**Canoe Mutual Funds**

# Amended and Restated Simplified Prospectus dated March 1, 2019, amending and restating the Simplified Prospectus dated August 28, 2018, as amended by Amendment No. 1 dated November 2, 2018

CANOE DIVERSIFIED BOND FUND (formerly Fiera Capital Diversified Bond Fund) (Series A units, D units, F units and O units)
CANOE INCOME AND GROWTH FUND (formerly Fiera Capital Income and Growth Fund) (Series A units, D units, F units and O units)
CANOE HIGH INCOME FUND (formerly Fiera Capital High Income Fund) (Series A units, D units, F units and O units)
CANOE CORE CANADIAN EQUITY FUND (formerly Fiera Capital Core Canadian Equity Fund) (Series D units and F units)
CANOE CANADIAN SMALL MID CAP FUND (formerly Fiera Capital Equity Growth Fund) (Series A units, D units, F units and OX units)
CANOE U.S. EQUITY FUND (formerly Fiera Capital U.S. Equity Fund) (Series A units, D units and F units)
CANOE INTERNATIONAL EQUITY FUND (formerly Fiera Capital International Equity Fund) (Series A units, D units and F units)
CANOE GLOBAL EQUITY FUND (formerly Fiera Capital Global Equity Fund) (Series A units, D units, F units and O units (to be renamed Series OX units)*)
CANOE DEFENSIVE GLOBAL EQUITY FUND (formerly Fiera Capital Defensive Global Equity Fund) (Series A units, D units and F units)

**March 1, 2019**

*Effective March 11, 2019, Series O units will be renamed as Series OX units.

No securities regulatory authority has expressed an opinion about these units. It is an offence to claim otherwise. The Funds and the securities offered under this simplified prospectus are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.

# TABLE OF CONTENTS

**Page**

## Introduction

In this document, "**we**", "**us**", "**our**", "**Canoe**" and the "**Manager**" refer to Canoe Financial LP. We refer to The Canoe Mutual Funds described in this document as the "**Funds**", and each individually as a "**Fund**".

This document contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor in the Funds. In addition, this document contains information about the Funds and the risks of investing in mutual funds generally, as well as the names of the firms responsible for the management of the Funds.

This document is divided into two parts:

- Pages 1 to 37 contain general information applicable to all of the Funds.
- Pages 37 to 74 contain specific information about each of the Funds described in this document.

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

- the Annual Information Form;
- the most recently filed Fund Facts;
- the most recently filed annual financial statements;
- any interim financial statements 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 from your dealer or by calling us toll-free at **1-877-434-2796**.

You may also obtain these documents on our website at **www.canoefinancial.com**. These documents and other information about the Funds are also available at the website of SEDAR (the System for Electronic Document Analysis and Retrieval) at **www.sedar.com.**

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

A mutual fund is a pool of money contributed by people with similar investment objectives. Mutual fund unitholders share the fund's income, expenses, and the gains and losses the fund makes on its investments in proportion to the units they own.

A mutual fund may own different types of investments - stocks, bonds, cash, units of other funds - depending upon the fund's investment objectives. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions, and market and company news. As a result, the value of a mutual fund's units (the unit price) 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.

In addition to investing in equity and debt securities, mutual funds may also use other investment techniques such as using 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 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.

Derivatives can help a mutual fund achieve its investment objectives and may be used in three different ways:

- to protect against or limit the changes in the value of an investment that may result from changes in interest rates, foreign exchange rates, commodity prices, and stock prices;

- as a substitute to investing directly in a particular security or market. A mutual fund may use derivatives instead of buying the actual security because it may be cheaper or more efficient; or

- as a substitute for investing directly in a foreign currency as part of the overall investment strategy of a mutual fund which invests in foreign securities. A portfolio manager may take the view that a currency will underperform or outperform another currency over a period of time and use currency forwards to take on currency exposure on a short-or long-term basis.

Under exceptional circumstances, a mutual fund may suspend redemptions. Please see "Purchases, Switches and Redemptions" below.

The full amount of your investment in any of the Funds 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.

**<u>Investment Risks</u>**

All investments, including mutual funds, carry the risk that you will lose money, or not make money. The degree of risk from one mutual fund to another varies considerably. Generally speaking, investments with the highest potential return carry the greatest risk.

In deciding how much risk you are prepared to take, you should consider how soon you will need the money you are investing. Historically, by holding a fund for a longer period of time, or the longer you leave your money invested, the more risk may be reduced since there is more time for short-term market declines to be reversed. As well, you will need to consider your investment goals and what types of other investments you already have in your overall portfolio.

Below are some of the specific risks that can affect the value of your investment in a Fund. The descriptions of each Fund contained in the second part of this prospectus identify which risks apply to each individual Fund.

*Asset-Backed and Mortgage-Backed Securities Risk*

Asset-backed securities are debt obligations that are backed by pools of consumer or business loans. Mortgage-backed securities are debt obligations backed by pools of mortgages on commercial or residential real estate. If there are changes in the market's perception of the issuers of these types of securities, in the creditworthiness of the underlying borrowers or in the assets backing the pools, then the value of the securities may be affected. In addition, the underlying loans may not be ultimately repaid in full, in some cases leading to holders of asset-backed and mortgage-backed securities not receiving full payment.

*Capital Depletion*

Some series of the Funds aim to make monthly distributions at a target rate. These monthly distributions will generally be comprised, in whole or in part, of return of capital. When we return your capital this reduces the amount of your original investment and may result in the return of the entire amount of your original investment. Return of capital that is not reinvested will reduce the net asset value ("**NAV**") of the Fund, which could reduce the Fund's ability to generate future income. You should not draw any conclusions about the Fund's investment performance from the amount of this distribution.

*Cash Risk*

A mutual fund may have times when it increases the level of cash that it holds. This may be done by the portfolio manager in order to protect assets or to take advantage of buying opportunities. A fund may also have a large amount of cash if it receives a large subscription and the portfolio manager cannot identify a good buying opportunity. Cash is also needed to fund redemption requests. To the extent that a mutual fund has a significant cash position, it may be able to avoid market declines, losses or instability. However, a significant cash position will also mean that a mutual fund may risk not taking advantage of market advances to the extent that it otherwise could have.

*Commodity Risk*

A Fund may invest in commodities or in companies engaged in commodity-focused industries and may obtain exposure to commodities using derivatives or by investing in exchange-traded funds, the underlying interests of which are commodities. Commodity prices can fluctuate significantly in short time periods, which will have a direct or indirect impact on the value of such a mutual fund.

*Concentration Risk*

Some Funds may concentrate their investments in a portfolio of relatively few securities. As a result, the securities in which they invest may not be adequately diversified across all sectors or may be concentrated in specific regions or countries. By investing in a relatively small number of securities, a significant portion of such Funds may be invested in a single security or business sector. This may result in higher volatility, as the value of the portfolio will vary in response to changes in the market value of an individual security or business sector. In addition, because these Funds invest in fewer issuers, their liquidity, and therefore their ability to satisfy redemption requests, may be adversely affected.

*Convertible Securities Risk*

Convertible securities are fixed-income securities, preferred stocks or other securities that are convertible into common stock or other securities. The market value of convertible securities tends to decline as interest rates increase and, conversely, to increase as interest rates decline. A convertible security's market value, however, tends to reflect the market price of the issuer's common stock when that price approaches or exceeds the convertible security's "conversion price". The conversion price is defined as the predetermined price at which the convertible security could be exchanged for the associated stock. As the market price of the common stock declines, the price of the convertible security tends to be influenced more by the yield of the convertible security. Thus, it may not decline in price to the same extent as the underlying common stock. In the event of a liquidation of the issuing company, holders of convertible securities would be paid before the company's common stockholders but after holders of any senior debt obligations of the company. Consequently, the issuer's convertible securities generally entail less risk than its common stock but more risk than its senior debt obligations.

*Credit Risk*

Credit risk can have a negative impact on the value of a money market security or a debt security such as a bond. This risk includes:

- Default risk, which is the risk that the issuer of the debt will not be able to pay interest or repay the debt when it is due. Generally, the greater the risk of default, the lower the quality of the debt security.

- Credit spread risk, which is the risk that the difference in interest rates (called "**credit spread**") between the issuer's bond and a bond considered to have little associated risk (such as a treasury bill or other government issued debt security) will increase. An increase in credit spread decreases the value of a debt security.

- Downgrade risk, which is the risk that a specialized credit rating agency will reduce the credit rating of an issuer's securities. A downgrade in credit rating or adverse news regarding an issuer can decrease the value of a debt security.

- Collateral risk, which is the risk that it will be difficult to sell the assets the issuer has given as collateral for the debt or that the assets may be deficient. This difficulty could cause a significant decrease in the value of a debt security.

*Currency Risk*

Foreign investments are generally purchased in currencies other than Canadian dollars. When foreign investments are purchased in a currency other than Canadian dollars, the value of those foreign investments will be affected by the value of the Canadian dollar relative to the value of the foreign currency. If the Canadian dollar rises in value relative to the other currency but the value of the foreign investment otherwise remains constant, the value of the investment in Canadian dollars will have fallen. Similarly, if the value of the Canadian dollar has fallen relative to the foreign currency, the value of the mutual fund's investment will have increased.

Some mutual funds may use derivatives such as options, futures, forward contracts, swaps and customized types of derivatives to hedge against losses caused by changes in exchange rates. Please see the “Investment Strategies” section of each Fund description in Part B of this simplified prospectus.

*Cybersecurity Risk*

With the increased use of technologies such as the Internet to conduct business, the manager and each of the Funds are susceptible to operational, information security, and related risks. 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 also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting the Funds, the Manager or the Funds’ service providers (including, but not limited to, the Funds’ registrar, Custodian and sub-custodians) have the ability to cause disruptions and impact each of their respective business operations, potentially resulting in financial losses, interference with the Funds’ ability to calculate their NAV, impediments to trading, the inability of unitholders to transact business with the Funds and the inability of the Funds to process transactions including redeeming units, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs associated with the implementation of any corrective measures. Similar adverse consequences could result from cyber incidents affecting the issuers of securities in which the Funds invest and counterparties with which the Funds engage in transactions.

In addition, substantial costs may be incurred to prevent any cyber incidents in the future. While the Manager and the Funds have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, inherent limitations exist in such plans and systems including the possibility that certain risks have not been identified. Furthermore, the Manager and the Funds cannot control the cyber security plans and systems of the Funds’ service providers, the issuers of securities in which the Funds invest or any other third parties whose operations may affect the Funds or their unitholders. As a result, the Funds and their unitholders could be negatively affected.

*Depository Receipt Risk*

Banks or other financial institutions, known as depositories, issue depository receipts that represent the value of securities issued by foreign companies. These receipts are most often known as ADR’s (American Depository Receipts), GDR’s (Global Depository Receipts), or EDR’s (European Depository Receipts), depending on the location of the depository. Funds invest in depository receipts to indirectly own foreign securities without having to trade on the local markets. There is a risk that the value of the depository receipts may be less than the value of the foreign securities. This difference can result from several factors: fees and expenses related to the depository receipts that are not borne by the foreign securities; fluctuation in the exchange rate between the currency of the depository receipts and the currency of the foreign securities; differences in taxes between the jurisdiction of the depository receipts and that of the issuer of the foreign securities; and the impact of the tax treaty, if any, between the tax jurisdiction governing the depository receipts and the jurisdiction governing the foreign securities. Also, a Fund faces the risks that the depository receipts may be less liquid, that the holders of depository receipts may have fewer legal rights than if they held the foreign securities directly, and that the depository may change the terms of the depository receipt, including terminating the depository receipts, in such a way that a Fund is forced to sell at an inopportune time.

*Derivative Risk*

This is the risk associated with the use of derivatives. Derivatives are financial instruments whose value depends upon, or is derived from, the value of something else, such as one or more underlying investments, pools of investments, indexes or currencies. Derivatives usually take the form of a contract with another party to buy or sell an asset at a later time. Some of the Funds may engage in a variety of transactions involving derivatives such as futures, forwards, options, warrants and swap contracts. We may use derivatives both for hedging and non-hedging purposes, or we may also choose not to use derivatives, based on our evaluation of market conditions or the availability of suitable derivatives.

Derivatives involve special risks and may result in losses. Some risks are as follows:

- There is no guarantee that a market will exist for some derivatives, which could prevent the mutual fund from selling or exiting the derivative prior to the maturity of the contract. This risk may restrict the mutual fund's ability to realize its profits or limit its losses.

- Securities and commodities exchanges could set daily trading limits on options and futures. Such rule changes could prevent the mutual fund from completing a futures or options transaction, causing the mutual fund to realize a loss because it cannot hedge properly or limit a loss.

- Where a mutual fund holds a long or short position in a future whose underlying interest is a commodity, the mutual fund will always seek to close out its position by entering into an offsetting future prior to the first date on which the mutual fund might be required to make or take delivery of the commodity under the future. There is no guarantee the mutual fund will be able to do so. This could result in the mutual fund having to make or take delivery of the commodity.

- It is possible that the other party to the derivative contract ("**counterparty**") will fail to perform its obligations under the contract, resulting in a loss to a mutual fund.

- When entering into a derivative contract, the mutual fund may be required to provide margin or collateral to the counterparty. If the counterparty becomes insolvent, the mutual fund could lose its margin or its collateral or incur expenses to recover it.

- Some mutual funds may use derivatives to reduce certain risks associated with investments in foreign markets, currencies or specific securities. Using derivatives for these purposes is called hedging. Hedging may not be effective in preventing losses. Hedging may also reduce the opportunity for gain if the value of the hedged investment rises, because the derivative could incur an offsetting loss. Hedging may also be costly or difficult to implement.

*Emerging Markets Risk*

Funds that invest in emerging or developing markets are subject to the same risks as noted under Foreign Investment Risk. However, these risks may be greater in emerging markets than in foreign markets due, among other things, to greater market volatility, smaller trading volumes, higher risk of political and economic instability, greater risk of market closure and more government-imposed restrictions on foreign investment compared to the restrictions imposed in developed markets. The fluctuation of prices can therefore be more pronounced than in developed countries, and it may be more difficult to sell securities.

*Equity Risk*

Companies issue common shares and other kinds of equity securities to help pay for their operations and finance future growth. Equity securities can drop in price for many reasons. For example, they're affected by general economic and market conditions, interest rates, political developments and changes within the companies that issue the securities. If investors have confidence in a company and believe it will grow, the price of its equity securities is likely to rise. If investor confidence falls, equity prices are likely to fall, too. The prices of equity securities can vary widely, and mutual funds that invest in equity securities are generally more volatile than mutual funds that invest in fixed income securities.

*Exchange Traded Funds Risk*

Some of the Funds may invest some or all of their assets in other funds that are traded on a foreign stock exchange ("**exchange-traded funds**"). Generally, the Funds may only invest in exchange-traded funds that issue index participation units, which means that the only purpose of the fund is to hold the securities that are included in a specified widely quoted market index in substantially the same proportions as the index or to invest in a manner so as to replicate the performance of the index. As such, exchange-traded funds seek to provide returns similar to the performance of a particular market index or industry sector. Exchange-traded funds may not achieve the same return as their benchmark index due to differences in the actual weighting of securities held in the exchange-traded fund versus the weighting in the relevant index and due to operating and management expenses of the exchange-traded funds.

*Foreign Investment Risk*

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

Different financial, political and social factors can significantly affect the value of a mutual fund investment. Foreign markets may be volatile or lack liquidity (for example, due to smaller markets, longer settlement periods or local market conditions) which may cause fund prices to fluctuate more than if the funds limited their investments to Canadian securities. The costs of buying, selling and holding securities in foreign markets may be higher than those involved in domestic transactions.

*Government Securities Risk*

Some government agency securities may be subject to varying degrees of credit risk, particularly those not backed by the full faith and credit of the government. All government securities may be subject to price declines due to changing interest rates.

*Income Trust Risk*

Income trusts commonly hold debt or equity securities in, or are entitled to receive royalties from, an underlying active business. Income trusts generally fall into four sectors: business trusts, utility trusts, resource trusts and real estate investment trusts.

Investments in income trusts will have varying degrees of risk depending on the sector and the underlying assets. They will also be subject to general risks associated with business cycles, commodity prices, interest rates and other economic factors.

