

## MATCO FUNDS

**SIMPLIFIED PROSPECTUS DATED JUNE 17, 2020**

*Offering Series A, Series F and Series O units of:*

Matco Fixed Income Fund  
Matco Balanced Fund  
Matco Canadian Equity Income Fund  
(formerly the Matco Canadian Equity  
Fund)  
Matco Global Equity Fund  
Matco Small Cap Fund

*and Series N units of:*

Matco Small Cap Fund

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

The Funds and the securities of the Funds 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.



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## PART A: GENERAL INFORMATION ABOUT MUTUAL FUNDS AND THE MATCO FUNDS

### INTRODUCTION

This Simplified Prospectus (the “**Simplified Prospectus**”) contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor.

Throughout this document:

- “**we**”, “**us**”, “**our**” or the “**Manager**” refers to Matco Financial Inc., the manager of the Funds;
- “**you**” and “**your**” refer to you as the investor;
- “**Funds**” refers collectively to Matco Fixed Income Fund, Matco Balanced Fund, Matco Canadian Equity Income Fund (formerly the Matco Canadian Equity Fund), Matco Small Cap Fund, and Matco Global Equity Fund and “**Fund**” means any one of them;
- “**Unitholder**” refers to a holder of units in a Fund;
- “**IRC**” refers to the independent review committee as established under 81-107 *Independent Review Committee for Investment Funds*;
- “**Registered Plan**” or “**Registered Plans**” have the meanings set out “**Optional Services - Registered Plans and Eligible Accounts**”;
- “**Valuation Date**” means the date on which the NAV per unit of a Fund is calculated; and
- “**NAV**” means net asset value of a series of securities or of a Fund, as applicable.

This document is divided into two parts. Part A (from pages 1 through 26) contains general information about the Matco Funds. Part B (from pages 27 through 47) contains 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 (“**AIF**”);
- the most recently filed Fund Facts;
- the most recently filed annual financial statements;
- any interim financial report filed after those annual financial statements;
- the most recently filed annual management report of Fund performance; and
- any interim management report of Fund performance filed after the annual management report of Fund performance.

These documents are incorporated by reference into this document, which means they legally form part of this document just as if they had been printed as a part of this document. You can get a copy of these documents, at your request, and at no cost, by calling toll-free 1.877.539.5743, or from your dealer.

These documents are available on the Matco Financial Inc. website at [www.matcofinancialinc.com](http://www.matcofinancialinc.com), or by contacting Matco at [matco@matcofinancial.com](mailto:matco@matcofinancial.com).

These documents and other information about the Funds are also available from SEDAR at [www.sedar.com](http://www.sedar.com).

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

### **What Is A Mutual Fund?**

A mutual fund is a pool of money contributed by people with similar investment objectives. When you contribute money to a mutual fund, you pool your money with other investors and become a securityholder of a fund. Each fund is managed by professional portfolio managers who invest on behalf of all investors. Investors share the fund's income, expenses, and the gains and losses the fund makes on its investments, in proportion to their ownership in the Fund.

### **How Are Mutual Funds Structured?**

In Canada, a mutual fund can be established either as a mutual fund trust or as a mutual fund corporation. Both forms allow you to pool your money with other investors seeking similar investment objectives.

A mutual fund corporation issues shares to people who contribute money to the corporation. A mutual fund corporation may have different classes of shares representing separate funds, each with different investment objectives. Each class of shares may further be divided into series. While the assets and liabilities of each mutual fund corporation class are accounted for separately, a mutual fund corporation, as a whole, is legally responsible for all of the financial obligations of all mutual fund corporation classes combined. If the assets of a single mutual fund corporation class are insufficient to satisfy the fund's liabilities, then the remaining assets of a mutual fund corporation would be used to satisfy the shortfall. In such circumstances, the assets of the other mutual fund corporation classes would decline by the amount of their proportionate share of the shortfall.

A mutual fund trust issues units to people who contribute money to such trust. A mutual fund trust typically distributes all of its net income and net realized capital gains to unitholders each calendar year. Upon doing so, the mutual fund trust will not pay tax on such earnings. The Funds are each open-ended mutual fund trusts that are divided into different series of units.

Please refer to the front cover of this Simplified Prospectus or to the specific information about each of the Funds in Part B, for the series that are available for each Fund pursuant to this document. The different series of units are described on page 9 under "**Purchases, Switches and Redemptions – Description of Securities**" though not all series are available to all investors. We may offer additional series of units of the Funds in the future. We may also offer additional funds under the Matco name either within a mutual fund corporation structure or as separate mutual fund trusts in the future.

### **What Are The General Risks Of Investing In A Mutual Fund?**

Mutual funds own different types of investments, depending on the fund's investment objectives. The value of these investments will change from day to day, reflecting changes in interest rates, exchange rates, economic conditions, and market and company conditions, news, and events. As a result, the value of a fund's shares or units may go up and down and the value of your investment in a mutual fund may be more, or less, when you redeem it than when you purchased it.

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

Under exceptional circumstances, mutual funds may suspend redemptions. Please see "**Purchases, Switches and Redemptions – Redemptions**" on page 12.

## What Are The Specific Risks Of Investing In A Mutual Fund?

Some of the specific risks that can affect the value of your investment in a Fund are set out below. Refer also to Part B of this document for the specific risks that apply to each Fund.

**Stock Market and Market Disruption Risk.** The market value of a mutual fund's investments will rise and fall based on specific company developments and stock market conditions. Value will also vary with changes in the general economic and financial conditions in countries where the investments are based. Some mutual funds will experience greater short-term fluctuations than others. War and occupation, terrorism and related geopolitical risks may in the future lead to increased short-term market volatility and may have adverse long-term effects on world economies, sovereign debt and markets generally, including U.S., Canadian and other economies and securities markets. For example, the recent spread of coronavirus disease (COVID-19) has caused volatility in the global financial markets and a slowdown in the global economy. Coronavirus disease or any other disease outbreak may adversely affect the performance of the Funds. The effects of future terrorist acts (or threats thereof), military action or similar unexpected disruptive events on the economies and securities markets of countries cannot be predicted. These events could also have an acute effect on individual issuers or related groups of issuers. These risks could also adversely affect securities markets, inflation and other factors relating to the value of the portfolio of the Funds.

