Mutual Funds Invest In – Underlying funds" and "Exemptions and Approvals – Private Asset Funds".

The portfolio adviser may choose to:

- invest up to 100% of the Fund's assets in foreign securities; and
- hold cash or cash equivalents.

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.

The Fund may use derivatives for currency hedging purposes only. The underlying funds invested in by the Fund may use warrants and derivatives such as options, forward contracts, futures contracts, equity total return swaps, interest rate swaps and credit default 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 buying the securities directly, and/or 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. 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? – Risk Factors – Derivatives Risk". The Fund will comply with all applicable requirements of securities and tax legislation with respect to the use of derivatives. The underlying funds 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 its investment objectives. If an underlying fund uses derivatives for purposes other than hedging, it will do so within the limits of applicable securities regulations.

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 adviser 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 "What Do Mutual Funds Invest In? – 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, 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 amount of collateral is adjusted daily to ensure this collateral coverage is maintained at all times. The Fund will enter Lending and Repurchase 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 addition, the aggregate market value of all securities lent and sold by the Fund through securities lending transactions and repurchase transactions 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.

The Fund also may engage in short selling. In determining whether securities of a particular issuer should be sold short, the portfolio adviser utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces an unfavourable outlook, the issuer is a candidate for a short sale.

The Fund will engage in short selling as a complement to the Fund's current primary discipline of buying securities with the expectation that they will appreciate in market value. For a more detailed description of short selling and the limits within which the Fund may engage in short selling, please refer to "What Do Mutual Funds Invest In? – Short Selling" earlier in this document.

The Fund may invest in precious metals when deemed appropriate by the portfolio adviser. The Fund may invest up to 10% of its net assets, taken at the market value thereof at the time of investment, in gold (including Gold ETFs) and silver (or the equivalent in certificates or specified derivatives of which the underlying interest is gold or silver).

When evaluating investment opportunities, the portfolio adviser may consider ESG factors it believes to be relevant to investment outcomes. For more information, please see "ESG Considerations".

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

The Fund may be subject to the following risks:

- Commodity Risk
- Credit Risk
- Currency Risk



- Cyber Security Risk
- Derivatives Risk
- Equity Risk
- ESG Factor Risk
- Foreign Investment Risk
- Fund on Fund Risk
- High Yield Securities Risk
- Inflation Risk
- Interest Rate Risk
- Investment Trust Risk
- Liquidity Risk
- Market Disruptions Risk
- Securities Lending, Repurchase and Reverse Repurchase Transaction Risk
- Series Risk
- Short Selling Risk
- Significant Securityholder Risk
- Taxation Risk
- Underlying ETFs 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.

### Investment Risk Classification

As the Fund is new, the Fund's risk classification is based on the returns of a blended reference index consisting of the following reference indices:

Reference Index	% Weighting of Reference Index	Description
FTSE Canada Universe Bond Index	50%	The FTSE Canada Universe Bond Index is composed of investment grade, fixed coupon, government and corporate bonds, issued in Canada and denominated in Canadian dollars, with a remaining term to maturity of at least one year. The index is weighted by market capitalization.
Solactive GBS Developed Markets Large & Mid Cap Index (C\$)	37.5%	Solactive GBS Developed Markets Large & Mid Cap Index (C\$) tracks the performance of the large and mid cap segment covering approximately the largest 85% of the free-float

Reference Index	% Weighting of Reference Index	Description
		market capitalization in the developed markets.
S&P/TSX Composite Index	12.5%	The S&P/TSX Composite Index is a broad economic sector index comprising approximately 95% of the market capitalization for Canadian-based, Toronto Stock Exchange listed companies.

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.

### **Distribution Policy**

The Fund currently pays a monthly distribution at a fixed rate. Distributions are not guaranteed and may change at any time at our discretion. The Fund will also distribute any excess net income and any net realized capital gains on an annual basis in December of each year with a view to reducing its income tax liability to nil. A portion of the Fund's monthly distributions to its 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 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.

### **Name, Formation and History of the Fund**

<b>Full Name of the Fund</b>	Dynamic Payout Portfolio
<b>Former names</b>	N/A
<b>Formation date</b>	January 5, 2026
<b>Formation details</b>	Established by a declaration of trust governed by the laws of Ontario
<b>Series start date</b>	Series A units: January 5, 2026 Series F units: January 5, 2026 Series I units: January 5, 2026 Series O units: January 5, 2026
<b>Major events in the last 10 years</b>	N/A

## **DYNAMIC®**

Additional information about the Fund is available in the Fund's 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 Fund, 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, 16th 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)**

## **Dynamic Payout Portfolio**