Returns on income trusts are neither fixed nor guaranteed. Typically income trusts and other securities that are expected to distribute income are more volatile than fixed income securities and preferred shares. The value of income trust units may decline significantly if they are unable to meet their distribution targets. To the extent that claims against an income trust are not satisfied by the trust, investors in the income trust (which include a fund that invests in the income trust) could be held responsible for such obligations. Some, but not all, jurisdictions have enacted legislation to protect investors from some of this liability.

*Inflation Risk*

Mutual funds are investment vehicles which generally have a long term time horizon. Many investors use them for retirement purposes. Inflation erodes future purchasing power and should be considered when determining an appropriate asset mix for an investor. Equity securities tend to provide better long term protection against inflation.

*Interest Rate Risk*

A mutual fund that invests partially or completely in bonds or other fixed income securities is impacted most by changes in interest rates. If interest rates increase, the value of the fixed income securities purchased tends to fall. If interest rates decrease, the value of these investments tends to rise.

The issuers of many kinds of fixed income securities can repay the principal before the security matures. This is called making a prepayment and it can happen when interest rates are decreasing. It is a risk because if a fixed income security is paid off sooner than expected, the mutual fund may have to reinvest this money in securities that have lower interest rates.

*Large Transaction Risk*

The securities of some of the Funds may be bought by (a) other mutual funds, investment funds or segregated funds, including other mutual funds managed by the Manager; (b) financial institutions in connection with other investment offerings; and/or (c) investors who participate in an asset allocation program or model portfolio program. Independently or collectively, these other parties may, from time to time, purchase, hold or redeem a large proportion of a Fund’s units.

A large purchase of a Fund’s units will create a relatively large cash position in that Fund’s portfolio. The presence of this cash position may adversely impact the performance of the Fund, and the investment of this cash position may result in significant incremental trading costs, which are borne by all of the investors in the Fund.

Conversely, a large redemption of a Fund's units may require the Fund to sell portfolio investments so that it can pay the redemption proceeds. This sale may impact the market value of those portfolio investments and result in significant incremental trading costs, which are borne by all of the investors in the Fund, and it may accelerate or increase the payment of capital gains distributions or capital gains dividends to these investors.

Similarly, an underlying fund, if any, may have to dispose of its investments at unfavourable prices to meet the redemption requests by a top fund. This could have a harmful effect on the performance of the underlying fund that meets a large redemption. Furthermore, the performance of the top fund is directly linked to the performance of the underlying fund and is therefore subject to the risks of the underlying fund in proportion to the amount of its investment in the underlying fund.

*Liquidity Risk*

A liquid asset trades on an organized market, such as a stock exchange, which provides price quotations for the asset. The use of an organized market means that it should be possible to convert the asset to cash at, or close to, the quoted price.

An asset is considered illiquid if it is more difficult to convert it to a liquid investment, such as cash. A company's securities may be illiquid if:

- the company is not well known;
- there are few outstanding securities;
- there are few potential buyers; or
- they cannot be resold because of a legal requirement, promise or an agreement.

A security issued by a government may also be illiquid to the extent there is not a well-developed market for a particular security.

The value of a Fund that holds illiquid securities may rise and fall substantially because the Fund may not be able to sell the securities for the value that we use in calculating the NAV of the Fund. There are restrictions on the amount of illiquid securities a Fund may hold.

*Loss Restriction Risk*

If a Fund experiences a "loss restriction event" (i) the Fund will be deemed to have a year-end for tax purposes, and (ii) the Fund will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses. Generally, a Fund will be subject to a loss restriction event when a person becomes a "majority-interest beneficiary" of the Fund or a group of persons becomes a "majority-interest group of beneficiaries" of the Fund, as that term is defined in the affiliated persons rules contained in the *Income Tax Act* (Canada) (the "**Tax Act**"), with appropriate modifications. Generally, a majority-interest beneficiary of a Fund will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, respectively, in the Fund. A person will be deemed not to become a majority–interest beneficiary, and a group of persons will be deemed not to become a majority-interest group of beneficiaries, of a Fund if the Fund meets certain investment requirements and qualifies as an "investment fund" under the rules.

*Market Disruption Risk*

Geopolitical risk such as war, or terrorism may in the future lead to increased market volatility and may have adverse long term effects on the global economy and markets generally. Those events could also have an acute impact on individual securities or related groups of securities that may be held by a Fund.

*Market Risk*

This is the risk that the market value of a fund's investments will rise or fall based on specific company developments and stock market conditions. Market value also varies with changes in the general economic and financial conditions in countries where investments are based.

*Portfolio Manager and Sub-Advisor Risk*

All Funds are dependent on their portfolio management team or sub-advisor team to select individual securities or other investments and, therefore, are subject to the risk that poor security selection will cause a Fund to underperform relative to other funds with similar investment objectives. There is no certainty that any of the members of a portfolio management team or sub-advisor team will continue to be officers or portfolio managers of the Manager or of a sub-advisor.

*Preferred Shares Risk*

Companies issue preferred shares to help finance their operations and future growth. A company's performance outlook, market activity, credit rating and the larger economic picture influence its preferred share price. When the economy is expanding, the outlook for many companies will be positive and the value of their preferred shares should rise. The opposite is also true. Preferred shares can be issued as a perpetual security (no maturity date), with a maturity date with an issuer option to extend, or with a hard retraction at the investor's option. Preferred shares therefore can bear interest rate risk if the issuer has an option to extend the maturity date and the value of preferred shares can rise and fall with interest rates.

*Real Estate Risk*

Investments in real estate investment trusts ("**REITs**") and real estate corporations are subject to the general risks associated with real property investments. Real property investments are affected by various factors including changes in general economic conditions (such as interest rates and the availability of long term mortgage financing) and in local conditions (such as oversupply of space or a reduction in demand for real estate in the area), the attractiveness of the properties to tenants, competition from other available space and various other factors. The value of real property and any improvements thereto may also depend on the credit and financial stability of the tenants. The income of a REIT or real estate corporation that is available for payment to its securityholders would be adversely affected if a significant number of tenants were to become unable to meet their obligations to the REIT or real estate corporation, or if the REIT or real estate corporation was unable to lease a significant amount of available space in its properties on economically favourable lease terms.

*Regulatory Risk*

There can be no assurance that certain laws applicable to the Funds and/or their securityholders, including income tax and securities laws, and the administrative policies and practices of the applicable regulatory authorities will not be changed in a manner that adversely affects a Fund or its securityholders.

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

Some of the Funds may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions to the extent permitted by the Canadian securities regulatory authorities from time to time. There are risks associated with these kinds of transactions.

In *securities lending transactions*, a mutual fund lends its portfolio securities for a set period of time to borrowers who post acceptable collateral. To engage in securities lending, the manager of the applicable mutual fund appoints a qualified agent under a written agreement which addresses, among other requirements, the responsibility for administration and supervision of the securities lending program. There is a risk that the other party in the securities lending transaction may not fulfill its obligations leaving the mutual fund holding collateral which could be worth less than the loaned securities if the value of the loaned securities increases relative to the value of the cash or other collateral, resulting in a loss to the fund. To limit this risk:

(i) a Fund must hold collateral equal to no less than 102% of the value of the loaned securities (where the amount of collateral is adjusted each trading day to make sure that the value of the collateral does not go below the 102% minimum level);

(ii) the collateral to be held may consist only of cash, qualified securities or securities that can be immediately converted into identical securities to those that are on loan;

(iii) a Fund cannot loan more than 50% of the total value of its assets (not including the collateral held by the fund) through securities lending transactions; and

(iv) the Fund’s total exposure to any one borrower in securities, derivative transactions and securities lending will be limited to 10% of the total value of the Fund’s assets.

A *repurchase transaction* is where a mutual fund sells portfolio securities that it owns to a third party for cash and simultaneously agrees to buy back the securities at a later date at a specified price using the cash received by the fund from the third party. While the mutual fund retains its exposure to changes in the value of the portfolio securities, it also earns fees for participating in the repurchase transaction. To protect the interests of a mutual fund in a repurchase transaction, the mutual fund will receive, as collateral for the securities sold, a cash consideration equal to 102% of the market value of the securities sold. If the value of the securities sold increases, the purchaser would be required to pay an additional amount of money to maintain the collateral at 102% of the market value of the securities sold at all times.

The risk for the mutual fund associated with a repurchase transaction is mainly the purchaser’s inability to pay the necessary consideration to maintain the collateral at 102%. If the purchaser is unable to deliver the securities sold by the end of the agreed-upon period for the repurchase transaction and the market value of the securities sold increases during this same period, the collateral will no longer be adequate to buy back these same securities on the market. The portfolio manager will therefore have to use the money in the mutual fund to repurchase the securities and the mutual fund will sustain a loss. The market value of the securities forming part of a repurchase transaction by a Fund may not exceed 50% of its total assets, excluding the value of the collateral.

A *reverse repurchase transaction* is where a mutual fund purchases certain types of debt securities from a third party and simultaneously agrees to sell the securities back to the third party at a later date at a specified price. The difference between the mutual fund's purchase price for the debt instruments and the resale price provides the fund with additional income. To protect the interests of a mutual fund in a reverse repurchase transaction, the bought securities must have a market value equal to at least 102% of the amount paid by the mutual fund to purchase them.

The risk associated with a reverse repurchase transaction is mainly the inability of the seller to maintain the collateral at 102% of the cash consideration paid for the securities. The mutual fund could sustain a loss if the seller is unable to buy back the securities sold at the end of the agreed-upon period for the reverse repurchase transaction and the market value of the securities sold decreases during this same period. The amount obtained by selling securities forming part of a reverse repurchase transaction will be less than the cash consideration given by the mutual fund in exchange for the securities, resulting in a loss for the mutual fund. The market value of the securities forming part of a reverse repurchase transaction by a mutual fund may not exceed 50% of its total assets, excluding the value of the assets given as collateral.

As indicated above, securities lending, repurchase and reverse repurchase transactions enable the mutual funds to earn additional income and thereby enhance their performance. The risks described above can be minimized by selecting parties with solid credentials that have undergone a stringent credit evaluation.

*Series Risk*

In the multi-series unit structure of the Funds, each series will be charged, as a separate series, any expenses that are specifically attributable to that series. Those expenses will be deducted in calculating the unit price for that series of units and will reduce the value of the Fund's assets that are attributable to that series. Those expenses will continue to be liabilities of the Fund as a whole. As a result, if there are not enough assets of that series to pay those expenses, the remaining assets of the Fund as a whole would be used to pay the excess expenses. In that event the unit price of the other series would decline by its proportionate share of the excess expenses.

*Short Selling Risk*

Each of the Funds may engage in short selling transactions, as permitted by applicable Canadian Securities laws and regulations. Generally speaking, short selling can provide a fund with an opportunity for gain where the fund's portfolio management team expects the price of a security to decrease. A short sale by a fund involves borrowing securities from a lender which are then sold in the open market. At a future date, the same securities are repurchased by the fund and returned to the lender. Until the securities are returned, fund assets are deposited with the lender as security and the fund pays interest to the lender on the borrowed securities. If the value of the securities decreases between the time that the fund borrows the securities and the time it repurchases and returns the securities to the lender, the fund makes a profit on the difference (minus the interest paid to the lender). Short selling by a fund involves the following risks: (i) securities sold short may appreciate in value and create a loss for the fund; (ii) the fund may experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist; (iii) the lender may recall the borrowed securities at any time; and (iv) the lender may experience financial difficulties and the fund may lose the collateral it has deposited with the lender. The fund will adhere to controls and restrictions that are intended to help offset these risks, as discussed in the Annual Information Form under the heading "Investment Restrictions".

*Small Company Risk*

A Fund may make investments in smaller capitalization companies. These investments are generally riskier than investments in larger companies for several reasons. Smaller companies are often relatively new and may not have an extensive track record. This may make it difficult for the market to place a proper value on these companies. Some of these companies may not have extensive financial resources and, as a result, may be unable to react to events in an optimal manner. In addition, stocks of smaller companies are sometimes less liquid, meaning that there is less demand for such stocks in the marketplace at a price that is deemed fair by sellers.

*Specific Issuer Risk*

The value of the securities will vary positively or negatively with developments within the specific companies, governments, or trusts that issue the securities. If a Fund has a significant portion of its assets in or exposed to anyone issuer, it is possible that the Fund may experience greater volatility and reduced liquidity. Each Fund is subject to certain concentration restrictions under applicable securities laws.

*Taxation Risk*

There can be no assurance that the Canada Revenue Agency will agree with the tax treatment adopted by the Fund in filing its tax return, and the Canada Revenue Agency could reassess the Fund on a basis that results in tax being payable by the Fund.

In determining its income for tax purposes, the Fund will treat option premiums received on the writing of covered options and any gains or losses sustained on closing out such options in accordance with the Canada Revenue Agency's published administrative practice. The Canada Revenue Agency's practice is not to grant advance income tax rulings on the characterization of items as capital or income and no advance income tax ruling has been applied for or received from the Canada Revenue Agency. Accordingly, there is a risk that the Canada Revenue Agency may not agree with the tax treatment adopted by the Fund. In such case, the net income of the Fund for tax purposes and the taxable component of distributions to unitholders could increase, and the Fund could be liable for income tax. Any such redetermination by the Canada Revenue Agency may also result in the Fund being liable for unremitted withholding taxes on prior distributions made to unitholders who were not resident in Canada for the purposes of the Tax Act at the time of the distribution. Such potential liability may reduce NAV, NAV per Unit or the trading prices of the units.

## Organization and Management of the Funds

| | |
|---|---|
| **MANAGER**<br>Canoe Financial LP<br><br>The Manager's head office is located at:<br>2750, 421 7th Avenue S.W.<br>Calgary, Alberta T2P 4K9<br><br>1-877-434-2796<br>www.canoefinancial.com | The manager manages the overall business of the Funds, including arranging for portfolio management services, arranging for the provision of administration services and promoting sales of each Fund's units. |
| **TRUSTEE**<br>Canoe Financial LP<br>Calgary, Alberta | The Funds are organized as trusts. When you invest in the Funds, you are buying units of the trust. The trustee holds legal title to the property of the Funds - the cash and securities – for the benefit of unitholders. |
| **PORTFOLIO MANAGER**<br>Canoe Financial LP<br>Calgary, Alberta | The portfolio manager is responsible for the investment portfolio of the Funds. It carries out all research and determines purchases and sales of the Funds' portfolio securities. |
| **SUB-ADVISOR**<br><br>Fiera Capital Corporation<br>Montreal, Québec | We have retained Fiera Capital Corporation to act as a sub-advisor for Canoe International Equity Fund, Canoe Global Equity Fund, Canoe Defensive Global Equity Fund and Canoe Canadian Small Mid Cap Fund. |
| **CUSTODIAN**<br>State Street Trust Company Canada<br>Toronto, Ontario | State Street Trust Company Canada has custody of the portfolio assets of the Funds and carries out settlement of portfolio transactions. It may retain sub-custodians to hold, and settle transactions in, portfolio assets of the Funds in countries other than Canada. |
| **REGISTRAR**<br><br>International Financial Data Services (Canada) Limited<br>Toronto, Ontario | Independent of the manager, International Financial Data Services (Canada) Limited keeps track of the owners of units of each the Funds, processes purchase, switch and redemption orders, issues investor account statements and trade confirmations and issues annual tax reporting information. |
| **AUDITOR**<br><br>PricewaterhouseCoopers LLP<br>Calgary, Alberta | The auditor audits the financial statements of the Funds. |

| | |
|---|---|
| **SECURITIES LENDING AGENT**<br><br>State Street Bank and Trust Company<br>Boston, Massachussetts | State Street Bank and Trust Company has been appointed as the Funds securities lending agent and, as such, is responsible for the Funds' securities lending program. |
| **INDEPENDENT REVIEW COMMITTEE** | The Independent Review Committee ("**IRC**") for the Funds consists of three individuals, all of whom are independent from the Manager and parties related to the Manager. The IRC's mandate is to review, and provide input on, the Manager's written policies and procedures that deal with conflict of interest matters in respect of the Funds and to review and, in some instances, approve, conflict of interest matters.<br><br>The Independent Review Committee (the "**IRC'**) may also approve certain mergers involving the Funds and any change of the auditors of the Funds. Investor approval will not be obtained in these circumstances but investors will be sent a written notice at least 60 days before the effective date of any such merger or change of auditors.<br><br>The IRC will prepare a report of its activities for unitholders at least annually which will be available on the website of the Manager at www.canoefinancial.com. It will also be available free of charge from the Manager on request by calling toll-free at 1-877-434-2796 or by email at info@canoefinancial.com. For information concerning the compensation and expenses payable to the IRC, please see "Operating Expenses" below. Additional information about the IRC, including the names of its members, is also available in the Annual Information Form of the Funds. |

Each of the Funds ("**Top Funds**") may invest a portion of its assets in other mutual funds ("**Underlying Funds**"). Where the Underlying Funds are also managed by the Manager, Canoe will not vote the securities of the Underlying Funds held by the Top Funds. Instead, where applicable, Canoe may arrange for such securities to be voted by the beneficial unitholders of the applicable Top Fund.