**Interest Rate Risk.** If a mutual fund invests in bonds or other securities with fixed or variable interest income rates, the biggest influence on the fund's value will be changes in the general level of interest rates. The general level of interest rates is in part affected by the rate of inflation. If interest rates fall, the value of the fund's interest-bearing securities will tend to rise. If interest rates rise, the value of the fund's interest-bearing securities will tend to fall.

**Foreign Security and Currency Risk.** Foreign investments are affected by factors affecting similar securities and additional factors such as world economic factors and, in many cases, by changes in the value of the Canadian dollar compared to foreign currencies. There is often less information available about foreign companies, and many countries have less stringent accounting, auditing and reporting standards than we do in Canada. It can be more difficult to trade investments in foreign markets. Different financial, political and social factors could hurt the value of a fund's investment. In general, investments in developed markets such as the United States and Western Europe will have lower foreign security risk than investments in emerging markets such as Southeast Asia and Latin America. As a result, funds that specialize in foreign investments may experience larger and more frequent price changes in the short term.

**Credit Risk.** Credit risk is the risk that the government, company or entity issuing a fixed income security will be unable to make interest payments or pay back the original investment. Securities that have a low credit rating have high credit risk. Securities issued by newly established companies often have higher credit risk, while securities issued by well-established companies or by governments of developed countries tend to have lower credit risk. Funds that invest in companies with high credit risk tend to be more volatile in the short term; however, they may offer the potential of higher returns over the long term.

**Liquidity Risk.** Liquidity risk is the possibility that a mutual fund will not be able to convert its investments to cash when it needs to. Generally, investments that are not frequently traded are considered illiquid and tend to have more dramatic price changes.

**Derivatives Risks.** The Funds may use derivatives as permitted by Canadian securities regulatory authorities. A derivative is an instrument, the value of which is derived from the value of other securities or from the movement of interest rates, exchange rates, or market indices ("**Derivatives**"). Some examples of the most common derivatives are:

1. an option (call or put) - this gives the buyer the right (not obligation) to buy or sell the underlying security, commodity or currency at an agreed price and within a certain period of time; and
2. forward contract - an agreement to buy or sell the underlying security, commodity or currency at an agreed price for future delivery. Forward contracts are often used in the commodity and currency markets to reduce risk.

Derivatives, in general, are often used for hedging against the risk of potential losses, such as losses due to changes in interest or foreign exchange rates. Derivatives also allow mutual funds to realize the benefits of changes in the value of a security without having to invest directly in that security. This is especially useful since it is often less expensive to purchase a derivative instrument than the actual security. There are also certain instances where holding a derivative is less risky than holding the underlying security.

Derivatives have their own special risks. Some examples of the most common risks relating to derivatives are:

1. using derivatives to hedge against risk may not always work and while the use of derivatives may reduce losses, they could also limit potential gains;
2. the price of a derivative may not accurately reflect the value of the underlying currency or security;
3. there is no guarantee that a mutual fund can close a derivative contract when it wants to. If an exchange imposes trading limits, it could also affect the ability of a mutual fund to close out its positions in derivatives. These events could prevent a mutual fund from making a profit or limiting its losses; and
4. the other party to a derivative contract may not be able to settle or fulfill its agreement to complete the transaction.

**Commodity Risk.** A Fund may invest in companies engaged in the energy or natural resource industries, or other commodity-focused industries. These companies, and therefore the value of such Fund, will be affected by changes in commodity prices, which can fluctuate significantly in short time periods.

**Concentration Risk.** Some mutual funds may concentrate their investments in a portfolio made up of only a small number of securities. Therefore, the securities in which they invest may not be diversified across many sectors. By investing in a relatively small number of securities or sectors, the value of the fund will fluctuate in response to changes in the market value of those concentrations and may result in higher volatility.

**Cyber Security Risk.** As the use of technology and internet connected business transactions grows, we and the Funds are potentially more susceptible to operational, informational and related risks. Cyber incidents may be deliberate attacks or unintentional events that may result in data being lost or otherwise compromised. These incidents may potentially impact us or a Fund's third-party service provider and have the ability to cause disruptions in business and/or financial loss. We have established risk management and oversight systems to help reduce the risks of cyber incidents and business continuity plans to avoid impacts to operations. There is however no guarantee that these systems will be successful, and disruptions or losses may occur regardless.

**Equity Risk.** Companies issue equity securities such as common shares to help pay for their operations and finance future growth. Equity securities provide part ownership in the entities issuing the securities. The value of equity securities is generally influenced by overall market conditions. The price of certain companies is also influenced by the financial health and condition of the company itself. These securities may therefore decrease in value when the overall market declines or increase when the market rises. Equity risk may be greater for smaller entities, resource companies and companies in emerging markets. Equity related securities such as warrants, options, and convertible securities may also be subject to equity risk.



**Fund of Funds Risk.** To fulfill their investment objectives, some Funds may invest directly in, or have exposure to, other investment funds managed by us and/or third-party investment managers. These Funds will therefore be additionally exposed to the risks of the underlying funds. If the underlying funds suspend redemptions, the Fund may be unable to sell this part of its portfolio and, as a result, may be unable to settle investor redemptions.

In accordance with applicable securities legislation, no Fund will vote any securities it holds in an underlying fund managed by us. We may, in our sole discretion, arrange for you to vote your share of those underlying securities.

**Income Trust Risk.** An income trust generally holds debt and/or equity securities of an underlying active business or is entitled to receive a royalty on revenues generated by such business. Distributions and returns on income trusts are neither fixed nor guaranteed. In addition, Funds that invest in income trusts such as oil, gas and other commodity-based royalty trusts, real estate investment trusts, and pipeline and power trusts will have other varying degrees of risk depending on their sector and the underlying asset or business. These may include business developments such as a decision to expand into a new type of business, the entering into of a favourable supply contract, the cancellation by a major customer of its contract or significant litigation. There is also risk that, where claims against an income trust are not satisfied by that income trust, investors could be held liable for such outstanding claims. Certain jurisdictions have enacted legislation to protect investors in this regard.

**Indexing Risk.** Certain Funds may invest all or a portion of their portfolio in index or exchange traded funds which use indexing strategies. Indexing strategies include tracking the performance of the investments included in an index. Concentrating portfolio investments in indices may create more volatility in pricing and less liquidity than a portfolio of individual securities. The opportunity to diversify the portfolio away from individual securities, sectors or regions may also be limited and could result in a lower portfolio value than a portfolio of directly-held securities where each security could be traded separately.

**Sector Risk.** Some mutual funds concentrate their investments in a certain sector or industry in the economy. This allows such funds to focus on that sector's potential, but it also means that they are riskier than mutual funds with broader diversification. Because securities in the same industry tend to be affected by the same factors, sector-specific mutual funds tend to experience greater fluctuations in price. These mutual funds must continue to follow their investment objectives by investing primarily in their particular sector, even during periods when that sector is performing poorly. None of the Funds included in this document have a specific sector focus.

**Substantial Unitholder Risk.** The purchase or redemption of a substantial number of securities of a mutual fund may require us to change the composition of the Fund's portfolio significantly or may force us to buy or sell investments at unfavourable prices, which can affect a Fund's returns. Therefore, the purchase or redemption of securities by a substantial Unitholder may adversely affect the performance of a mutual fund. As at May 31, 2020, Michael Smith, a member of the IRC, held units of the Matco Small Cap Fund representing 10.4% of the Fund. The redemption of such units may have a material adverse effect on the Funds.

**Securities Lending, Repurchase and Reverse Repurchase Risk.** Securities lending involves lending, for a fee, portfolio securities held by a mutual fund for a set period of time to willing, qualified borrowers who have posted collateral. The Funds intend to enter into securities lending arrangements to the extent permitted from time to time. In lending its securities, or entering into a repurchase transaction a mutual fund is subject to the risk that the borrower may not be able to fulfill its obligations. This may leave a Fund holding collateral worth less than the securities it has lent, resulting in a loss to the Fund.

To limit this risk, a mutual fund must hold collateral worth no less than 102% of the value of the loaned securities and the amount of collateral is adjusted daily to ensure this level is maintained, the collateral may only consist of cash, qualified securities or securities that can be immediately converted into identical securities to those that have been loaned, a Fund cannot lend more than 50% of the total value of its assets through securities lending or repurchase transactions and, a Fund's total exposure to any one borrower in securities, derivative transactions and securities lending must be less than 10% of the total value of the Fund's assets. In the case of a reverse repurchase transaction, there is a risk that the Fund would be left with a security that may have dropped below the value the Fund paid for the investment and the Fund would incur a loss if it disposed of the security.

**Small Company Risk.** Investing in securities of smaller companies may be riskier than investing in larger, more established companies. Smaller companies may have limited financial resources, a less established market for their shares and fewer shares issued. This can cause the share prices of smaller companies to fluctuate more than those of larger companies. The market for the shares of small companies may be less liquid. This may impact the Matco Small Cap Fund as a significant portion of the Fund's portfolio will be invested in securities of smaller companies.

**Prepayment Risk.** Certain fixed income securities, including mortgage-backed or other asset-backed securities, can be prepaid before maturity. If this happens unexpectedly or faster than predicted, the fixed income security could offer less income and/ or potential for capital gains.

**Portfolio Manager Risk.** All Funds are dependent on their portfolio management team to select individual securities and, therefore, are subject to the risk that a Fund may underperform relative to other funds with similar investment objectives, as a result of security selection. There is no certainty that members of the portfolio management team will not change.

## ORGANIZATION AND MANAGEMENT OF THE MATCO FUNDS

The table below sets out information regarding the entities who are involved in managing or providing services to the Funds.

### MANAGER AND PORTFOLIO

#### MANAGER

Matco Financial Inc.  
Suite 350, 440-2nd Avenue S.W.  
Calgary, Alberta T2P 5E9  
tel: 403.539.5740  
toll-free: 1.877.539.5743  
fax: 403.539.5744  
website: [www.matcofinancialinc.com](http://www.matcofinancialinc.com)  
e-mail: [matco@matcofinancial.com](mailto:matco@matcofinancial.com)

As Manager of the Funds, we provide, or arrange for, the Funds' day-to-day administration and distribution of the Funds. The Funds have appointed a trustee pursuant to a trust agreement. The trustee of the Funds supervises Matco in the management and administration of the Funds.

As portfolio manager, Matco provide investment advice and portfolio management services for each of the Funds.

#### CUSTODIAN

RBC Investor Services Trust  
Toronto, Ontario

RBC Investor Services Trust ("**RBC IS**") acts as custodian of the Funds (the "**Custodian**"). The Custodian is responsible for the safekeeping of the Funds' assets and may engage sub-custodians to assist it in performing this responsibility. The Custodian is independent from the Manager.

#### TRUSTEE

RBC Investor Services Trust  
Toronto, Ontario

RBC IS acts as trustee (the "**Trustee**") for the Funds, holding title to the property of these Funds on behalf of unitholders. The Trustee is independent from the Manager.

#### REGISTRAR

RBC Investor Services Trust  
Toronto, Ontario

As registrar, RBC IS additionally provides recordkeeping services for the Funds pursuant to a valuation and recordkeeping services agreement, which includes maintaining the register of owners of securities of each Fund, processing securityholder transactions, and producing related statements and tax reporting. The registrar is independent from the Manager.

**AUDITOR**  
KPMG LLP  
Calgary, Alberta

The auditor is an independent firm of chartered professional accountants that audits each Fund annually and provides an opinion as to whether the annual financial statements of the Funds present fairly, in all material respects, the financial position of the Funds and their financial performance and their cash flows in accordance with International Financial Reporting Standards.

**SECURITIES LENDING AGENT**  
RBC Investor Services Trust  
Toronto, Ontario

Matco has entered into a Securities Lending Agreement with RBC IS as securities lending agent. The securities lending agent is independent of the Manager.

**INDEPENDENT REVIEW  
COMMITTEE**

In accordance with National Instrument 81-107 - *Independent Review Committee for Investment Funds*, Matco has established an Independent Review Committee (“**IRC**”) to provide impartial judgment on conflicts of interest matters related to the operations of the Funds and their portfolios.

The mandate of the IRC is to review and provide input on conflict of interest policies and procedures and to provide approval or recommendations on conflict of interest matters identified and referred to the IRC by the Manager, depending on the nature of the conflict of interest matter. The IRC may also approve any change in auditors or certain Fund merger transactions. Under applicable securities legislation, investor approval will not be obtained in these circumstances, however, written notice will be provided to you at least 60 days prior to such change.

The IRC is comprised of three members. Each member is independent of Matco, the Funds and any party related to us. The IRC, at least annually, prepares a report of its activities for holders of securities of the Funds, which is available on the Matco website at [www.matcofinancialinc.com](http://www.matcofinancialinc.com), on the SEDAR website at [www.sedar.com](http://www.sedar.com), or at no cost to you by contacting Matco at [matco@matcofinancial.com](mailto:matco@matcofinancial.com). Additional information about the IRC, including the names of its members, is available in the Funds’ Annual Information Form.