**Purchases, Switches and Redemptions**

**Series of Units**

Each Fund offers three series of units called Series A units, Series D units and Series F units.

Canoe Diversified Bond Fund, Canoe Income and Growth Fund, Canoe High Income Fund and Canoe Global Equity Fund also offer Series O units.

Canoe Canadian Small Mid Cap Fund also offers Series OX units.

Certain Funds may have other series of units that are not offered for sale under this simplified prospectus.

***Series A***

Series A units are available to all investors. Series A units may be converted into Series D units of the same Fund or another Fund at the investor's request and with the Manager's approval. Series A units may also be converted into other series of units of the same Fund or another Fund (except Series O and Series OX units) subject to our approval and the eligibility requirements (where applicable). However, note that holders of Series A units purchased under the low load charge option are only authorized to switch to Series A units of another Fund if such Fund offers Series A units under the low load charge option.

***Series D***

Series D units can be purchased directly through our subsidiary, Frontier Capital Funds Inc. or with confirmation from your dealer that you are investing through a discount brokerage account or other account approved by us, and your dealer has entered into an agreement with us relating to the distribution of these units. Series D units may be converted into other series of units of the same Fund or another Fund (except in Series O and Series OX units) subject to our approval and the eligibility requirements (where applicable).

***Series F***

Series F units are available to investors who participate in dealer-sponsored “fee-for-service” or wrap programs. Instead of paying sales charges, investors pay their dealer a fee for investment advice and other services they provide rather than commissions on each transaction. We don’t pay any commissions or trailer fees to dealers who sell Series F units, which means we can charge a lower management fee.

Investors wishing to purchase Series F units must also meet the minimum investment levels as determined by us from time to time in our discretion. Your dealer is responsible for deciding whether you are eligible to buy and continue to hold Series F units. If you’re no longer eligible to hold Series F units, your dealer is responsible for telling us to convert your units into Series A or Series D units of the same Fund or to redeem them. You can convert from Series F units to other series of units of the same Fund or another Fund (except Series O and Series OX units) subject to our approval and the eligibility requirements (where applicable).

***Series O and Series OX***

Series O and Series OX units are designed for institutional and high net worth investors, including other Funds, who are entitled to reduced management fees because of the lower cost of servicing large dollar investments in the Funds. Series O and Series OX units of the Funds may only be purchased directly from us or your dealer must have entered into a distribution agreement with us governing the investment in Series O or Series OX units. Only investors who meet our account requirements and minimum investment levels will be eligible to purchase Series O or Series OX units. Minimum investment levels may vary and are set at our discretion. We reserve the right to make exceptions at our discretion. No management fees are charged to the Funds with respect to Series O or Series OX units. Investors in Series O and Series OX units pay a fee directly to us. The Funds pay the expenses related to Series O and Series OX units.

If the market value of your investment in Series O or Series OX units of a Fund falls below our minimum investment requirement for Series O or Series OX units due to redemptions or declines in unit price, we may, at our option, convert your units into Series D units of the same Fund after giving you 30 days' prior written notice. You may wish to invest additional money into the Fund during this period to be able to remain invested in Series O or Series OX units.

You may convert your Series O or Series OX to other series of units of the same Fund or another Fund subject to our approval and the eligibility requirements (where applicable).

**Purchases**

You may purchase, switch (transfer from one Fund to another) or redeem units through dealers if you are resident in Québec, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, Nova Scotia, Yukon and New Brunswick. We may also accept orders from you if you are not a resident of Canada, provided the sale to you can be made in compliance with the laws of your jurisdiction.

You must be of the age of majority in the jurisdiction in which you live to buy units in a mutual fund. You may hold units in trust for a minor.

You buy, switch and redeem units at the NAV ("**NAV**") per unit of each series of units of a Fund. We calculate the NAV for each unit by:

- taking that series' proportionate share of the assets of the Fund;
- subtracting that series' expenses and its proportionate share of the Fund's common expenses; and
- dividing that number by the total number of outstanding units of that series.

The NAV per unit of each series of units of a Fund is calculated as at the close of trading of the Toronto Stock Exchange (the "**TSX**") (normally 4:00 p.m. Toronto time) on each day the TSX is open for trading, other than a Saturday or Sunday, on which Canadian chartered banks are open for business. If the TSX closes early on any day, the NAV per unit of each series of units of a Fund will be calculated as at that earlier closing time. We calculate the NAV of each Fund and each series of units of each Fund in Canadian dollars.

All purchases, switches and redemptions are completed by using the NAV per unit of each series of units of a Fund next calculated after receipt by the Fund of a purchase, switch or redemption order. The cut-off time for same day processing is 4:00 p.m. Toronto time on a day on which the TSX is open for regular trading. All requests received by the registrar, or other authorized intermediary, before the cut-off time will be processed that same day, at that day's NAV per unit of the applicable series of units. Orders received after the cut-off time will be processed the next business day, as of that next business day's NAV per unit of that series. Your dealer is responsible for transmitting orders to us by the cut-off time. On any day that the TSX closes early, the cut-off time for same-day processing will be that earlier closing time.

You may elect to purchase Series A and F units of Canoe Global Equity Fund or Canoe Defensive Global Equity Fund or Series A units of Canoe U.S. Equity Fund using U.S. dollars (the "**U.S. Dollar Option**"). If you purchase units using the U.S. Dollar Option, we will determine your purchase price per unit by taking the Canadian dollar series NAV per unit of the applicable Fund and converting it into U.S. dollars based on the exchange rate at the time the series NAV per unit is calculated on the day your purchase order is received. The exchange rate used for such conversion is the rate of exchange established using customary banking sources. The U.S. Dollar Option is offered as a convenience to allow investors to purchase units of these Funds with U.S. dollars. The overall performance of your investment is the same, regardless of whether you purchased units of these Funds in Canadian dollars or U.S. dollars. **It does not hedge or protect against losses caused by fluctuations in the exchange rate between Canadian and U.S. dollars.**

**Purchase Options**

If you buy Series A Units, your dealer may charge you a fee, as described under "Fees and Expenses". Under the initial sales charge option, you and your dealer negotiate the fee, which may be up to 5% of the cost of the units, and you pay this fee to your dealer when you buy the units. Under the low load charge option, you do not pay a fee when you buy the units. However, if you redeem the units within three years of buying them, you will pay us a fee that starts at 3% of their original cost. In respect of Series A units and Series D units, we will pay trailer fees to your dealer. See "Fees and Expenses" and "Dealer Compensation" below.

You pay no sales commission if you buy Series D units. Certain dealers do not charge brokerage commissions when you purchase or sell Series D units; however, you should confirm this with your dealer.

Series F units are available without any sales commission to qualified investors, which means that you pay no sales charge when you buy and sell Series F units.

**Minimum Investment**

Due to the high cost of establishing accounts, the minimum amount of an initial purchase of Series A units, Series D units, or Series F units of the Funds is $2,500. After your first investment, you can make further investments of as little as $50 each or buy units through our pre authorized chequing plan described below. We will determine, and from time to time may change, the minimum amounts for initial and subsequent investments in any series of the Funds.

Institutional and other larger investors who would like to invest in Series O or Series OX units of a Fund should contact us to enter into an agreement governing their investment and determine our minimum investment level currently applicable for the relevant Fund.

Investors in the Funds must keep at least $1,000 worth of investments in their accounts. If your account falls below $1,000, we may notify you and give you 30 days to make another investment. If your account stays below $1,000 after those 30 days, we may redeem all of the units in your account and send the proceeds to you. However, we reserve the right to redeem, without notice to you, all of the units that you hold in a Fund if your investment in that Fund falls below $1,000. We also intend to observe all redemption policies that may be implemented from time to time by industry participants such as Fund*SERV*, which provides a transaction processing system used by some mutual funds in Canada. We may redeem Series O or Series OX units held in your account should the aggregate NAV of these units fall below any minimum investment level determined by the Manager.

We may waive these amounts in our absolute discretion.

**How We Process Your Order**

You and your advisor are responsible for ensuring that your purchase order is accurate and that we receive all the necessary documents or instructions.

We must receive full payment within two business days of processing your order. If we do not receive payment within that time or if the payment is returned, we will sell your units on the next business day. If the proceeds are greater than the amount you owe us, the Fund will keep the difference. If the proceeds are less than the amount you owe us, your dealer will pay the difference to the Fund and you may have to reimburse your dealer.

We can accept or reject your order within one business day of receiving it. To reduce the adverse effect to existing investors of large redemptions in a Fund, we may reject your order if it makes you a holder of 10% or more of the Fund's net assets. If we accept your order, you will receive a written confirmation from us and/or your dealer or the intermediary. If we receive your money and subsequently reject your order, we will return your money to you without interest or penalty. If you are not a resident of Canada and any documentation we require you to submit to complete a purchase is not received in fully completed form prior to 4:00 p.m. (Toronto time) on the business day after your purchase order was placed, the order will automatically be rejected and all monies received with the order will be returned to you.

## Switches

You can switch all or part of your investment from one Fund to another, or from one series to another within the same Fund, by redeeming some or all units of a series of a Fund that you already own and purchasing units of the same series in a new Fund or Funds or in a new series of the same Fund or another Fund. You can only switch into series of units if you meet all applicable eligibility requirements for those series of units.

Switches to another Fund are treated as redemptions for purposes of the imposition of any applicable short term trading fee. Any restriction on the number of switches and related administrative fees are to discourage excessive switching which can hurt the Fund's performance and have a negative effect on unitholders through their Fund's performance and through transaction charges to the Fund. We do not encourage investors to attempt to outguess the market but encourage them to view their holdings as long-term investments. Please see the table entitled "Fees and Expenses Payable Directly by You" below.

Switches from a series of a Fund purchased under the U.S. Dollar Option to a series of the same Fund or another Fund which offers the U.S. Dollar Option will be processed in U.S. dollars. Switches may also be made from a series of a Fund purchased under the U.S. Dollar Option to a series of the same Fund or another Fund not offered under the U.S. Dollar Option, but will be processed in Canadian dollars.

It is generally not advisable to make changes between purchase options.  By retaining the original purchase option, you will avoid any unnecessary additional charges.

If you switch from units of a Fund purchased under the low load charge option to units of another Fund under the low load charge option, your new units will generally have the same redemption fee schedule as your original units.

Switches between Funds are dispositions for tax purposes, and may give rise to capital gains or capital losses. For the tax consequences of switches, please see “Income Tax Considerations for Investors” below. Switches between one series of units to a different series of units of the same Fund are not dispositions for tax purposes except if the switch occurs between a hedge series and a series that is not a hedge series.

Changing or converting units from one series to another series of the same Fund is not a disposition for tax purposes except to the extent that (i) it is a switch between a hedge series to a series of units of the same Fund that is not a hedge series (and vice versa); and (ii) units are redeemed to pay a switch fee. In such cases, if those units are held outside a registered plan you may realize a taxable capital gain or loss.

You must place all switch orders through your dealer.

**Changing between Purchase Options**

Changes in purchase options may involve a change in the compensation paid to your dealer. For the reasons set out below, it is generally not advisable to make changes between purchase options.

If your original units are subject to a redemption fee, such a change will trigger any applicable redemption fees. To the extent that units are redeemed in order to pay any fees or charges, you will realize a capital gain or loss on such redeemed units. In addition, if you are changing to the low load charge option from the initial sales charge option, a new redemption fee schedule will be imposed on your low load charge option units.

If you are changing to the initial sales charge option from the low load charge option, this may result in an increase in the trailing commissions being paid to your dealer. There will be no incremental charges to you, other than any redemption fee payable if your low load charge option units are still subject to a redemption fee schedule, any switch fee as described below, or a sales commission charged by your dealer. If the units are registered in your own name, we generally require written authorization from you through your dealer. If your units are registered in the name of your dealer or an intermediary, we generally require written authorization from your dealer or intermediary. Your dealer or intermediary will generally be required to make certain disclosures to you and to obtain your written consent to a change between purchase options.

**Switch Fees**

In general, dealers may charge you a switch fee of up to 2% of the amount switched to cover the time and processing costs involved in a switch. You and your dealer negotiate this fee.

Switch fees and sales commissions are exclusive of each other. Dealers may receive a switch fee or a sales commission for a switch transaction, but not both.

If you are no longer eligible to hold a certain series of units and the Manager switches you out of that series to another series of units of the same Fund, the dealer will not receive a fee or a sales commission.

You may also have to pay a short-term trading fee if you switch from units purchased within the last 30 days (see “Excessive Short Term Trading” and “Short Term Trading Fees” below).

No switch fees are charged when:

- you convert units from one series of a Fund to another series of the same Fund (where such conversions are permitted);
- you are switching Series A purchased under the low load charge option, to the initial sales charge option; or
- you are switching to, or from, Series F, Series O or Series OX units.

## Redemptions

You should consult your advisor in connection with any redemption. Your advisor may ask you to complete a redemption request form. Applications for redemption may be forwarded directly to your dealer for delivery to the Fund. We will attempt to promptly notify you or your dealer if we are missing any information needed to process your request.

Redemption requests received from the registered holder of units in any of the following cases are required to have signatures guaranteed by a Canadian chartered bank or trust company or by your dealer:

- your redemption proceeds are $25,000 or more;
- you ask us to send your redemption proceeds to another person or to a different address than which is recorded for your account;
- your redemption proceeds are not payable to all joint owners on your account; or
- a corporation, partnership, agent, fiduciary or surviving joint owner is redeeming units.

You should consult your advisor with respect to the documentation required.

All series of the Funds will pay redemption proceeds in Canadian dollars, unless you purchased Series A and Series F units of Canoe Global Equity Fund or Canoe Defensive Global Equity Fund or Series A units of Canoe U.S. Equity Fund in U.S. dollars. Series A and Series F units of Canoe Global Equity Fund or Canoe Defensive Global Equity Fund or Series A units of Canoe U.S. Equity Fund purchased using the U.S. Dollar Option can be redeemed in U.S. dollars only.

If you purchased units using the U.S. Dollar Option, we will calculate your redemption value per unit by taking the Canadian dollar series NAV per unit and converting it into U.S. dollars based on the exchange rate at the time the series NAV per unit is calculated on the day your redemption order is received. The exchange rate used for such conversion is the rate of exchange established using customary banking sources.

### Redemption Fees

When you redeem Series A units of the Funds you may be charged redemption fees. The amount of those fees depends on the purchase option you chose when you bought the units. If you have held the units for less than 30 days, you may also pay a short-term trading fee to the

Fund. See “Short Term Trading Fees” below for details. The applicable Series O or Series OX agreement covering such units may set out fees applicable to a redemption. You do not pay a fee for redeeming units that you bought under the initial sales charge option or for redeeming Series F units.

When you redeem Series A units that you bought under the low load charge option within three years of buying them, you pay a fee. The fee is a percentage of what you paid for the units, and it declines over the period that you hold the units.

If you chose the low load charge option for a Fund and then switch into another Fund under the low load charge option, the redemption fee for the new units will generally be based on the original purchase date and cost before the switch.

There is no redemption fee for units you receive from reinvested distributions.

**Order of Redemption**

Your Series A units bought under the low load charge option are redeemed in the following order:

- units that you receive from reinvested distributions; then
- matured units (units that are no longer subject to a redemption fee); then
- units that have a fee remaining, starting with those that will mature first.

**How We Procees Your Redemption Request**

We will pay you the proceeds of your redemption request within two business days of receiving all the required documents or instructions. We will deduct any redemption fees and withholding tax from the payment.

If your account is registered in the name of your dealer or an intermediary, we will send the proceeds to that account unless your dealer or the intermediary tells us otherwise.

If we do not receive all the necessary documents or instructions within 10 business days of receiving your redemption order, we will buy back your units on the tenth business day. If the sale proceeds are greater than the cost, the Fund will keep the difference. If the sale proceeds are less than the cost, your dealer will pay the difference to the Fund and you may have to reimburse your dealer.