## **The Manager and Investment Approach**

Matco is an independent, privately held discretionary investment management firm. Founded in 2006 to manage money and service seven family offices, today we offer the benefits of our extensive investment management experience to individual investors, foundations, endowments, condominium corporations, trusts, corporations and not-for-profit organizations.

Matco's mission is to be a trusted source of independent professional investment expertise for clients.

Matco's investment philosophy is founded on a process-driven approach to managing money that incorporates both quantitative and qualitative analyses. This means we first evaluate securities using numerically based data and financial models (i.e., return-on-equity, historical earnings, etc.). Our research is then put through rigorous qualitative analysis, which relies on the quality and experience of management.

## **Fund of Funds**

Each Fund may hold shares or units of another mutual fund, including Funds that are managed by Matco, or an affiliate or associate of Matco. The shares or units of any other such mutual fund managed by Matco will not be voted by the Fund holding such shares or units and, if applicable, we may arrange for the shares or units of such other mutual fund to be voted by the beneficial unitholders of the Fund.

## **PURCHASES, SWITCHES AND REDEMPTIONS**

### **Description of Securities**

Each Fund under this Simplified Prospectus offers more than one series of securities. The series issued may vary by Fund. The types of securities offered by each Fund are listed on the front cover of this document and in Part B.

Each Fund is authorized to issue an unlimited number of series and securities of each series. Each series of securities is intended for different types of investors and may be subject to certain eligibility and minimum investment requirements. If at any time you cease to be eligible to hold your series of a Fund, we may switch your investment to another series of the same Fund.

**Series A.** Series A units are available to all investors. These securities are generally acquired through a dealer. Under this option, investors typically negotiate the sales commission and pay this directly to their dealer. Your dealer will generally deduct the sales commission and forward us the net amount of the order to be invested in the Fund or Funds selected.

**Series F and N.** Series F and N units of a Fund are available to investors who participate in dealer-sponsored "fee-for-service" or wrap programs, and who pay their advisor a fixed, hourly, or annual asset-based fee rather than commissions on each transaction and whose broker or dealer has entered into an agreement with Matco to sell Series F or N units of a Fund. In certain circumstances, investors who purchase Series F or N must enter into an agreement which identifies their account as a fee-for-service account. The fee paid on an investor's account is separate from and in addition to a management fee payable by the Funds for these series.

Participation in Series F or N units is only available with Matco's prior consent and the consent of any applicable dealer organization.

Series F or N units may also be sold to any other groups of investors for whom we do not incur distribution costs.

No sales commissions or trailing costs are payable by us to a dealer for investments in Series F or N units. If you cease to be eligible to hold Series F or N units, we may switch your investment to another series of the same Fund with a trailing or other commission.

**Series O.** Series O units of a Fund are available to certain investors at our discretion, including:

1. certain institutional investors who invest at least \$1,000,000 in one or more Funds;
2. other specific classes of investors who meet any Series O guidelines established by Matco; and
3. any related funds and certain other third-party mutual funds that use a fund-of-funds structure and who meet any Series O guidelines established by Matco.

No sales charges are generally payable on the acquisition of Series O units of a Fund and investors individually negotiate any such management fees relating to Series O units directly with Matco. Certain other additional fees and expenses may be payable as set out below.

## **Purchases**

### **How to Buy**

You can purchase securities of any series of a Fund through a registered dealer who will send your order to us. When you buy units in a Fund, you may be charged a sales charge, based on the series of units being acquired and whether such units are acquired directly from us, if applicable, or an alternate dealer, as outlined under “**Description of Securities**” above.

Mutual fund units of each Fund are offered for sale on a continuous basis through registered dealers and directly through Matco. Purchase orders must be placed with dealers registered in an investor’s province of residence. Orders for series A and F are generally placed by your dealer but may be acquired directly from Matco. Orders for Series N units are intended to be placed directly by you through the TSX NAVex. Orders for Series O units are placed directly with Matco. All orders must be received in good order prior to 4:00pm EST on a day that the Toronto Stock Exchange is open for business, or before the TSX closes on any day that it is open, whichever is earlier and will be processed on the basis of the NAV calculated for that day.

We will not issue a certificate when you buy units of the Funds, but your dealer will send you a confirmation that is proof of your purchase. RBC IS, who serves as Custodian and recordkeeper, will also send confirmation of holdings and transactions on a regular reporting basis. For client-named accounts (accounts held in the client’s name) a record of the number of units you own and their value will appear on your next account statement. For nominee-held accounts (accounts held in the name of your dealer) your dealer has the ability to suppress confirmation of holdings and transactions from RBC IS.

### **How the Units are Valued**

When you buy units of a Fund, you pay the price or NAV per unit of the series being acquired plus any applicable sales charges, rather than a fixed issue price. Likewise, when you switch, reinvest, or redeem (sell) units, you receive the NAV per unit of the series being switched, reinvested, or redeemed.

All transactions are based on the NAV of the particular series of a Fund’s units. NAV is generally calculated for each series of units of a Fund after the close of the TSX on each day the TSX is open for business. In some circumstances, the NAV for a particular Fund or Funds may be calculated at another time set by the Manager. This would generally occur where other markets are open but the TSX is closed or, with respect to foreign securities, where the trading hours for such securities end at a time other than the closing time of the TSX. To date, the time at which NAV is calculated has never occurred at a time other than the closing time for the applicable stock exchange and it is not anticipated that such valuation time will change in the future. The NAV for all series of all Funds is determined in Canadian dollars.

NAV per unit of a series of a Fund is calculated by adding up the market value of the Fund's assets and determining the proportionate share of a series, subtracting the series' proportionate share of liabilities that are common to all series of that Fund, further subtracting the liabilities of the Fund that are specific to the series and then dividing the resulting amount by the total number of outstanding units of that particular series.

Common expenses of the Funds are shared by all such Funds and are allocated on an equitable basis among all series of units of each Fund. All expenses that are specific to the Funds will be borne by the applicable Fund and will be allocated to a particular series of units where it is reasonable to do so.

### **Purchase Options**

**Series A – Sales Charge Option.** Series A investors will negotiate and pay a commission directly to their dealer at the time of purchase. This commission is negotiable but may not exceed 6% of the cost of securities purchased. Please refer to “**Sales Charges**” under “**Fees and Expenses Payable Directly By You**” on page 18.