**Suspending Your Right to Redeem**

Under extraordinary circumstances we may be required to suspend your right to redeem units. This would occur only in the following circumstances:

- market trading has been suspended on a stock or derivatives exchange on which more than 50% of the Fund’s assets are listed if those securities are not traded on another market or exchange that represents a reasonable and practical alternative, or
- we have obtained permission from the Canadian securities regulatory authorities to temporarily suspend redemptions.

If we suspend redemption rights before we have calculated the redemption price you may either withdraw your redemption request or redeem your units at the applicable NAV per unit of that series next calculated after the suspension has ended.

### Excessive Short Term Trading

The Funds should be considered to be long term investments. As such, we discourage investors from buying units of the Funds and then redeeming or switching those units with excessive frequency. Excessive trading is discouraged because it generates significant costs for the Funds, reducing the returns of the Funds and affecting all of the Funds' unitholders. Excessive trading can also interfere with the portfolio management of the Funds, as Funds may be required to sell assets to fund redemptions at unfavourable times or alter their longer term investment decisions, which may reduce the returns of the Funds.

Some investors may seek to trade or switch frequently to try to take advantage of the difference between a Fund's NAV and the value of the Fund's portfolio holdings. This activity is sometimes referred to as "market timing". We use a combination of measures to detect and deter market-timing activity, including:

- monitoring trading activity in investor accounts and, through this monitoring, declining certain trades;
- imposing short-term trading fees; and
- applying fair value pricing to foreign portfolio holdings in determining the prices of our Funds. See "Fair Value Pricing" below.

We consider trading to be excessive if you redeem or switch units within 30 days of purchasing them. In such cases, we may impose at our discretion a short term trading fee of 2% of the series NAV per unit redeemed or switched, payable to the relevant Fund. We will not charge such fee:

- for a redemption of units when an investor fails to meet the minimum investment amount for the Funds;
- for a redemption of units acquired through automatic reinvestment of all distributions of net income, capital gains or returns of capital by a Fund;
- for a redemption of units in connection with a failed settlement of a purchase of units;
- for a change of units from one series to another of the same Fund;
- for a redemption of units by another investment fund or investment product approved by us; or
- in the absolute discretion of the Manager.

### Fair Value Pricing

The TSX generally closes at 4:00 p.m. (Toronto time) on most business days. We price a Fund's equity holdings using their market values as of 4:00 p.m. (Toronto time). For securities traded on North American markets, the closing prices are generally an accurate reflection of market values at 4:00 p.m. (Toronto time). However, closing prices on foreign securities exchanges may, in certain cases, no longer accurately reflect market values. For example, events affecting the values of a Fund's foreign portfolio holdings may have occurred after the foreign market closed but before 4:00 p.m. (Toronto time). Our fair value pricing process makes adjustments to closing prices of units if there is a significant event which has occurred between the time the market closed and the time at which the series NAV per unit is calculated. The intent of fair value pricing is to increase the likelihood that a Fund's NAV and its series NAV per unit truly reflect the value of its holdings at the time the Fund's price is determined and to deter market-timing activity by decreasing the likelihood that an investor is able to take inappropriate advantage of market developments that occur following the market close and prior to 4:00 p.m. (Toronto time).

**Optional Services**

**Registered Plans**

Generally, Funds are eligible to be held in a Registered Retirement Savings Plan ("**RRSP**"), Registered Retirement Income Fund ("**RRIF**") (including any one of the various types of locked in registered plans such as a Locked In Retirement Account ("**LIRA**") or Life Income Fund ("**LIF**"), Registered Education Savings Plan ("**RESP**"), Registered Disability Savings Plan ("**RDSP**") or Tax Free Savings Account ("**TFSA**") (collectively, "**Registered Plans**"), provided that such Registered Plans are available in the province or territory of which you are resident. Please contact your advisor for more details.

Securities of the Funds are qualified investments under the Tax Act for Registered Plans. You should consult with your own tax advisor as to whether units of the Funds would be a "prohibited investment" under the Tax Act if held in your RRSP, RRIF, TFSA, RDSP or RESP in your particular circumstances.

**Pre-Authorized Chequing ("PAC") Plan**

You can set up a PAC plan with us through your advisor so that money is automatically withdrawn from your bank account at regular intervals and invested in the Funds that you choose. PAC plans allow you to take advantage of dollar-cost averaging. Dollar cost averaging is investing a fixed dollar amount at regular intervals. You will buy fewer units when the price is high and more when the price is low, averaging out the cost of your investment. Your dealer may offer a similar plan.

To set up a PAC plan, you must:

- provide us with an imprinted void cheque;
- tell us how much to withdraw;
- tell us when and how often to make the withdrawals; and
- tell us how to invest your contributions.

You may choose this option when you first buy units or at any time afterwards. You must set up your PAC plan through your advisor. We must receive notice of at least five business days to set up a PAC plan.

We do not charge a fee for setting up your PAC plan. However, there is a minimum initial purchase of $1,000 and each minimum subsequent purchase is $50. This minimum amount may be adjusted or waived in our absolute discretion and without notice to unitholders. You can only buy units in Canadian dollars through your PAC plan, other than units purchased under the U.S. Dollar Option, which must be purchased in U.S. dollars.

You may change your PAC plan instructions or cancel your PAC plan at any time as long as we receive notice of at least two business days. Most changes to accounts administered by us must be made through your dealer. If you redeem all of the units in your account, we will terminate your PAC plan unless you tell us otherwise.

**Systematic Withdrawal Plan ("SWP")**

You can set up a SWP with us so that we automatically make regular payments to you. We do this by redeeming units in your account. Your dealer may offer a similar plan. You can choose when you receive your money, for example, you can receive your money on a monthly, quarterly or every six months basis.

To set up a SWP, you must:

- have a minimum initial purchase of $5,000 in your account;
- complete the required form and give it to your advisor or send it to us; and
- tell us the frequency (minimum on a monthly basis) and amount of the withdrawals you want.

We must receive at least five business days' notice to set up a SWP. We do not charge a fee for a SWP. However, there is a minimum withdrawal amount of $50 for each withdrawal. This minimum withdrawal amount may be adjusted or waived in our absolute discretion and without notice to investors. Your redemption fees will depend on the purchase option that applies to the units redeemed.

You may change your SWP instructions or cancel your SWP at any time as long as we receive notice of at least two business days. Changes must be made through your advisor or dealer.

If your regular withdrawals are greater than the growth in your account, you will eventually exhaust your original investment. In certain circumstances, such as when the amount in your account falls below $1,000 we may redeem all your units and close your account.

**Fees and Expenses**

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

## FEES AND EXPENSES PAYABLE BY THE FUNDS

### Management Fees

We, in our capacity as manager of each Fund, manage the day-to-day business of each Fund. In addition, we act as portfolio manager of the Funds and manage the investment portfolios of the Funds, either directly or through sub-advisors. As consideration for our services, each Fund pays us a management fee based on the NAV of each series of the Fund.

In exchange for the management fees, we provide certain services to the Funds, including, but not limited to:

- providing, or arranging for the provision of, portfolio advisory and investment management services with respect to the investment portfolio of each Fund;
- directing the purchase and sale of portfolio securities;
- supervising any portfolio manager or portfolio sub-advisor appointed in respect of any Fund;
- delivering advice and assistance in connection with the determination of the investment strategies, policies and restrictions of each Fund;
- arranging for the distribution and sale of units of the Funds, including marketing advice and assistance;
- calculating the NAV of each Fund;
- providing, or causing to be provided, statistical and research services relating to the portfolio of each Fund;
- receiving, accepting or rejecting subscriptions for units of the Funds and establishing the minimum initial and subsequent investment amounts;
- communicating with unitholders of the Funds;
- providing, or causing to be provided, office accommodation, office facilities, personnel, custodial and safekeeping services, bookkeeping and internal account and audit services, legal services in respect of the procedures of the Fund and other usual and ordinary office services; and
- ensuring that all applicable securities legislation is complied with in connection with the operation of each Fund, including the preparation and filing of a simplified prospectus, fund fact documents, annual information form, continuous disclosure documents and financial statements.

The maximum rate of the fee, excluding HST and other applicable taxes, if any, is set out below. The fee is accrued daily and paid monthly.

| | Series A | Series D | Series F | Series O and Series OX |
|---|---|---|---|---|
| Canoe Diversified Bond Fund | 1.00% | 0.75% | 0.50% | Up to 0.50%* |
| Canoe Income and Growth Fund | 2.00% | 1.25% | 0.85% | Up to 0.85%* |
| Canoe High Income Fund | 2.00% | 1.25% | 0.85% | Up to 0.85%* |
| Canoe Core Canadian Equity Fund | N/A | 1.25% | 1.00% | Up to 1.00%* |
| Canoe Canadian Small Mid Cap Fund | 2.00% | 1.25% | 1.00% | Up to 1.00%* |
| Canoe U.S. Equity Fund | 1.75% | 1.00% | 0.75% | Up to 0.75%* |
| Canoe International Equity Fund | 1.90% | 1.15% | 0.75% | Up to 0.75%* |
| Canoe Global Equity Fund | 1.90% | 1.15% | 0.90% | Up to 0.90%* |
| Canoe Defensive Global Equity Fund | 1.95% | 1.20% | 0.75% | Up to 0.75%* |

* The management fee payable by Series O and Series OX investors is negotiated between you and the Manager and will be not exceed the Series F management fee shown in the table above. We charge the fee either monthly or quarterly and review it from time to time. Clients should contact their own tax advisers with respect to the deductibility of this fee.

Each of Funds ("**Top Funds**") may invest a portion of its assets in other mutual funds ("**Underlying Funds**"). The fees and expenses payable in connection with the management of the Underlying Funds are in addition to those payable by the Top Funds. However, we make sure that the Top Funds do not pay duplicate management fees on the portion of their assets that they invest in Underlying Funds. There will be no sales or redemption fees payable in relation to the purchase of securities in other mutual funds if the other mutual fund is managed by us or if it would duplicate a fee payable by an investor in the Fund.

In addition to above, we may also authorize a reduction in the management fee rates borne by a Fund's investors in Series A, Series D and Series F units. To effect such a reduction, we reduce the management fee we charge to the Fund with respect to the particular investor's units and the Fund distributes the amount of such reduction to that investor as a special distribution ("**Management Fee Distribution**"). A Fund will calculate and accrue Management Fee Distributions, where applicable, on a daily basis, and such amounts will be distributed at such intervals as we determine from time to time. Generally, Management Fee Distributions are paid first out of net income and net realized capital gains and then out of capital. Management Fee Distributions will automatically be reinvested in additional Series A units, Series D units or Series F units of such Fund, as applicable.

## Operating Expenses

Each of Canoe Core Canadian Equity Fund, Canoe Diversified Bond Fund, Canoe Canadian Small Mid Cap Fund, Canoe Income and Growth Fund, Canoe High Income Fund and Canoe U.S. Equity Fund pays all of its operating expenses, which include administrative costs, fees and expenses of the IRC (see below for more detailed information), interest expenses and taxes (if any) as well as legal, audit, transfer agent and custodian fees, the costs of financial reporting, unitholder servicing fees and prospectus printing as well as regulatory filing fees.

For each of Canoe Defensive Global Equity Fund, Canoe Global Equity Fund and Canoe International Equity Fund, effective February 22, 2019, we pay the operating expenses, other than the Fund Costs (as defined below) for each of these Funds (the "**Operating Expenses**"), in exchange for the payment by each such Fund of a fixed administration fee (the "**Administration Fee**") with respect to each series of units of each such Fund. The Operating Expenses include transfer agency fees; accounting, audit and legal fees; safekeeping and custodial fees; administrative and systems costs (including record keeping and fund accounting); costs of reports to investors, prospectuses and other disclosure documents; and regulatory filing fees (except those that are Fund Costs, as described below).

The Fund Costs payable by each of Canoe Defensive Global Equity Fund, Canoe Global Equity Fund and Canoe International Equity Fund are fees, costs and expenses associated with: all taxes (including, without limitation, HST, GST, capital taxes, income taxes and withholding taxes); bank charges, borrowing and interest; termination fees; the proportionate share of any trustee fees; unitholder meeting fees (where permitted to be charged to the Fund); the IRC or other advisory committee fees and expenses; compliance with any new governmental or regulatory requirements imposed on or after December 21, 2018 (including relating to Operating Expenses) and compliance with any material change to existing governmental or regulatory requirements imposed after such date (including extraordinary increases in regulatory fees); and any new types of costs, expenses or fees not incurred prior to, December 21, 2018, including arising from new government or regulatory requirements relating to the Operating Expenses or related to external services that were not commonly charged in the Canadian mutual fund industry as of such date and operating expenses (such as extraordinary litigation costs relating to Fund investments) that would have been outside the normal course of business of the Funds prior to such date.

The rate of the annual Administration Fee payable by each of Canoe Defensive Global Equity Fund, Canoe Global Equity Fund and Canoe International Equity Fund is equal to a percentage of the NAV of a series calculated and paid in the same manner as the management fee for that series. The Administration Fee is subject to GST, PST, HST and other applicable taxes. The rate of the annual Administration Fee is tiered.

For each of Canoe Defensive Global Equity Fund, Canoe Global Equity Fund and Canoe International Equity Fund one rate applies to the first $250 million of NAV of the series, a lower rate applies to the next tier where the NAV of the series, is above $250 million and up to $750 million, and the lowest rate applies to the amount in excess of $750 million of NAV of the series. The following table reflects the Administration Fee for these Funds:

**Administration Fee Rate**

| | Series A | Series D | Series F | Series O |
|---|---|---|---|---|
| First $250 million of NAV | 0.35% | 0.35% | 0.35% | 0.35% |

| | | | | |
|---|---|---|---|---|
| Portion of NAV above $250 million up to $750 million | 0.30% | 0.30% | 0.30% | 0.30% |
| Portion of NAV exceeding $750 million | 0.25% | 0.25% | 0.25% | 0.25% |

The Administration Fee paid to us by Canoe Defensive Global Equity Fund, Canoe Global Equity Fund and Canoe International Equity Fund in respect of a series of units may, in a particular period, be less than or exceed the operating expenses that we incur for those units.

In addition to the Administration Fee and Fund Costs payable by Canoe Defensive Global Equity Fund, Canoe Global Equity Fund and Canoe International Equity Fund, or the operating expenses incurred by the remaining Funds, each Fund incurs, and is responsible for, brokerage commissions and other portfolio transaction costs (including the cost of derivative and foreign exchange transactions), including any taxes applicable to such costs (collectively, "**Transaction Costs**"). Transaction Costs are not included in the management expense ratio calculations.

Each series of units of the Funds pays for its own Fund Costs or operating expenses, as applicable, and Transaction Costs (if any are attributable only to a series) and its proportionate share of the common Fund Costs or operating expenses, as applicable, and Transaction Costs. These amounts are paid out of the assets attributed to each series of units of the Fund which reduces the return you receive.

The fees and expenses of the Funds' IRC, composed of compensation paid to the committee members and the expenses of committee members that are associated with the IRC, are payable by the Funds and are included as a Fund Cost for Canoe Defensive Global Equity Fund, Canoe Global Equity Fund and Canoe International Equity Fund. Each Fund, along with other investment funds managed by Canoe, pays a proportionate share of the following compensation: $64,000 to the Chairman of the IRC and $43,500 to each other member of the IRC as an annual retainer. These expenses are allocated between the investment funds managed by Canoe in a manner that it considers to be fair and reasonable in its absolute discretion.

We may, in some years and in certain cases, pay a portion of the Funds' operating expenses or Administration Fee or Fund Costs, as applicable. The decision to absorb expenses is reviewed at least annually and determined at the discretion of the Manager, without notice to unitholders.

We will give unitholders 60 days' written notice of any change to the basis of the calculation of the fees or expenses that are charged to a Fund or its unitholders by an arm's length party that could result in an increase in charges, or the introduction of a fee or expense to be charged to a Fund or its unitholders by an arm's length party that could result in an increase in charges. For Series D, Series F, Series O and Series OX, we may change the basis of the calculation of a fee or expense or introduce a new fee or expense in each case in a way that could result in an increase in charges to the series, upon providing 60 days' written notice to unitholders.

The Funds are required to pay HST on most of their expenses.