**Series F and N – No Load Option.** Series F and N investors will not pay a sales charge at the time of purchase. Investors purchasing these series will pay a separate fee to their dealer.

**Series O.** Series O securities are not sold under the Sales Charge or No Load options. These securities are sold directly to investors and will have fees as outlined in separate agreements with us.

### **Minimum Amount You Can Invest**

Your first purchase of units of Series A, F or N of any Fund must be at least \$1,000. Each purchase of Series A, F, or N units of such Fund thereafter must be at least \$100. Your first purchase of Series O units of any Fund(s) must be at least \$1,000,000. Each purchase of Series O units of such Fund thereafter must be at least \$1,000.

### **Switches**

You can switch from one series of units of a Fund to another series of that same Fund or of the same or a different series of another Fund being offered under this document, with the exception of Series N units. You are not able to switch from Series N units to another series of the same Fund or another Series N unit of a different Fund offered under this document. Transactions involving Series N units are processed as purchases or redemptions. A switch is usually a transfer of your investment money from one Fund to another. You must maintain a minimum account balance of \$1,000, and you must switch at least \$1,000 worth of units. On any such switch, the value of your investment will not change (except for any fees you pay to redeem), but the number of units you hold will change. This is because each series of units has a different unit price based on that Fund's NAV per unit.

Your dealer may charge you a fee of up to 2% of the cost of units acquired when you make a switch. This fee is negotiable and separate from a commission.

The process and tax consequences of a switch between series of a Fund will depend upon whether the security being sold and acquired is of the same Fund or between Funds, and the type of account in which your investments are held. Switches within a registered account will generally not be subject to tax.

### **Switches between Series**

You may switch your securities of one series of a Fund for another series of the same Fund, with the exception of Series N units. You are not able to switch from Series N units to another series of the same Fund or another Series N unit of a different Fund offered under this document. Transactions involving Series N units are processed as purchases or redemptions. You are required to meet the eligibility requirements of the new series prior to the switch being processed. A switch between series of a Fund is not considered a taxable disposition. If, as part of a switch transaction, securities are redeemed to pay fees on a switch, such redemption may be taxable.



Switching between series will mean a switch between purchase options which may change the compensation paid to your dealer. We do not recommend a switch between these options as it may result in additional fees.

### **Switches between Funds**

You may switch your securities of one Fund for the same or different series of another Fund managed by Matco, with the exception of Series N units. You are required to meet the eligibility requirements of the new Fund and series prior to the switch being processed. A switch between Funds, regardless of switching series or not, will be considered a disposition for income tax purposes if made in a non-registered account. Net capital gains will be taxable.

### **Redemptions**

#### **How to Redeem**

You may require the Fund to redeem your units at the NAV by instructing your dealer. Alternatively, you may request a redemption by delivering to us a request in writing that a specified number of units be redeemed and, if a certificate has been issued representing the units to be redeemed, the certificate duly endorsed by the registered unitholder with his or her signature guaranteed by a Canadian chartered bank, a trust company or an investment dealer acceptable to us.

If we do not receive all the documents needed to process your redemption request within two business days, we are required to notify you that your redemption order is incomplete. If, within 10 business days, we still have not received all the necessary documentation, we are required to repurchase your units. If the repurchase amount is less than the redemption proceeds, the Fund will keep the difference. If the repurchase amount is greater than the redemption proceeds, we must pay the Fund the difference, and we will collect this amount from your dealer. Your dealer may have the right to collect it from you.

We will pay the redemption proceeds to you within three business days after the Valuation Date on which your redemption request is processed by electronic funds transfer, or within four business days if delivered by physical cheque.

#### **Valuation of Redemptions**

Provided that the determination of the NAV per unit of a Fund has not been suspended, orders received in good order prior to 4:00p.m. EST on a day that the TSX is open for business, or before the TSX closes on any day that it is open, whichever is earlier, will be processed on the basis of the NAV calculated for that day. If the Manager determines that the NAV of a Fund will be calculated at a time other than after the usual closing time of the TSX on a Valuation Date, the price paid or received will be determined relative to that time.

You will find more information about buying, redeeming and switching units of the Funds in the Funds' Annual Information Form.

#### **Redemptions by the Manager**

We must receive payment for the units within two business days of receiving your order for all Funds. If we do not receive payment within two business days, we are required to sell your units. If the proceeds are greater than the payment you owe, the Fund keeps the difference. If the proceeds are less than the payment you owe, we must pay the Fund the difference, and we will collect this amount from your dealer, who may have the right to collect it from you.

The dealer may then be able to collect such amount, together with its costs and interest from the investor on whose behalf the application was placed, depending on its arrangements with the investor. Where no dealers have



been involved in processing a purchase order, Matco is entitled to collect the amounts described above from the investor who has failed to remit payment.

We have the right to reject any order to buy units within one business day of receiving it. If we reject your order, we will return your money immediately without interest.

The Funds may redeem all of the units of a particular series owned by a unitholder at the series NAV per unit, less any applicable redemption charge: (i) if the unitholder no longer satisfies the eligibility requirements with respect to such units; (ii) to the extent necessary to pay any outstanding fees, charges and expenses applicable to such unitholder; (iii) if the redemption of the units is considered necessary by the Trustee of the Funds, to ensure that the Fund complies with the provisions of the Tax Act (as defined herein) governing mutual fund trusts or other legislation or regulatory requirements applicable to the Fund; (iv) to ensure that the Fund does not become subject to the legislation of a foreign jurisdiction; or (v) at any other time provided that the unitholder has been given not less than 60 days' prior notice. Unitholders shall be notified when the Fund becomes aware that the unitholder no longer satisfies eligibility requirements and allowed at least 30 days from the date such notice is sent by the Fund to subscribe for additional units of the relevant series or to otherwise satisfy the relevant eligibility requirements before such redemption is affected. In the event that a unitholder does not satisfy the eligibility requirements within such period, the Fund may, at any time thereafter, on such pricing date as may be fixed by the Fund, at its option, redeem all of the units of the series held by such unitholder, including by an exchange of all such units for units of another series of the same Fund that the unitholder is eligible to acquire.

#### **When You May Not be Able to Redeem**

Under extraordinary circumstances, we may be unable to process your redemption order and the rights of investors to redeem or convert units may be suspended by a Fund. With respect to a Fund offered under this document, this would occur if Canadian securities regulators allow us to suspend your right to redeem, for example:

1. if normal trading is suspended in any market where securities are traded that represent more than 50% of a Fund's total asset value if those securities are not traded on another market or exchange that represents a reasonable and practical alternative; or
2. in other circumstances with the consent of the Canadian securities regulators.