### FEES AND EXPENSES PAYABLE DIRECTLY BY YOU

#### Initial Sales Charge Option

If you purchase Series A units under the initial sales charge option then you may pay between 0-5% of the total amount of your purchase order to your dealer.

There are no sales charges to purchase Series D, Series F, Series O or Series OX units. For Series F units, you will pay a fee agreed upon between you and your dealer.

**Low Load Charge Option**

Deferred sale charges or redemption fees are payable to the Manager in respect of Series A units purchased under the low load charge option which are redeemed within three years of buying such units. The deferred sales charge is based on the original acquisition cost of your units and is deducted from the value of the units redeemed.

If you purchase Series A units under the low load charge option, the Manager will pay your dealer a selling commission of up to 2.5% at the time of purchase of such units, which will not reduce the amount of money invested in such Series A units.

The low load charge rate depends on how long units have been held as presented in the tables below:

***Series A units of all Funds purchased under the low load charge option (excluding Series A units of Canoe Diversified Bond Fund purchased prior to February 25, 2019):***

| Units Redeemed: | Deferred Sales Charge Rate |
| --- | --- |
| Within the 1st year after purchase | 3.00% |
| During the 2nd year after purchase | 2.50% |
| During the 3rd year after purchase | 2.00% |
| After 3 years | Zero |

***Series A units of Canoe Diversified Bond Fund purchased under the low load charge option prior to February 25, 2019:***

| Units Redeemed: | Deferred Sales Charge Rate |
| --- | --- |
| Within the 1st year after purchase | 1.25% |
| During the 2nd year after purchase | 1.00% |
| During the 3rd year after purchase | 0.75% |
| After 3 years | Zero |

**Short Term Trading Fees**

A fee of 2% of the current value of the units on a redemption or switch of units within 30 days of purchase, payable to the Fund.

**Switch Fees**

Up to 2% of the amount switched, to cover the time and processing costs involved in a switch. You and your dealer negotiate this fee. Switch fees and sales commissions are exclusive of each other.

**Registered Plan Fees**

Nil

## Other Fees and Expenses

**Series O and Series OX Management Fees:** Investors in Series O and Series OX units of a Fund pay Canoe a fee based on the NAV of the Fund.

**Courier Charges:** If you request courier delivery of your redemption proceeds we will charge you the costs of such courier service.

**NSF Fee:** $30 per NSF cheque or NSF pre-authorized chequing withdrawal, plus applicable taxes.

## Impact of Sales Charges

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

| | **At Time of Purchase** | **1 Year** | **3 Years** | **5 Years** | **10 Years** |
|---|---|---|---|---|---|
| **No Load Option:** | | | | | |
| Purchase of Series D units of a Fund. | Nil | Nil | Nil | Nil | Nil |
| Purchase of Series O and Series OX units of a Fund made directly from us. | Nil | Nil | Nil | Nil | Nil |
| **Initial Sales Charge Option**[1]: Purchase of Series A units of a Fund. | Up to $50.00 | Nil | Nil | Nil | Nil |
| **Low Load Charge Option:** | | | | | |
| Purchase of Series A units of all Funds (except for Canoe Diversified Bond Fund prior to February 25, 2019). | Nil | $30.00 | $20.00 | Nil | Nil |
| Purchase of Series A units of Canoe Diversified Bond Fund under the low load | Nil | $12.50 | $7.50 | Nil | Nil |

| | At Time of Purchase | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|---|
| option prior to February 25, 2019. | | | | | |

[1] There are no sales charges to purchase Series F units. However, investors purchasing Series F units may pay a separate fee to their dealer.

Additional fees may apply on short-term redemptions and switches. See "Fees and Expenses" above for more details.

**Dealer Compensation**

**Sales Commission**

Your dealer may receive a commission when you buy Series A units of a Fund. The amount of the commission depends on the Fund and the purchase option you choose:

- up to 5% of the amount you invest when you buy units of a Fund under the initial sales charge option. The commission is paid by you and is deducted from your investment.

- up to 2.5% of the amount you invest when you buy units under the low load charge option of all Funds (except Canoe Diversified Bond Fund prior to February 25, 2019). The commission is not deducted from your investment - we pay your dealer, directly.

- up to 1% of the amount you invest if you bought units of Canoe Diversified Bond Fund prior to February 25, 2019 under the low load charge option. The commission is not deducted from your investment - we pay your dealer, directly.

**Trailer Fees**

To assist with distribution, administration and other client services, at the end of each month, in relation to Series A and Series D units of all Funds, we pay dealers, including discount brokers, a trailer fee. The trailer fee is a percentage of the total NAV per unit of all Series A and Series D units of all Funds held by each dealer's clients. The trailer fee is paid so long as such Series A and Series D units continue to be held by clients through the dealer. We expect that dealers will pay a portion of the trailer fees to your advisors for the services they provide to you. The tables below show the maximum annual trailer fee rate we pay.

***Series A units purchased under the initial sales charge option***

| | Maximum Annual Trailing Commission Rate (%) |
|---|---|
| All Funds other than the Fund noted below | 1.00% |
| Canoe Diversified Bond Fund | 0.50% |

***Series A units purchased under the low load charge option***

| | **Maximum Annual Trailing Commission Rate (%)** | | | |
|---|---|---|---|---|
| | **Year 1** | **Year 2** | **Year 3** | **Year 4** |
| All Funds other than the Fund noted below | 0.50% | 0.50% | 0.50% | 1.00% |
| Canoe Diversified Bond Fund | 0.25% | 0.25% | 0.25% | 0.50% |

***Series D units***

| | **Maximum Annual Trailing Commission Rate (%)** |
|---|---|
| All Funds | 0.25% |

We also pay trailer fees to your discount broker for units you purchase through your discount brokerage firm.

We may change the trailer fee rate or cancel it at any time. We do not pay trailer fees on Series F, Series O and Series OX units.

**Dealer Compensation from Management Fees**

For the financial year ended March 31, 2018, which is from January 1, 2017 to March 31, 2018, the former manager of the Funds paid a total cash compensation (that is, trailer commissions) to dealers, who distribute units of the Funds, in an amount which represents approximately 20.71% of the total management fees received by the former manager from all of the Funds.

**Income Tax Considerations for Investors**

This summary assumes that you are an individual (other than a trust), that you are resident in Canada, that you deal at arm's length and are not affiliated with the Funds, and that you hold units as capital property, for the purposes of the Tax Act. This summary does not apply to a unitholder who has entered or will enter into a "derivative forward agreement" or a "synthetic disposition arrangement" as these terms are defined in the Tax Act with respect to the units. 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 and the current published administrative practices and policies of the Canada Revenue Agency. More detailed tax information is in the Annual Information Form. This summary assumes that each of the Funds will qualify or will be deemed to qualify as a mutual fund trust under the Tax Act effective at all material times. This summary is not exhaustive of all tax considerations and is not intended to constitute legal or tax advice to an investor. Investors should seek professional independent advice regarding the tax consequences of investing in units, based upon the investors' own particular circumstances.

## For Units Held in a Registered Plan

If units of a Fund are held in a registered plan, distributions from the Fund and capital gains from a disposition of the units are generally not subject to tax under the Tax Act until withdrawals are made from the registered plan (withdrawals from a TFSA and certain withdrawals from RESPs and RDSPs are not taxable).

The units of a Fund will not be a “prohibited investment” for trusts governed by a TFSA, RRSP, RRIF, RDSP or RESP unless the holder of the TFSA, the annuitant under the RRSP or RRIF or the holder of a RDSP or the subscriber of a RESP, as applicable, (i) does not deal at arm’s length with the Fund for purposes of the Tax Act, or (ii) has a “significant interest” as defined in the Tax Act in the Fund. Generally, a holder, annuitant or subscriber, as the case may be, will not have a significant interest in a Fund unless the holder, annuitant or subscriber, as the case may be, owns interests as a beneficiary under the Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Fund, either alone or together with persons and partnerships with which the holder, annuitant or subscriber, as the case may be, does not deal at arm’s length. In addition, the units of a Fund will not be a “prohibited investment” if such units are “excluded property” as defined in the Tax Act.

## For Units Not Held in a Registered Plan

If you hold units outside of a registered plan, you will be required to include in computing your taxable income the amount of the net income and the taxable portion of the net capital gains paid or payable to you by the Fund in the year (including Management Fee Distributions), whether you receive these distributions in cash or they are reinvested in additional units. To the extent that the Funds so designate under the Tax Act, distributions of net taxable capital gains, taxable dividends on shares of taxable Canadian corporations and foreign source income of a Fund paid or payable to you by the Fund will effectively retain their character in your hands and be subject to the special tax treatment applicable to income of that character. An enhanced dividend tax credit is available for certain eligible dividends from taxable Canadian corporations. To the extent that the distributions (including Management Fee Distributions) to you by a Fund in any year exceed your share of the net income and net capital gains of that Fund allocated to you for that year, those distributions (except to the extent that they are proceeds of disposition) will be a return of capital and will not be taxable to you but will reduce the adjusted cost base of your units in the Fund. The non-taxable portion of a Fund’s net realized capital gain that is paid or payable to a unitholder will not be included in the unitholder’s income and will not reduce the adjusted cost base of the unitholder’s units. If the adjusted cost base of your units of a Fund would otherwise be less than zero you will be deemed to have realized a capital gain equal to the negative amount and the adjusted cost base of the units will be increased to zero.

You will be taxed on distributions of income and capital gains, even if the income and capital gains accrued to the Fund or were realized by the Fund before you acquired the units and were reflected in the purchase price of the units. If you buy units prior to a distribution you may have to pay tax on income and capital gains the Fund earned before you bought your units. You should bear this in mind when buying units.

The higher a Fund’s portfolio turnover rate in a year, the greater the chance the Fund will generate gains or losses in that year. There is not necessarily a relationship between high turnover rate and the performance of a portfolio.

If you dispose of your units, whether by switch, redemption or otherwise, you will realize a capital gain (or a capital loss) to the extent that the proceeds of disposition, less any costs of disposition, are greater (or less) than the adjusted cost base of the units. Fifty percent of a capital gain (or a capital loss) is generally included in determining your taxable capital gain (or allowable capital loss). Capital gains realized, and Canadian dividends received may give rise to alternative minimum tax.

In general, the aggregate adjusted cost base of your units in a Fund equals:

- the amount of your initial investment in the Fund (including any sales charges paid)
- **plus** the amount of any additional investments in the Fund (including any sales charges paid)
- **plus** the amount of any reinvested distributions (including Management Fee Distributions)
- **minus** the amount of capital returned in any distributions
- **minus** the adjusted cost base of any previous redemptions

A change of units of a series of a Fund into units of a different series of the same Fund will not, in certain cases and if certain conditions are met, result in a disposition of the initial units being changed. However, based on the Canada Revenue Agency's current views, a switch between units of a hedge series and units of the same Fund that do not belong to a hedge series will result in a disposition for tax purposes.

Series O unitholders should consult with their tax advisers regarding the deductibility of fees paid to us.

### What Are Your Legal Rights?

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

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

For more information, refer to your province's or territory's securities legislation or consult your lawyer.

### Additional Information

Pursuant to an exemption obtained from the Canadian Securities Administrators, the Funds may purchase or sell securities (including debt securities) from or to another investment fund managed by Canoe (including investment funds not subject to National Instrument 81-102 - *Investment Funds* ("**NI 81-102**")), subject to certain conditions, including IRC approval. The relief also permits the Funds to engage in inter-fund trades in equity securities using "last sale price" rather than closing sale price as required by National Instrument 81-107 – *Independent Review Committee for Investment Funds*.

## Specific Information about Each of the Funds Described in this Document

### Overview

In this part of the prospectus we have set out fund-specific information to help you compare the Funds and evaluate which ones are appropriate for your investment needs. The specific information for each Fund is divided into the following sections:

### *Fund Details*

This section identifies the type of fund, the types and series of securities of the Fund that are available, the date on which each series of each Fund was started and the Fund's eligibility as an investment for Registered Plans.

### *What Does the Fund Invest In?*

This section provides the investment objectives and strategies of each Fund. Each Fund will need the approval of its unitholders to change its fundamental investment objectives.

| |
|---|
| Investment Objectives = a Fund's goals, including the kinds of securities it invests in |
| Investment Strategies = how a Fund's portfolio manager attempts to achieve the objectives |

Except as described in the Annual Information Form, the Funds follow standard investment restrictions and practices established by the Canadian securities regulatory authorities.

Although the money you invest to buy units of any particular series is tracked on a series by series basis in each Fund's records, the assets of all series of a Fund are combined into a single pool to create one portfolio for investment purposes.

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

This tells you the specific risks of investing in the Fund.

We have also determined the investment risk level of each Fund in accordance with the standardized risk classification methodology set out in NI 81-102. This risk methodology is based on the Fund's historical volatility as measured by the 10-year standard deviation of the returns of the Fund. Standard deviation is used to quantify the historical dispersion of returns around the average returns over a recent 10-year period. In this context, it can provide an indication of the amount of variability of returns that occurred relative to the average return over the 10-year measurement period. The higher the standard deviation of a Fund, the greater the range of returns it experienced in the past. In general, the greater the range of observed or possible returns, the higher the risk.

For those Funds that do not have a 10-year return history, we calculate the investment risk level by using the actual return history of the Fund, and imputing the return history of one or more reference indices for the remainder of the

10-year period. In certain cases where a Fund either, invests substantially all of its assets in an Underlying Fund that has existed for at least 10 years, or there is another mutual fund with 10 years of performance history that has the same manager, portfolio manager, objectives and strategies, then we may use the returns of the Underlying Fund or other fund to complete a 10-year return history of the Fund for the purpose of estimating its 10-year standard deviation.

The following table identifies the Funds that have less than 10-year return history, the name of the reference index and a brief description of the reference index:

| **Fund** | **Reference Index** |
|---|---|
| Canoe International Equity Fund | As the historical performance of the Fund falls short of the 10-year period needed to calculate the standard deviation of the Fund, the Manager will substitute the missing performance by the MSCIEAFE NR CAD index, which is an equity index which captures large and mid-cap representation across developed markets countries around the world, excluding the US and Canada, denominated in Canadian dollars. |
| Canoe U.S. Equity Fund | As the historical performance of the Fund falls short of the 10-year period needed to calculate the standard deviation of the Fund, the Manager will substitute the missing performance by the S&P 500 TR CAD index, which is a market-capitalization-weighted index of the 500 largest U.S. publicly traded companies by market value that includes performance of both capital gains as well as dividends reinvested, denominated in Canadian dollars. |
| Canoe Defensive Global Equity | As the historical performance of the Fund falls short of the 10-year period needed to calculate the standard deviation of the Fund, the Manager will substitute the missing performance by 80% of the MSCI World CAD index which is designed to represent the performance of large and mid-cap stocks across developed markets, denominated in Canadian dollars and 20% of the FTSE 91D TB CAD index, which is a benchmark to track the performance of Canadian treasury bills with a 3-month term, denominated in Canadian dollars, as a blended index. |

Using this methodology we assign a risk rating in one of the following categories: low, low-to-medium, medium, medium-to-high, or high risk.

It is important to note that other types of risks, both measurable and non-measurable, may exist. A Fund's historical volatility may not be indicative of future volatility. We may exercise our discretion and assign a Fund a higher risk classification than indicated by the 10-year annualized standard deviation and the prescribed ranges if we believe that the Fund may be subject to other foreseeable risks that the 10-year annualized standard deviation does not reflect.

These risk ratings do not necessarily correspond to a client's risk tolerance assessment; please consult your advisor for advice regarding your personal circumstances.

Details about the standardized risk classification methodology that we used to determine the risk rating of each Fund are available on request, at no cost to you, by calling us at 1-877-434-2796, by writing to us at 2750, 421-7th Avenue S.W., Calgary, Alberta T2P 4K9 or by emailing us at info@canoefinancial.com.

***Distribution Policy***

As a unitholder, you are entitled to your share of a Fund's net income and net realized capital gains on its investments. Each Fund passes substantially all of its earnings along to its unitholders as distributions. A Fund earns income in the form of dividends from stocks and interest from debt securities. A Fund realizes capital gains when it sells securities for a higher price than it paid.

This section tells you how often each Fund will make a distribution of income and capital gains.

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

This section helps you to compare the cumulative costs of investing in Series A, Series D, Series F, Series O and Series OX units of a Fund, as applicable, with the similar costs of investing in other mutual funds. For each Fund the table shows the amount of fees and expenses of the Fund which would apply to the applicable series of units, over various time periods to each $1,000 investment you make, assuming:

- the Fund's annual performance is a constant 5% per year (which is the standard rate of performance to be used for illustrative purposes only); and

- the Fund's management expense ratio remained at the same level for the entire 10-year period as it was in its most recent financial year. For Series O and Series OX units it does not include the fee paid by you directly to us for our services.

Because the 5% performance rate and the constant management expense ratio are only assumptions for comparison purposes, your actual costs will be lower or higher.

For information about fees and expenses paid directly by the investor which are not included in the calculation of management expense ratio, please refer to the disclosure under the heading "Fees and Expenses" above.

| Canoe Diversified Bond Fund (formerly Fiera Capital Diversified Bond Fund) | |
|---|---|
| **FUND DETAILS** | |
| **TYPE OF FUND** | Bond |
| **DATE FUND STARTED** | Series A units: April 30, 2009<br>Series D units: November 22, 1985<br>Series F units: August 26, 2011<br>Series O units: July 13, 2001* |
| **SECURITIES OFFERED** | Mutual Fund Units: Series A, D, F and O |
| **REGISTERED PLAN STATUS** | Qualified Investment for registered plans under the Tax Act |

On February 22, 2019, Canoe became the manager, trustee and portfolio manager of the Fund. The Fund will merge into Canoe Bond Advantage Fund on or about March 8, 2019.

**What Does the Fund Invest In?**

**Investment Objectives**

To provide safety of capital and high current income primarily through investment in Canadian income securities.

The Fund will primarily invest in short and long-term debt securities issued or guaranteed by Federal, Provincial, and Municipal governments, as well as those issued by Canadian companies.

The fundamental investment objectives of the Fund may only be changed with the approval of a majority of unitholders at a meeting called for that purpose.

**Investment Strategies**

To achieve the Fund's objective, the Manager:

- seeks to achieve its objective through the construction of a diversified portfolio of fixed income securities, with active management of portfolio duration, yield curve positioning and credit risk;
- uses a combination of fundamental bottom up and top-down analysis to make decisions regarding security selection and portfolio fixed income sector allocations;
- will actively and efficiently adjusts the Fund's portfolio duration to take advantage of different stages in the economic cycle;
- will invest primarily in government and investment grade corporate bonds, but may also invest in other forms of debt and fixed income securities and debt-like instruments, including but not limited to: high yield bonds, municipal bonds, global sovereign bonds,

emerging markets debt, floating rate notes, unrated debt instruments, asset-backed securities, and preferred shares;

- may invest up to 15 percent of its assets in securities that have a below investment grade credit rating by a recognized credit rating organization;
- may invest up to 40 percent of Fund assets in debt securities of foreign issuers or debt securities denominated in foreign currencies;
- may invest up to 25 percent of Fund assets in cash or money market instruments to preserve capital in the event of adverse market conditions;
- may use derivatives such as futures, forwards, options, warrants and swaps, for hedging purposes to protect against losses or reduce volatility resulting from changes in interest rates, securities values, macro risks or exchange rates;
- may also use derivatives as a substitute for a bond, bond market or other security or to seek to generate additional income for the Fund, which is known as a "non-hedging" purpose;
- uses derivatives as permitted by securities regulation or in accordance with any exemptive relief obtained from such regulation;
- may enter into securities lending transactions to enhance Fund returns, as more fully described above, under the heading "Securities Lending, Repurchase Transactions and Reverse Repurchase Transactions"; and
- subject to providing the required notice to its unitholders, the Fund may engage in short selling, as described above under the heading "Short Selling Risk". Short selling will be used only in compliance with the investment objective of the Fund, and will be subject to the controls and restrictions set out in the Annual Information Form of the Funds under the heading "Investment Restrictions".

The Fund's portfolio turnover rate may be greater than 70 percent. The higher a fund's portfolio turnover rate, the greater the chance that a taxable investor may receive a distribution that must be included in income for tax purposes and the higher the trading costs for the fund.

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

This Fund is subject to the following risks, each of which is described in detail beginning on page 2.

- asset-backed securities and mortgage-backed securities risk
- cash risk
- concentration risk
- convertible securities risk
- currency risk
- credit risk
- cybersecurity risk
- derivatives risk
- exchange-traded fund risk
- foreign investment risk

- government securities risk
- inflation risk
- interest rate risk
- large transaction risk
- liquidity risk
- market disruption risk
- market risk
- portfolio management risk
- preferred shares risk
- regulatory risk
- securities lending, repurchase transactions and reverse repurchase
- series risk
- short selling risk
- transactions risk

As at February 20, 2019, Canoe Income and Growth Fund and Bank of Montreal owned 51.51% and 11.14%, respectively of the issued and outstanding units of the Fund. Please see “Large Transaction Risk” on page 8 for details of the risk associated with a possible redemption of units of the Fund by the investor.

## Who Should Invest in this Fund?

This Fund is suitable for investors who are looking for a diversified fixed income portfolio.

This Fund is appropriate for investors with a short to medium-term investment horizon, who are willing to accept a low level of investment risk.

## Distribution Policy

The Fund distributes income quarterly, in March, June, September and December, and distributes capital gains each December. We will automatically reinvest distributions in additional units of the same series of the Fund at the Fund’s current NAV for that series of unit unless you advise us in writing in advance of the distribution that you would like your distributions in cash.

## Fund Expenses Indirectly Borne by Investors

This table shows the amount of the fees and expenses of each series of the Fund which would apply to each $1,000 investment you make, based on the assumptions described on page 39.

Fees and expenses payable over:

| | | **1 Year** | **3 Years** | **5 Years** | **10 Years** |
|---|---|---|---|---|---|
| Series A | $ | 15.99 | 50.41 | 88.36 | 201.13 |

| | | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|---|
| Series D | $ | 12.81 | 40.39 | 70.79 | 161.15 |
| Series F | $ | 10.25 | 32.31 | 56.64 | 128.92 |
| Series O | $ | 4.41 | 13.90 | 24.36 | 55.45 |

| Canoe Income and Growth Fund (formerly Fiera Capital Income and Growth Fund) | |
|---|---|
| **FUND DETAILS** | |
| **TYPE OF FUND** | Balanced |
| **DATE FUND STARTED** | Series A units: April 30, 2009<br>Series D units: November 22, 1985<br>Series F units: December 1, 2006<br>Series O units: July 13, 2001 |
| **SECURITIES OFFERED** | Mutual Fund Units: Series A, D, F and O |
| **REGISTERED PLAN STATUS** | Qualified Investment for registered plans under the Tax Act |

On February 22, 2019, Canoe became the manager, trustee and portfolio manager of the Fund. The Fund will merge into Canoe Asset Allocation Portfolio Class (consisting of Canoe Asset Allocation Class and units of Canoe Trust Fund) on or about March 8, 2019.

**What Does the Fund Invest In?**

**Investment Objectives**

To achieve over a longer-term investment horizon, the highest possible return consistent with a fundamental investment philosophy which emphasizes broad diversification across and within all major security classes.

The Fund invests primarily in Canadian equity and fixed-income securities.

The fundamental investment objectives of the Fund may only be changed with the approval of a majority of unitholders at a meeting called for that purpose.

**Investment Strategies**

To achieve the Fund's objective, the Manager:

- will generally invests 30% to 70% of its assets in fixed-income and equity asset classes respectively;
- uses a strategic and tactical asset allocation approach to determine the appropriate asset allocation based on its return outlook of various asset classes under a number of potential economic scenarios;
- may invest up to 100% of its NAV directly in securities of other investment funds including funds managed by the Manager and ETFs managed by third parties. The criteria used for selecting investment fund securities are the same as the criteria for selecting individual securities. There will be no duplication of management fees, incentive fees or sales charges between the investment funds;

- may invest in any kind of equity securities including but not limited to: quality growth equities, dividend equities, small-cap equities, real estate investment trusts (REITs), infrastructure equities, business development companies (BDCs) and convertible securities;

- may invest in any kind of debt securities or instruments including but not limited to: government and investment grade corporate bonds, municipal bonds, high yield bonds, global sovereign bonds, emerging markets debt, floating rate notes, unrated debt instruments, asset-backed securities, and preferred shares;

- may invest up to 25% of Fund assets in cash or money market instruments to preserve capital in the event of adverse market conditions;

- may invest up to 50% of Fund assets in foreign securities;

- may use derivatives, such as futures, forward, options, warrants and swaps, for hedging purposes to protect against losses or reduce volatility resulting from changes in interest rates, securities values, macro risks or exchange rates;

- may also use derivatives as a substitute for a stock, a bond, stock market, bond market or other security or to seek to generate additional income for the Fund, which is known as a “non-hedging” purpose;

- will only use derivatives as permitted by securities regulation or in accordance with any exemptive relief obtained from such regulation;

- may enter into securities lending transactions to enhance Fund returns, as more fully described above, under the heading “Securities Lending, Repurchase Transactions and Reverse Repurchase Transactions"; and

- subject to providing the required notice to its unitholders, the Fund may engage in short selling, as described above under the heading “Short Selling Risk”. Short selling will be used only in compliance with the investment objective of the Fund, and will be subject to the controls and restrictions set out in the Annual Information Form of the Funds under the heading “Investment Restrictions”.

The Fund’s portfolio turnover rate may be greater than 70 percent. The higher a fund’s portfolio turnover rate, the greater the chance that a taxable investor may receive a distribution that must be included in income for tax purposes and the higher the trading costs for the fund.

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

This Fund is subject to the following risks, each of which is described in detail beginning on page 2.

- asset-backed securities and mortgage-backed securities risk
- cash risk
- concentration risk
- convertible securities risk
- currency risk

- credit risk
- cybersecurity risk
- derivatives risk
- depository risk
- equity risk
- exchange-traded fund risk
- foreign investment risk
- government securities risk
- inflation risk
- interest rate risk
- large transaction risk
- liquidity risk
- market disruption risk
- market risk
- portfolio manager and sub-advisor risk
- preferred shares risk
- regulatory risk
- securities lending, repurchase transactions and reverse repurchase
- series risk
- short selling risk
- specific issuer risk
- transactions risk

During the 12 months prior to August 28, 2018, the Fund invested as much as 32.37% of its net assets in the Canoe Core Canadian Equity Fund, as much as 28.35% of its net assets in the Canoe Diversified Bond Fund, as much as 26.23% of its net assets in the Canoe High Income Fund, as much as 26.08% of its net assets in the Canoe Global Equity Fund and as much as 24.79% of its net assets in the Canoe Defensive Global Equity Fund. See page 3 for a description of the concentration risk.

**Who Should Invest in this Fund?**

This Fund is suitable for investors looking for a moderate source of income in a single diversified investment with exposure to fixed income and equities.

This Fund is appropriate for investors with a medium to long-term investment horizon, who are willing to accept a low to medium level of investment risk.

**Distribution Policy**

This Fund makes monthly distributions on the last business day of each month. These monthly distributions are comprised of net income and may also include a significant return of capital component. The amount of the monthly distribution per unit is reset at the beginning of each calendar year. It is a factor of the Fund’s payout rate, the NAV per unit at the end of the previous calendar year and the number of units of the Fund you own at the time of the distribution. We may adjust the monthly distribution during the year, without prior notification, if market conditions significantly affect the ability to maintain the payout rate for the Fund.

The Fund distributes net capital gains annually in December of each year and may pay distributions at other times during the year.

We will automatically reinvest distributions in additional units of the same series of the Fund at the Fund's current NAV for that series of unit unless you advise us in writing in advance of the distribution that you would like your distributions in cash.

The amount of the distributions for a year may exceed the net income of the Fund. The excess will be treated as a return of capital in the unitholder's hands and will not be taxable in the year of receipt, but will reduce the adjusted cost base of the units and may, in certain situations, give rise to a capital gain.

## Fund Expenses Indirectly Borne by Investors

This table shows the amount of the fees and expenses of each series of the Fund which would apply to each $1,000 investment you make, based on the assumptions described on page 39.

Fees and expenses payable over:

| | | **1 Year** | **3 Years** | **5 Years** | **10 Years** |
|---|---|---|---|---|---|
| Series A | $ | 28.39 | 89.50 | 156.88 | 357.12 |
| Series D | $ | 19.68 | 62.04 | 108.74 | 247.53 |
| Series F | $ | 15.68 | 49.44 | 86.65 | 197.26 |
| Series O | $ | 5.23 | 16.48 | 28.88 | 65.75 |

| Canoe High Income Fund (formerly Fiera Capital High Income Fund) | |
|---|---|
| **FUND DETAILS** | |
| **TYPE OF FUND** | Income |
| **DATE FUND STARTED** | Series A units: April 30, 2009<br>Series D units: September 7, 2001<br>Series F units: December 1, 2006<br>Series O units: August 31, 2005* |
| **SECURITIES OFFERED** | Mutual Fund Units: Series A, D, F and O |
| **REGISTERED PLAN STATUS** | Qualified Investment for registered plans under the Tax Act |

On February 22, 2019, Canoe became the manager, trustee and portfolio manager of the Fund. The Fund will merge into Canoe Premium Income Fund on or about March 8, 2019.

**What Does the Fund Invest In?**

**Investment Objectives**

To provide a high level of income along with moderate capital growth by primarily investing in a diversified portfolio of Canadian securities, including real estate investment trusts (REITs), income trusts, fixed-income securities and high-yielding equities.

The fundamental investment objectives of the Fund may only be changed with the approval of a majority of unitholders at a meeting called for that purpose.

**Investment Strategies**

To achieve the Fund's objective, the Manager:

- employs a flexible approach by investing in income-oriented equity securities, debt securities and income-producing derivative strategies;
- uses a strategic and tactical asset allocation approach to determine the appropriate asset allocation based on its return outlook of various income generating asset classes under a number of potential economic scenarios;
- selects equity investments based on fundamental research and analysis. Security selection is ultimately based on an understanding of the company, its business and its future prospects;
- seeks equity issuers with strong historical profitability, above-average potential for earnings growth, strong financial position and a consistent track record of paying dividends or distributions which trade at attractive valuations;

- within the equity portion of the Fund, invests primarily in large and medium sized Canadian companies, although the Manager may take advantage of attractive opportunities in small-cap companies;
- may also invest in other income generating securities or instruments including but not limited to: real estate investment trusts (REITs), infrastructure equities, global sovereign bonds, emerging markets debt, asset-backed securities, business development companies (BDCs), convertible securities, debt securities or instruments and preferred shares;
- may write or sell options, including covered calls and cash-covered puts, and other income-oriented derivative strategies;
- diversifies investments by industry groups, economic drivers and/or investment themes;
- may invest up to 40 percent of Fund assets in securities of foreign companies;
- may invest up to 25 percent of Fund assets in cash or money market instruments to preserve capital in the event of adverse market conditions;
- may use derivatives such as futures, forwards, options, warrants and swaps, for hedging purposes to protect against losses or reduce volatility resulting from changes in interest rates, securities values, macro risks or exchange rates;
- may also use derivatives as a substitute for a stock, a bond, stock market, bond market or other security or to seek to generate additional income for the Fund, which is known as a “non-hedging” purpose;
- will only use derivatives as permitted by securities regulation or in accordance with any exemptive relief obtained from such regulation;
- may enter into securities lending transactions to enhance Fund returns, as more fully described above, under the heading “Securities Lending, Repurchase Transactions and Reverse Repurchase Transactions"; and
- subject to providing the required notice to its unitholders, the Fund may engage in short selling, as described above under the heading “Short Selling Risk”. Short selling will be used only in compliance with the investment objective of the Fund, and will be subject to the controls and restrictions set out in the Annual Information Form of the Funds under the heading “Investment Restrictions”.

The Fund’s portfolio turnover rate may be greater than 70 percent. The higher a fund’s portfolio turnover rate, the greater the chance that a taxable investor may receive a distribution that must be included in income for tax purposes and the higher the trading costs for the fund.

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

This Fund is subject to the following risks, each of which is described in detail beginning on page 2.