As permitted by applicable Canadian securities regulators, Matco may suspend the right of unitholders to require a Fund to redeem units and the concurrent payment for units of that Fund tendered for redemption during any period in which Matco determines that conditions exist, which render impractical the sale of any of the property of that Fund or impair the ability to determine the value of any property of that Fund. Matco has established certain policies and procedures such as a "large unitholder policy and procedure" to enable Matco to make prudent decisions on behalf of all unitholders.

If we suspend redemption rights before the redemption proceeds have been determined, you may either withdraw your redemption request or redeem your units, as applicable, at the NAV per unit next determined after the suspension has been lifted.

Where a suspension occurs, you may either withdraw your redemption request by notice in writing to Matco or by so instructing your dealer, or receive payment based on the NAV per unit, as determined on the next Valuation Date following the termination of the suspension.

Subject to prior receipt of any necessary regulatory approvals, Matco may declare a suspension of the determination of the NAV per unit of a Fund for the whole or part of any period:

1. during which normal trading is suspended on a stock exchange, options exchange or futures exchange within or outside Canada on which securities are listed and traded, or on which specified derivatives are traded, which represent more than 50% by value, or underlying market exposure, of the total assets attributable to the Fund, without allowance for liabilities, and only if those securities or specified derivatives are not traded on any other exchange that represents a reasonably practical alternative; or
2. with the approval of the relevant securities regulatory authorities, if required, or as otherwise required or permitted under applicable securities laws.

### **Processing Orders**

All orders for mutual fund units are forwarded to the principal office of the Funds for acceptance or rejection and each Fund reserves the right to reject any order in whole or in part. Dealers must transmit an order for units to the principal office of the Fund without charge to the investor. They must make such transmittal wherever practical by same day courier, priority post or telecommunications facility. The decision to accept or reject any order for mutual fund units will be made within one business day of receipt of the order by the Fund. In the event that any purchase order is rejected, all monies received with the order are returned immediately to the subscriber without interest. Payment for all orders of mutual fund units must be received at a Fund's principal office on, or before the settlement date—currently the second business day from (but not including) the day the subscription price for the mutual fund units so ordered is determined.

All orders placed are settled within the time periods described above. Where payment of the subscription price is not received on a timely basis, Matco, on behalf of the Fund, redeems the mutual fund units ordered by the cut-off time on the first business day following such period. The redemption proceeds reduce the amount owing to the Fund in respect of the failed purchase transaction. If the difference is favourable to the Fund, the Fund keeps the difference. If there is a shortfall, the dealer making the order for mutual fund units pays to the Fund the amount of the shortfall.

### **Short-Term Trading**

Short-term trading can hurt a Fund's performance by forcing the portfolio manager to keep more cash in the Fund than would otherwise be required or to sell investments at an inappropriate time. To deter short-term trading, we have implemented a 90-day redemption and switch fee of 2% (see "**Fees and Expenses - Fees and Expenses Payable Directly By You**" on page 18). The fees may not apply to unitholders of Series O units of a Fund if they are held on a discretionary basis and managed by Matco. No formal or informal arrangements have been made to allow for short-term trading in any of the Funds.

### **OPTIONAL SERVICES**

You may be eligible to take advantage of the below plans and services when you invest in our Funds.

#### **Registered Plans and Eligible Accounts**

You may purchase securities of the Funds offered through this Simplified Prospectus under the following registered plans if you meet the eligibility requirements in your province or territory: Registered Retirement Savings Plans ("**RRSPs**"), Locked-In Retirement Accounts ("**LIRAs**"), Locked-In Registered Retirement Savings Plans ("**LRSPs**"), Registered Retirement Income Funds ("**RRIFs**"), Locked-In Retirement Income Funds ("**LRIFs**"), Life Income Funds ("**LIFs**"), Prescribed Retirement Income Funds ("**PRIFs**"), Registered

Education Savings Plans (“**RESPs**”), Registered Disability Savings Plans (“**RDSPs**”), Tax-Free Savings Accounts (“**TFSAs**”), Deferred Profit Sharing Plans (“**DPSP**”) and Restricted Life Income Funds (“**RLIF**”) (each individually a “**Registered Plan**” and collectively being “**Registered Plans**”).

You should consult your tax advisor to determine whether you meet the eligibility requirements to hold securities of the Funds in a Registered Plan and whether or not securities of a Fund would be a prohibited investment under the Income Tax Act (Canada) (the “**Tax Act**”) if held in a Registered Plan.

### **Pre-Authorized Chequing (“PAC”) Plans**

PAC plans allow you to make regular and recurring investments in one or more series or Funds through automatic withdrawal from your bank account. Recurring investments for all series, except Series O, must be at least \$100 provided your initial investment is at least \$1,000. Investors in Series O may set up recurring PAC investments of at least \$1,000 provided your initial investment is at least \$1,000,000. We may, at any time and at its discretion, waive these minimums.

You may set up a PAC plan at the time of your initial investment or any time afterwards with five days’ notice. A PAC plan may also be terminated with five days’ notice. Notice is generally provided to us through your dealer. If you redeem all of the securities of a particular series, we will terminate your PAC plan unless otherwise advised.

### **Systematic/Automatic Withdrawal Plans (“AWPs”)**

You may set up AWP on your account to provide regular cash flows deposited directly to your bank account. To set up an AWP, the value of your account must be at least \$5,000 and recurring AWP amounts must be at least \$100. Withdrawals may be set up: monthly, bi-monthly, quarterly, semi-annually, or annually.

An AWP may be set up at the time of your initial investment or any time afterwards with five days’ notice. An AWP plan may also be terminated with five days’ notice. Notice is generally provided to us through your dealer. An AWP may reduce or fully redeem the amount of your initial investment if it exceeds the amount of reinvested dividends or distributions and net capital appreciation of the series held. If all of the securities of a particular series are redeemed through an AWP, we will terminate your AWP on that series of securities.

## FEES AND EXPENSES

### Fees and Expenses Payable By The Funds

The following table lists the maximum rate of management fees and expenses, excluding applicable taxes, you may have to pay if you invest in a Fund. You may have to pay some of these fees and expenses directly. The Fund may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in the Fund.