- asset-backed securities and mortgage-backed securities risk

- capital depletion risk
- cash risk
- commodity risk
- concentration risk
- convertible securities risk
- credit risk
- currency risk
- cybersecurity risk
- depository risk
- derivative risk
- equity risk
- exchange-traded fund risk
- foreign investment risk
- government securities risk
- income trust risk
- inflation risk
- interest rate risk
- large transaction risk
- liquidity risk
- market risk
- market disruption risk
- portfolio manager and subadvisor risk
- preferred shares risk
- real estate risk
- regulatory risk
- securities lending, repurchase transactions and reverse repurchase
- series risk
- short selling risk
- small business risk
- specific issuer risk
- transactions risk

As at February 20, 2019, Canoe Income and Growth Fund owned 50.65% of the issued and outstanding units of the Fund. Please see “Large Transaction Risk” on page 10 for details of the risk associated with a possible redemption of units of the Fund by the investor.

**Who Should Invest in this Fund?**

This Fund is suitable for investors who are looking for monthly income with a moderate degree of capital growth.

This Fund is appropriate for investors with a medium to long-term investment horizon, who are willing to accept a medium level of investment risk.

**Distribution Policy**

This Fund makes monthly distributions on the last business day of each month. These monthly distributions are comprised of net income and may also include a significant return of capital component. The amount of the monthly distribution per unit is reset at the beginning of each calendar year. It is a factor of the Fund's payout rate, the NAV per unit at the end of the previous calendar year and the number of units of the Fund you own at the time of the distribution. We may adjust the monthly distribution during the year, without prior notification, if market conditions significantly affect the ability to maintain the payout rate for the Fund.

The Fund distributes net capital gains annually in December of each year and may pay distributions at other times during the year.

We will automatically reinvest distributions in additional units of the same series of the Fund at the Fund's current NAV for that series of unit unless you advise us in writing in advance of the distribution that you would like your distributions in cash.

The amount of the distributions for a year may exceed the net income of the Fund. The excess will be treated as a return of capital in the unitholder's hands and will not be taxable in the year of receipt, but will reduce the adjusted cost base of the units and may, in certain situations, give rise to a capital gain.

**Fund Expenses Indirectly Borne by Investors**

This table shows the amount of the fees and expenses of each series of the Fund which would apply to each $1,000 investment you make, based on the assumptions described on page 39.

Fees and expenses payable over:

| | | **1 Year** | **3 Years** | **5 Years** | **10 Years** |
|---|---|---|---|---|---|
| Series A | $ | 29.83 | 94.03 | 164.82 | 375.17 |
| Series D | $ | 20.19 | 63.65 | 111.57 | 253.97 |
| Series F | $ | 18.45 | 58.16 | 101.95 | 232.06 |
| Series O | $ | 8.00 | 25.20 | 44.18 | 100.55 |

| Canoe Core Canadian Equity Fund (formerly Fiera Capital Core Canadian Equity Fund) | |
|---|---|
| **FUND DETAILS** | |
| **TYPE OF FUND** | Canadian Equity |
| **DATE FUND STARTED** | Series D units: July 31, 1998<br>Series F units: December 1, 2006 |
| **SECURITIES OFFERED** | Mutual Fund Units: Series D and F |
| **REGISTERED PLAN STATUS** | Qualified Investment for registered plans under the Tax Act |

On February 22, 2019, Canoe Financial LP became the manager, trustee and portfolio manager of the Fund. The Fund will merge into Canoe Equity Portfolio Class (consisting of Canoe Equity Class and units of Canoe Trust Fund) on or about March 8, 2019.

**What Does the Fund Invest In?**

**Investment Objectives**

To achieve over the longer term the highest possible return that is consistent with a conservative investment philosophy encompassing a diversified portfolio approach.

Investing primarily in equity securities of large and medium sized Canadian companies with a focus on high quality, solid companies with financial strength and growth prospects.

The fundamental investment objectives of the Fund may only be changed with the approval of a majority of unitholders at a meeting called for that purpose.

**Investment Strategies**

- The investment style is a blend of value with growth, incorporating both a bottom-up (75%) and a top-down (25%) process.
- The Fund is a core diversified portfolio of large, medium and small capitalization stocks, with an emphasis and focus on large to medium companies. The Fund uses the composite S&P/TSX index as the basis from which to determine whether a company will be considered a large or medium sized company for the purposes of the portfolio.
- High quality companies are selected if they represent good value based on financial strength, earnings growth, strong management and superior products/services. The “bottom-up” approach is more concerned with the selection of individual securities and relies on a detailed analysis of companies and their securities. Analysis of company finances and operation is often the most critical element of the security selection. The “top down” approach begins with a broad overview of the economy and narrows down to sectors of the economy and specific companies whose securities offer the most promise at a given point in the economic cycle.

- The Fund does not have a bias towards any particular sector. Stock selection is broadly diversified amongst four broad market categories - Interest sensitive, Consumer related, Resource and Industrial.
- The Fund may invest in international equity markets.
- The Fund may invest a portion of its NAV directly in securities of other investment funds (generally not more than 30%), including managed by the Manager and ETFs managed by third parties. The criteria used for selecting investment fund securities are the same as the criteria for selecting individual securities. There will be no duplication of management fees, incentive fees or sales charges between the investment funds.
- The Fund's investments in non-Canadian securities will generally not exceed 30% of its assets taken at book value.
- The Fund may engage in foreign currency transactions for hedging and non-hedging purposes.
- The Fund may use derivatives, such as futures, options, warrants and swaps, for hedging purposes, or in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objectives, enhancing the Fund's returns and to protect against losses or reduce volatility resulting from changes in interest rates, securities values or exchange rates.
- The Fund will only use derivatives as permitted by securities regulation or in accordance with any exemptive relief obtained from such regulation.
- The Fund may enter into securities lending transactions to enhance Fund returns, as more fully described above, under the heading "Securities Lending, Repurchase Transactions and Reverse Repurchase Transactions".
- The Fund may engage in short selling, as described above under the heading "Short Selling Risk". Short selling will be used only in compliance with the investment objective of the Fund, and will be subject to the controls and restrictions set out in the Annual Information Form of the Funds under the heading "Investment Restrictions".

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

This Fund is subject to the following risks, each of which is described in detail beginning on page 2.

- asset-backed securities and mortgage-backed securities risk
- capital depletion risk
- cash risk
- commodity risk
- concentration risk
- convertible securities risk
- credit risk
- currency risk
- cybersecurity risk
- derivative risk

- equity risk
- exchange-traded fund risk
- foreign investment risk
- government securities risk
- income trust risk
- inflation risk
- interest rate risk
- large transaction risk
- liquidity risk
- market risk
- market disruption risk
- portfolio manager and subadvisor risk
- preferred shares risk
- real estate risk
- regulatory risk
- securities lending, repurchase transactions and reverse repurchase
- series risk
- short selling risk
- small business risk
- specific issuer risk
- transactions risk

As at February 20, 2019, Canoe Income and Growth Fund owned 61.57% of the issued and outstanding units of the Fund. Please see “Large Transaction Risk” on page 8 for details of the risk associated with a possible redemption of units of the Fund by the investor.

**Who Should Invest in this Fund?**

This Fund is suitable for investors who are looking for a core Canadian equity investment that is managed with low portfolio turnover for enhanced tax-effectiveness.

This Fund is appropriate for investors with a medium to long-term investment horizon, who are willing to accept a medium level of investment risk.

**Distribution Policy**

The Fund distributes income twice a year, in June and December, and distributes capital gains each December. The Fund may also pay distributions at other times during the year. We will automatically reinvest distributions in additional units of the same series of the Fund at the Fund’s current NAV for that series of unit unless you advise us in writing in advance of the distribution that you would like your distributions in cash.

**Fund Expenses Indirectly Borne by Investors**

This table shows the amount of the fees and expenses of each series of the Fund which would apply to each $1,000 investment you make, based on the assumptions described on page 39.

Fees and expenses payable over:

| | | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|---|
| Series D | $ | 16.40 | 51.70 | 90.62 | 206.28 |
| Series F | $ | 14.35 | 45.24 | 79.29 | 180.48 |

| Canoe Canadian Small Mid Cap Fund (formerly Fiera Capital Equity Growth Fund) | |
|---|---|
| **FUND DETAILS** | |
| **TYPE OF FUND** | Canadian Equity |
| **DATE FUND STARTED** | Series A units: April 30, 2009<br>Series D units: November 20, 1986<br>Series F units: December 1, 2006<br>Series OX units: July 13, 2001* |
| **SECURITIES OFFERED** | Mutual Fund Units: Series A, D, F and OX |
| **REGISTERED PLAN STATUS** | Qualified Investment for registered plans under the Tax Act |

On February 22, 2019, Canoe became the manager, trustee and portfolio manager of the Fund and Fiera Capital Corporation was appointed as sub-advisor of the Fund. The Fund will merge into Canoe Canadian Small Mid Cap Portfolio Class (consisting of Canoe Canadian Small Mid Cap Class and units of Canoe Trust Fund) no later than December 31, 2019.

**What Does the Fund Invest In?**

**Investment Objectives**

To achieve over the longer term the highest possible return that is consistent with a fundamental investment philosophy.

The Fund invests primarily in Canadian equity securities issued by Canadian companies, with a significant bias toward small to medium capitalization stocks.

The fundamental investment objectives of the Fund may only be changed with the approval of a majority of unitholders at a meeting called for that purpose.

**Investment Strategies**

To achieve the Fund's objective, the Sub-Advisor:

- invests in companies with entrepreneurial management teams with significant ownership interest in their companies;
- seeks long term capital appreciation with less volatility driven by a portfolio of companies with superior return on equity (ROE) and growth coupled with lower financial leverage;
- may invest up to 30 percent of Fund assets in equity securities of foreign companies;
- diversifies investments by quantitative and qualitative evaluation system to optimize the portfolio of the Fund;

- may invest up to 25 percent of Fund assets in cash or money market instruments to preserve capital in the event of adverse market conditions;
- may invest in other investment funds including funds managed by the Manager and ETFs managed by third parties (it can represent up to 10% of the Fund's NAV); the criteria used for selecting investment fund securities are the same as the criteria for selecting individual securities. There will be no duplication of management fees, incentive fees or sales charges between the investment funds;
- may enter into securities lending transactions to enhance Fund returns, as more fully described above, under the heading "Securities Lending, Repurchase Transactions and Reverse Repurchase Transactions"; and
- the Fund may engage in short selling, as described above under the heading "Short Selling Risk". Short selling will be used only in compliance with the investment objective of the Fund, and will be subject to the controls and restrictions set out in the Annual Information Form of the Funds under the heading "Investment Restrictions".

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

This Fund is subject to the following risks, each of which is described in detail beginning on page 2.

- asset-backed securities and mortgage-backed securities risk
- capital depletion risk
- cash risk
- commodity risk
- concentration risk
- convertible securities risk
- credit risk
- currency risk
- cybersecurity risk
- depository risk
- derivative risk
- equity risk
- exchange-traded fund risk
- foreign investment risk
- government securities risk
- income trust risk
- inflation risk
- interest rate risk
- large transaction risk
- liquidity risk
- market risk
- market disruption risk
- portfolio manager and subadvisor risk
- preferred shares risk
- real estate risk
- regulatory risk
- securities lending, repurchase transactions and reverse repurchase

- series risk
- short selling risk
- small business risk
- specific issuer risk
- transactions risk

**Who Should Invest in this Fund?**

This Fund is suitable for investors who want to enhance the growth potential of their portfolio through exposure to small and medium size companies.

This Fund is appropriate for investors with a medium to long-term investment horizon, who are willing to accept a medium to high level of investment risk.

**Distribution Policy**

The Fund distributes income twice a year, in June and December, and distributes capital gains each December. The Fund may also pay distributions at other times during the year. We will automatically reinvest distributions in additional units of the same series of the Fund at the Fund's current NAV for that series of unit unless you advise us in writing in advance of the distribution that you would like your distributions in cash.

**Fund Expenses Indirectly Borne by Investors**

This table shows the amount of the fees and expenses of each series of the Fund which would apply to each $1,000 investment you make, based on the assumptions described on page 39.

Fees and expenses payable over:

| | | **1 Year** | **3 Years** | **5 Years** | **10 Years** |
|---|---|---|---|---|---|
| Series A | $ | 24.91 | 78.52 | 137.63 | 313.29 |
| Series D | $ | 16.30 | 51.38 | 90.06 | 204.99 |
| Series F | $ | 13.43 | 42.33 | 74.19 | 168.88 |
| Series OX | $ | 1.85 | 5.82 | 10.20 | 23.21 |

| Canoe U.S. Equity Fund (formerly Fiera Capital U.S. Equity Fund) | |
|---|---|
| **FUND DETAILS** | |
| **TYPE OF FUND** | U.S. Equity |
| **DATE FUND STARTED** | Series A units: August 27, 2013<br>Series D units: August 27, 2013<br>Series F units: August 27, 2013 |
| **SECURITIES OFFERED** | Mutual Fund Units: Series A, D and F |
| **REGISTERED PLAN STATUS** | Qualified Investment for registered plans under the Tax Act |

On February 22, 2019, Canoe became the manager, trustee and portfolio manager of the Fund. The Fund will merge into Canoe U.S. Equity Income Portfolio Class (consisting of Canoe U.S. Equity Income Class and units of Canoe Trust Fund) on or about March 8, 2019.

**What Does the Fund Invest In?**

**Investment Objective**

To achieve over the longer term the highest possible return that is consistent with a fundamental investment philosophy through investment primarily in U.S. equity securities.

To provide long-term capital appreciation through a portfolio of broadly diversified securities, by industry, invested primarily in the U.S. market.

The fundamental investment objectives of the Fund may only be changed with the approval of a majority of unitholders at a meeting called for that purpose.

**Investment Strategies**

- The Fund employs a fundamental approach to investing. In-depth stock and industry analysis is conducted by a team of investment professionals and is supplemented with quantitative value/growth and financial quality screens to monitor the universe of U.S. based companies.

- The Fund invests in high quality companies with valuations or growth profiles that compare favourably to the Fund’s comparable benchmark.

- The Fund’s investment portfolio is constructed using an integrated approach to investing, considering each security based on its own investment merits as well as from its potential effect on the overall risk/reward profile of the Fund. All holdings are viewed in the context of the portfolio and risk is managed through depth of diversification. Economic factors and industry exposures are carefully considered and reviewed in constructing the portfolio.

- Investment weightings are a reflection of our bottom-up stock selection process and our portfolio risk analysis. These weightings are reviewed and adjusted in the context of our economic outlook.

- The Fund may engage in foreign currency transactions for hedging and non-hedging purposes.

- The Fund may use derivatives, such as futures, options, warrants and swaps, for hedging purposes, or in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objectives, enhancing the Fund's returns and to protect against losses or reduce volatility resulting from changes in interest rates, securities values or exchange rates.

- The Fund will only use derivatives as permitted by securities regulation or in accordance with any exemptive relief obtained from such regulation.

- The Fund may enter into securities lending transactions to enhance Fund returns, as more fully described above, under the heading "Securities Lending, Repurchase Transactions and Reverse Repurchase Transactions".

- Subject to providing the required notice to its unitholders, the Fund may engage in short selling, as described above under the heading "Short Selling Risk". Short selling will be used only in compliance with the investment objective of the Fund, and will be subject to the controls and restrictions set out in the Annual Information Form of the Funds under the heading "Investment Restrictions".

The Fund's portfolio turnover rate may be greater than 70%. The higher a fund's portfolio turnover rate, the greater the chance you may receive a distribution from the fund that must be included in determining a taxable investor's income for tax purposes and the higher the trading costs of the fund.

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

This Fund is subject to the following risks, each of which is described in detail beginning on page 2.

- asset-backed securities and mortgage-backed securities risk
- capital depletion risk
- cash risk
- commodity risk
- concentration risk
- convertible securities risk
- credit risk
- currency risk
- cybersecurity risk
- depository risk
- derivative risk
- equity risk
- exchange-traded fund risk
- foreign investment risk

- government securities risk
- income trust risk
- inflation risk
- interest rate risk
- large transaction risk
- liquidity risk
- market risk
- market disruption risk
- portfolio manager and subadvisor risk
- preferred shares risk
- real estate risk
- regulatory risk
- securities lending, repurchase transactions and reverse repurchase
- series risk
- short selling risk
- small business risk
- specific issuer risk
- transactions risk

**Who Should Invest in this Fund?**

This Fund is suitable for investors who are looking for a core U.S. equity investment.

This Fund is appropriate for investors with a medium to long-term investment horizon, who are willing to accept a medium level of investment risk.

**Distribution Policy**

The Fund distributes income twice a year, in June and December, and distributes capital gains each December. The Fund may also pay distributions at other times during the year. We will automatically reinvest distributions in additional units of the same series of the Fund at the Fund's current NAV for that series of unit unless you advise us in writing in advance of the distribution that you would like your distribution in cash.

**Fund Expenses Indirectly Borne by Investors**

This table shows the amount of the fees and expenses of each series of the Fund which would apply to each $1,000 investment you make, based on the assumptions described on page 39.

Fees and expenses payable over:

| | | **1 Year** | **3 Years** | **5 Years** | **10 Years** |
|---|---|---|---|---|---|
| Series A | $ | 23.27 | 73.35 | 128.57 | 292.67 |

| | | 1 Year | 3 Years | 5 Years | 10 Years |
|---|---|---|---|---|---|
| Series D | $ | 13.74 | 43.30 | 75.90 | 172.77 |
| Series F | $ | 11.69 | 36.84 | 64.57 | 146.97 |

| Canoe International Equity Fund (formerly Fiera Capital International Equity Fund) | |
|---|---|
| **FUND DETAILS** | |
| **TYPE OF FUND** | Foreign Equity |
| **DATE FUND STARTED** | Series A units: January 3, 2017<br>Series D units: January 3, 2017<br>Series F units: January 3, 2017 |
| **SECURITIES OFFERED** | Mutual Fund Units: Series A, D and F |
| **REGISTERED PLAN STATUS** | Qualified Investment for registered plans under the Tax Act |

On February 22, 2019, Canoe became the manager, trustee and portfolio manager of the Fund.

**What Does the Fund Invest In?**

**Investment Objective**

To achieve over the longer term the highest possible return that is consistent with a fundamental investment philosophy through capital appreciation by investing primarily in foreign equity securities. The Fund will invest mainly in equity securities of established companies across the world markets, generally excluding North-America.

The fundamental investment objectives of the Fund may only be changed with the approval of a majority of unitholders at a meeting called for that purpose.

**Investment Strategies**

To achieve the Fund's objective, the Sub-Advisor:

- selects investments based on fundamental research and analysis. Security selection is ultimately based on an understanding of the company, its business and its future prospects;
- seeks companies with sustainable competitive advantage and growth potential which trade at attractive valuations;
- invests primarily in large and medium companies throughout the world (excluding securities of companies located in North America), although the Sub-Advisor may take advantage of attractive opportunities in small-cap companies;
- diversifies investments by industry groups, economic drivers and/or investment themes;
- may diversify its holdings across different sectors, as defined by the Global Industry Classification Standard;

- may invest up to 20 percent of Fund assets in emerging markets;
- may invest up to 25 percent of Fund assets in cash or money market instruments to preserve capital in the event of adverse market conditions;
- may consider environmental, social and governance (ESG) factors are integrated into the fundamental investment decision-making process of the Fund;
- may use derivatives such as futures, options, warrants and swaps, for hedging purposes to protect against losses or reduce volatility resulting from changes in interest rates, securities values or exchange rates;
- will only use derivatives as permitted by securities regulation or in accordance with any exemptive relief obtained from such regulation;
- may enter into securities lending transactions to enhance Fund returns, as more fully described above, under the heading “Securities Lending, Repurchase Transactions and Reverse Repurchase Transactions"; and
- the Fund may engage in short selling, as described above under the heading “Short Selling Risk”. Short selling will be used only in compliance with the investment objective of the Fund, and will be subject to the controls and restrictions set out in the Annual Information Form of the Fund under the heading “Investment Restrictions”.

The Fund’s portfolio turnover rate may be greater than 70 percent. The higher a fund’s portfolio turnover rate, the greater the chance that a taxable investor may receive a distribution that must be included in income for tax purposes and the higher the trading costs for the fund.

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

This Fund is subject to the following risks, each of which is described in detail beginning on page 2.

- asset-backed securities and mortgage-backed securities risk
- capital depletion risk
- cash risk
- commodity risk
- concentration risk
- convertible securities risk
- credit risk
- currency risk
- cybersecurity risk
- depository risk
- derivative risk
- emerging markets risk
- equity risk
- exchange-traded fund risk
- foreign investment risk
- government securities risk
- income trust risk
- inflation risk

- interest rate risk
- large transaction risk
- liquidity risk
- market risk
- market disruption risk
- portfolio manager and subadvisor risk
- preferred shares risk
- real estate risk
- regulatory risk
- securities lending, repurchase transactions and reverse repurchase
- series risk
- short selling risk
- small business risk
- specific issuer risk
- transactions risk

**Who Should Invest in this Fund?**

This Fund is suitable for investors who are seeking exposure to equity securities of international companies.

This Fund appropriate for investors with a medium to long-term investment horizon who are willing to accept a medium level of investment risk.

**Distribution Policy**

The Fund distributes income twice a year, in June and December, and distributes capital gains each December. The Fund may also pay distributions at other times during the year. We will automatically reinvest distributions in additional units of the same series of the Fund at the Fund's current NAV for that series of unit unless you advise us in writing in advance of the distribution that you would like your distributions in cash.

**Fund Expenses Indirectly Borne by Investors**

This table shows the amount of the fees and expenses of each series of the Fund which would apply to each $1,000 investment you make, based on the assumptions described on page 39.

Fees and expenses payable over:

| | | **1 Year** | **3 Years** | **5 Years** | **10 Years** |
|---|---|---|---|---|---|
| Series A | $ | 23.99 | 75.61 | 132.53 | 301.68 |
| Series D | $ | 15.79 | 49.76 | 87.22 | 198.54 |
| Series F | $ | 12.81 | 40.39 | 70.79 | 161.15 |

| Canoe Global Equity Fund (formerly Fiera Capital Global Equity Fund) | |
|---|---|
| **FUND DETAILS** | |
| **TYPE OF FUND** | Foreign Equity |
| **DATE FUND STARTED** | Series A units: April 30, 2009<br>Series D units: November 20, 1986<br>Series F units: August 26, 2011<br>Series O** units: July 13, 2001 |
| **SECURITIES OFFERED** | Mutual Fund Units: Series A, D, F, and O* |
| **REGISTERED PLAN STATUS** | Qualified Investment for registered plans under the Tax Act |

*Effective March 11, 2019, Series O units will be renamed as Series OX units.

On February 22, 2019, Canoe became the manager, trustee and portfolio manager of the Fund.

**What Does the Fund Invest In?**

**Investment Objective**

To achieve over the longer term the highest possible return that is consistent with a fundamental investment philosophy through investment primarily in foreign equity securities.

To provide long-term capital appreciation through a portfolio of broadly diversified securities, by region and industry, invested primarily in the U.S. and international markets.

The fundamental investment objectives of the Fund may only be changed with the approval of a majority of unitholders at a meeting called for that purpose.

**Investment Strategies**

To achieve the Fund's objective, the Sub-Advisor:

- selects investments based on fundamental research and analysis. Security selection is ultimately based on an understanding of the company, its business and its future prospects;
- seeks companies with sustainable competitive advantage and growth potential which trade at attractive valuations;
- invests primarily in large and medium companies throughout the world, although the Sub-Advisor may take advantage of attractive opportunities in small-cap companies;
- diversifies investments by industry groups, economic drivers and/or investment themes;
- may invest up to 15 percent of Fund assets in emerging markets;

- may invest up to 25 percent of Fund assets in cash or money market instruments to preserve capital in the event of adverse market conditions;
- may use derivatives such as futures, options, warrants and swaps, for hedging purposes to protect against losses or reduce volatility resulting from changes in interest rates, securities values or exchange rates;
- will only use derivatives as permitted by securities regulation or in accordance with any exemptive relief obtained from such regulation;
- may enter into securities lending transactions to enhance Fund returns, as more fully described above, under the heading “Securities Lending, Repurchase Transactions and Reverse Repurchase Transactions"; and
- subject to providing the required notice to its unitholders, the Fund may engage in short selling, as described above under the heading “Short Selling Risk”. Short selling will be used only in compliance with the investment objective of the Fund, and will be subject to the controls and restrictions set out in the Annual Information Form of the Funds under the heading “Investment Restrictions”.

The Fund’s portfolio turnover rate may be greater than 70 percent. The higher a fund’s portfolio turnover rate, the greater the chance that a taxable investor may receive a distribution that must be included in income for tax purposes and the higher the trading costs for the fund.

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

This Fund is subject to the following risks, each of which is described in detail beginning on page 2.

- asset-backed securities and mortgage-backed securities risk
- capital depletion risk
- cash risk
- commodity risk
- concentration risk
- convertible securities risk
- credit risk
- currency risk
- cybersecurity risk
- depository risk
- derivative risk
- emerging markets risk
- equity risk
- exchange-traded fund risk
- foreign investment risk
- government securities risk
- income trust risk
- inflation risk
- interest rate risk
- large transaction risk
- liquidity risk

- market risk
- market disruption risk
- portfolio manager and subadvisor risk
- preferred shares risk
- real estate risk
- regulatory risk
- securities lending, repurchase transactions and reverse repurchase
- series risk
- short selling risk
- small business risk
- specific issuer risk
- transactions risk

**Who Should Invest in this Fund?**

This Fund is suitable for investors who are looking for a core global equity investment. This Fund is appropriate for investors with a medium to long-term investment horizon and who are willing to accept a medium level of investment risk.

**Distribution Policy**

The Fund distributes income twice a year, in June and December, and distributes capital gains each December. The Fund may also pay distributions at other times during the year.

We will automatically reinvest distributions in additional units of the same series of the Fund at the Fund's current NAV for that series of unit unless you advise us in writing in advance of the distribution that you would like your distributions in cash.

**Fund Expenses Indirectly Borne by Investors**

This table shows the amount of the fees and expenses of each series of the Fund which would apply to each $1,000 investment you make, based on the assumptions described on page 39.

Fees and expenses payable over:

| | | **1 Year** | **3 Years** | **5 Years** | **10 Years** |
|---|---|---|---|---|---|
| Series A | $ | 24.50 | 77.23 | 135.37 | 308.13 |
| Series D | $ | 14.86 | 46.86 | 82.14 | 186.96 |
| Series F | $ | 12.81 | 40.39 | 70.79 | 161.15 |
| Series O | $ | 2.36 | 7.44 | 13.04 | 29.67 |

| Canoe Defensive Global Equity Fund (formerly Fiera Capital Defensive Global Equity Fund) | |
|---|---|
| **FUND DETAILS** | |
| **TYPE OF FUND** | Foreign Equity |
| **DATE FUND STARTED** | Series A units: August 28, 2014<br>Series D units: August 28, 2014<br>Series F units: August 28, 2014 |
| **SECURITIES OFFERED** | Mutual Fund Units: Series A, D and F |
| **REGISTERED PLAN STATUS** | Qualified Investment for registered plans under the Tax Act |

On February 22, 2019, Canoe became the manager, trustee and portfolio manager of the Fund.

**What Does the Fund Invest In?**

**Investment Objective**

To achieve over the longer term the highest possible return that is consistent with a fundamental investment philosophy through investment primarily in foreign equity securities.

To provide long-term capital appreciation through a portfolio of broadly diversified securities, by region and industry, invested primarily in the U.S. and international markets.

The Fund will, through the use of risk and portfolio management techniques, reduce the draw down potential that is typical of long only equity portfolios. This active management is expected to provide a margin of safety and, over the long term, smooth out the returns in comparison to long only equity portfolios.

The fundamental investment objectives of the Fund may only be changed with the approval of a majority of unitholders at a meeting called for that purpose.

**Investment Strategies**

To achieve the Fund's objective, the Sub-Advisor:

- selects investments based on fundamental research and analysis. Security selection is ultimately based on an understanding of the company, its business and its future prospects;
- seeks companies with sustainable competitive advantage and growth potential which trade at attractive valuations;

- invests primarily in large and medium companies throughout the world, although the Sub-Advisor may take advantage of attractive opportunities in small-cap companies;
- diversifies investments by industry groups, economic drivers and/or investment themes;
- may invest up to 15 percent of Fund assets in emerging markets;
- may invest up to 25 percent of Fund assets in cash or money market instruments to preserve capital in the event of adverse market conditions;
- will use derivatives strategies to employ a risk management overlay that aims to mitigate volatility and drawdowns of the Fund. These strategies can include writing (selling) or buying futures contracts, put or call options on equity indices. The underlying interest of the derivatives instruments can also include an ETF or futures;
- may use derivatives such as futures, forwards, options, warrants and swaps, for hedging purposes to protect against losses or reduce volatility resulting from changes in interest rates, securities values, macro risks or exchange rates;
- will only use derivatives as permitted by securities regulation or in accordance with any exemptive relief obtained from such regulation;
- may enter into securities lending transactions to enhance Fund returns, as more fully described above, under the heading “Securities Lending, Repurchase Transactions and Reverse Repurchase Transactions"; and
- subject to providing the required notice to its unitholders, the Fund may engage in short selling, as described above under the heading “Short Selling Risk”. Short selling will be used only in compliance with the investment objective of the Fund, and will be subject to the controls and restrictions set out in the Annual Information Form of the Funds under the heading “Investment Restrictions”.

The Fund’s portfolio turnover rate may be greater than 70 percent. The higher a fund’s portfolio turnover rate, the greater the chance that a taxable investor may receive a distribution that must be included in income for tax purposes and the higher the trading costs for the fund.

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

This Fund is subject to the following risks, each of which is described in detail beginning on page 2.

- asset-backed securities and mortgage-backed securities risk
- capital depletion risk
- cash risk
- commodity risk
- concentration risk
- convertible securities risk

- credit risk
- currency risk
- cybersecurity risk
- depository risk
- derivative risk
- emerging markets risk
- equity risk
- exchange-traded fund risk
- foreign investment risk
- government securities risk
- income trust risk
- inflation risk
- interest rate risk
- large transaction risk
- liquidity risk
- market risk
- market disruption risk
- portfolio manager and subadvisor risk
- preferred shares risk
- real estate risk
- regulatory risk
- securities lending, repurchase transactions and reverse repurchase
- series risk
- short selling risk
- small business risk
- specific issuer risk
- transactions risk

As at February 20, 2019, Canoe Income and Growth Fund owned 10.02% of the issued and outstanding units of the Fund. Please see “Large Transaction Risk” on page 10 for details of the risk associated with a possible redemption of units of the Fund by the investor.

**Who Should Invest in this Fund?**

This Fund is suitable for investors who are looking for a core global equity investment with the addition of risk overlays to mitigate large equity drawdown risks. The Fund is appropriate for investors with a medium to long term investment horizon and who are willing to accept a low to medium level of investment risk.

**Distribution Policy**

The Fund distributes income twice a year, in June and December, and distributes capital gains each December. The Fund may also pay distributions at other times during the year.

We will automatically reinvest distributions in additional units of the same series of the Fund at the Fund's current NAV for that series of unit unless you advise us in writing in advance of the distribution that you would like your distributions in cash.

**Fund Expenses Indirectly Borne by Investors**

This table shows the amount of the fees and expenses of each series of the Fund which would apply to each $1,000 investment you make, based on the assumptions described on page 39.

Fees and expenses payable over:

| | | **1 Year** | **3 Years** | **5 Years** | **10 Years** |
|---|---|---|---|---|---|
| Series A | $ | 24.09 | 75.94 | 133.10 | 302.97 |
| Series D | $ | 14.56 | 45.89 | 80.43 | 183.08 |
| Series F | $ | 11.79 | 37.17 | 65.15 | 148.29 |

**Canoe Mutual Funds**

**Canoe Diversified Bond Fund**
**Canoe Income and Growth Fund**
**Canoe High Income Fund**
**Canoe Core Canadian Equity Fund**
**Canoe Canadian Small Mid Cap Fund**
**Canoe U.S. Equity Fund**
**Canoe International Equity Fund**
**Canoe Global Equity Fund**
**Canoe Defensive Global Equity Fund**

Additional information about the Funds is available in the Funds' Annual Information Form, 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 us at 1-877-434-2796, by writing to us at 2750, 421-7th Avenue S.W., Calgary, Alberta T2P 4K9 or by emailing us at **info@canoefinancial.com**.

These documents and other information about the Funds, such as information circulars and material contracts, are also available on our website at **www.canoefinancial.com** or on SEDAR's website at **www.sedar.com**.

**MANAGER OF THE CANOE MUTUAL FUNDS**

Canoe Financial LP
2750, 421-7th Avenue S.W.
Calgary, Alberta T2P 4K9

*TOR01: 7836951: v15*