#### Management Fees

	<u>Series A</u>	<u>Series F</u>	<u>Series N</u>	<u>Series O</u>
Matco Fixed Income Fund	1.20%	0.70%	N/A	Negotiable
Matco Balanced Fund	1.75%	1.00%	N/A	Negotiable
Matco Canadian Equity Income Fund (formerly the Matco Canadian Equity Fund)	1.75%	1.00%	N/A	Negotiable
Matco Small Cap Fund	2.00%	1.25%	0.65%	Negotiable
Matco Global Equity Fund	2.15%	1.15%	N/A	Negotiable

Management fees are accrued daily and paid monthly. The management fees payable in respect of Series O units are negotiable directly with the Manager by each investor, but in any case, will not exceed Series A of a particular Fund.

Management fees are paid in consideration of provision of investment portfolio management services, more specifically for asset mix decisions, security selections, sector decisions and risk evaluation and management. The Manager is also responsible for providing, or arranging for the provision of: distribution of securities, communications with Unitholders, all office, personnel, custodial, recordkeeping and other services required for the daily operations and required regulatory reporting of the Funds.

We may, at our discretion and from time to time, waive all or a portion of the management fee chargeable to a series or Fund. Such waivers may be applied to the entire series of a Fund or be negotiated directly by Unitholders as management fee distributions from the Funds. Management fee distributions may be negotiated by large or institutional investors directly with the Manager and are settled through reinvestment in additional units of a Fund unless otherwise agreed by the Manager.

The operating expenses detailed below are not paid under, but in addition to, the management fees.

#### Operating Expenses

Each Fund pays its own operating expenses. These include, but are not limited to, administration, operating and valuation expenses, audit and legal fees, recordkeeping, registrar and transfer fees, filing fees, printing and mailing expenses, brokerage fees, transaction fees, exchange traded fund fees, taxes payable by the Fund, bank service charges, and interest on borrowings, if any. Each Fund is additionally responsible for their proportion of the annual IRC fees, allocated on a reasonable basis, as well as all reasonable expenses relating to and reimbursement of expenses incurred by the IRC in the performance of their duties under NI 81-107. Each IRC member receives an annual retainer of \$7,000 as compensation for their services, including

for Funds not offered for sales under this document. The retainer is allocated across the Funds provided IRC services.

From time to time, we may absorb or pay some operating expenses directly, at our discretion.

### **Fund of Fund Fees and Expenses**

The Funds hold, or may hold, shares or units of other mutual funds or exchange traded funds or index funds. There may be fees and expenses payable by such other mutual funds in addition to the fees and expenses payable by a Fund. The Funds will not pay a management fee on the portion of the assets invested in another fund that, to a reasonable person, would duplicate a fee payable by the other mutual fund for the same service. The Fund will also not pay sales or redemption fees in relation to its purchases or redemptions of securities of the other mutual fund that, to a reasonable person, would duplicate a fee payable by an investor in the mutual fund. Where any such other mutual fund is managed by Matco or an affiliate or associate of Matco, no sales fees or redemption fees shall be payable by a Fund in relation to its redemption or purchase of the shares or units of such other mutual fund.

### **Sales Taxes**

HST and/or GST is payable on management fees and most operating expenses. HST is paid at a blended rate on the basis of participating provinces and their rates, as adjusted from time to time, and the residency of Unitholders as reviewed at least annually.

No expenses, outside of separately negotiated Series O management fees, are charged directly to unitholders of a Fund.

For the year ended December 31, 2019, the Funds paid the following fees and expenses, including portfolio transaction costs, IRC fees and expenses and sales taxes, in addition to management fees:

- Matco Fixed Income Fund – \$138,889
- Matco Balanced Fund – \$174,639
- Matco Canadian Equity Income Fund (formerly the Matco Canadian Equity Fund) - \$325,951
- Matco Small Cap Fund - \$216,924
- Matco Global Equity Fund - \$898,456

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

**Sales Charges** If you purchase units under the sales charge option, your dealer may charge a commission of up to 6% at the time of purchase of Series A units of a Fund, which will reduce the amount of money you invest in the Funds. This commission is negotiated and agreed between you and your dealer.

**Redemption and Short Term Trading Fees** A fee of 2% may be charged on the redemption of any units of a Fund made within 90 days of the date of purchase. This fee is designed to deter short-term trading and/or market timing as they can adversely affect the existing unitholders. The redemption fee will be deducted from the proceeds of the redemption.

**Switching Fees** A fee of 2% of the purchase price may be charged by the Funds in respect of Series A, F and O units when you switch between Funds or series within 90 days of first having acquired the units to be exchanged. This fee is designed to deter excessive trading and to protect unitholders from other investors moving frequently in and out of the Funds. Frequent trading can hurt a Fund's performance by forcing the portfolio manager to keep more cash in the Fund than would otherwise be required or to sell investments at an inappropriate time. The switch fee will be deducted from the proceeds of the switch.

**Other Fees and Expenses** Wire Transfers. We charge the equivalent fees charged by the applicable bank in respect of any wire transfers.

Systematic Investment/Withdrawal. No fee is chargeable for the establishment of any systematic investment or withdrawal program.

The prior approval of the unitholders of the Funds will not be obtained before changing the basis of the calculation of a fee or expense that is charged to a Fund or its unitholders where the Fund is at arm's length to the person or company charging the fee or expense that results in the change; however, where such a change could result in an increase in charges to the Fund or its unitholders, a written notice will be sent to unitholders at least 60 days prior to the effective date of such change.

## Impact of Sales Charges

The following table shows the amount of sales related fees that you would have to pay under the different purchase options available to you if you: made an investment of \$1,000 in a Fund; held that investment for one, three, five, or 10 years and redeemed your investment immediately before the end of that period. This table assumes, in the case of the front-end sales charge option, that you pay the maximum sales commission.

	<b>AT TIME OF PURCHASE</b>	<b>1 YEAR</b>	<b>3 YEAR</b>	<b>5 YEAR</b>	<b>10 YEAR</b>
Front-End Sales Charge - Series A	\$60.00	Nil	Nil	Nil	Nil
Direct Purchase Option - Series F	Nil	Nil	Nil	Nil	Nil
Direct Purchase Option - Series N	Nil	Nil	Nil	Nil	Nil
Direct Large Purchase Option - Series O	Nil	Nil	Nil	Nil	Nil

## DEALER COMPENSATION

### Referral Fee

Your dealer may receive a referral fee at the time you purchase units. This referral fee arises and is payable at the time an investor opens an account with us and is not directly associated with the purchase of a Fund; however, it is possible that the Funds would be acquired through such an account. The amount of such fee is payable directly by us and is dependent upon individual referral agreements that may be in place between us, the Fund and the dealer/referrer.

### Switch Fee

Your dealer may charge you a switch fee of 0% to 2% of the purchase price of the units you acquire when you switch from one Fund to another or transfer between types of accounts in which you hold your units.

### Sales Commission

Your dealer may receive a sales commission when you invest in Series A units. If you choose the front-end sales charge option, your dealer receives a commission equal to the amount you negotiate with your advisor. The maximum commission under this option is 6% of the amount of your investment.

### Trailing Commission

A fee of up to 1.00% is payable by us to the applicable dealer in respect of all sales of Series A units of a Fund other than the Fixed Income Fund. A maximum fee of up to 0.50% is payable by us to the applicable dealer in respect of all sales of Series A units of the Fixed Income Fund. None of such service commissions are borne directly by the subscriber for Fund units; however, the management fee charged by us reflects the amount of such service commissions payable. This service commission is determined by us and our dealers and may change from time to time.



We also pay trailing commissions to the discount broker for securities you purchase through your discount brokerage account. The Canadian Securities Administrators have proposed amendments to securities regulations which would prohibit such trailing commissions to dealers who do not make a suitability determination. Such amendments are not yet in force as at the date hereof however, if enacted, the payment of such commissions to discount brokers is expected to cease. Further details are expected to be outlined by the separate provincial regulatory bodies during calendar 2020.

### **Other Forms of Dealer Support**

We may, from time to time, provide a broad range of marketing and educational support programs to dealers and their financial advisors. These include providing financial support for investor seminars and conferences on a cooperative basis and providing financial advisors with research and marketing materials on the Funds and the benefits of mutual fund investing. The cost of supporting such activities and providing such materials is determined on a case-by-case basis and paid by us in accordance with applicable securities legislation on permitted marketing expenses.

We may execute brokerage transactions through dealers who have provided other services to the Funds, such as investment research, order execution or distribution of Fund units.

### **DEALER COMPENSATION FROM MANAGEMENT FEES**

As at the end of the full fiscal period ended December 31, 2019, we paid less than 1% of the total management fees earned to dealers. This amount includes sales commission and trailer fees as well as our support of their promotional activities.

### **INCOME TAX CONSIDERATIONS**

This section provides a general summary of the principal Canadian federal income tax considerations under the Income Tax Act (Canada) (the “**Tax Act**”), as of the date hereof, for the Funds and for holders of units issued by the Funds who, for purposes of the Tax Act, are individuals (other than trusts) resident in Canada, hold such units as capital property, deal with the Funds at arm’s length, and are not affiliated with the Funds. This summary is based on the current provisions of the Tax Act and the regulations thereunder, all specific proposals to amend the Tax Act and such regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”), and the published administrative practices of the Canada Revenue Agency. This summary does not take into account or anticipate any changes in law, other than the Tax Proposals, whether by legislative, administrative or judicial action and it does not address provincial or foreign income tax legislation or considerations.

**This summary is of a general nature only and is not intended to be exhaustive and does not constitute legal or tax advice to any particular investor. Investors are advised to consult their tax advisors with respect to their individual circumstances.**

#### **Taxation of the Funds**

The Funds are, and are expected to continue to qualify as, mutual fund trusts under the Tax Act.

In computing its income, a Fund will include taxable distributions received and considered to be received on securities held by it and the taxable portion of capital gains realized by the Fund on the disposition of securities held by it. Each of the Funds is required to compute its net income and net realized capital gains in Canadian dollars for the purposes of the Tax Act and may, as a consequence, realize income or capital gains by virtue of



changes in the value of the U.S. dollar or other relevant currency relative to the Canadian dollar. The Trust Agreement governing the Funds requires that each Fund distribute its net income for tax purposes and net realized capital gains, if any, for each taxation year to unitholders to such an extent that the Funds generally will not be liable in any taxation year for income tax under Part I of the Tax Act on such net income and net realized capital gains (after taking into account any applicable losses of the Funds and any capital gains refunds to which the Funds are entitled).

Based on proposed amendments to the Tax Act contained in draft legislation released on July 30, 2019, if enacted as proposed, restrictions apply where a Fund that is a mutual fund trust for tax purposes throughout the year allocated to redeeming unitholders on the redemption of units, an amount that is not included in the proceeds from the redemption of the units. The Fund would be denied a deduction in computing its income for the taxation year amounts of income allocated to redeeming unitholders in the year and would be restricted in its ability to claim a deduction in computing its income for the taxation year capital gains allocated to redeeming unitholders in the taxation year.

All of a Fund's deductible expenses, including expenses common to all of the series of the Fund and the management fees and other expenses specific to a series of the Fund, will be taken into account in determining the income or loss of the Fund as a whole and applicable taxes payable by the Fund as a whole.

If appropriate designations are made by the underlying funds in which a Fund invests, the nature of distributions from the underlying funds that are derived from taxable dividends received from taxable Canadian corporations (including eligible dividends), foreign income and capital gains will be preserved in the hands of the Fund that receives the distributions for the purpose of computing its income and making designations with respect to its own distributions to its unitholders. A Fund may also receive distributions of ordinary income from the underlying funds. The nature of such amounts received by a Fund may be reflected in distributions from that Fund to its unitholders.

Where the amount of distributions paid by an underlying fund to a Fund in a year exceeds the underlying fund's income and capital gains, such excess amount will not be included in the recipient Fund's income (unless the underlying fund elects to treat the excess amount as income) but will reduce the adjusted cost base of its units of the underlying fund for the purpose of calculating a capital gain or loss on a future disposition of the units of the underlying fund. If the adjusted cost base of a unit would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by the holder and the holder's adjusted cost base of the unit will then be nil.

A Fund or an underlying fund may derive income or gains from investments in the foreign countries and, as a result, may be liable to pay tax to such countries. A Fund may designate a portion of the foreign source income in respect of a unitholder so that such income and a portion of the foreign tax paid may be regarded as foreign source income of, and foreign tax paid by, the unitholder for the purposes of the foreign tax credit provisions of the Income Tax Act (Canada).

Generally, each Fund holding derivatives as a substitute for direct investment will include gains and deduct losses on income account in connection with its derivative activities and will recognize such gains or losses for tax purposes at the time they are realized by the Fund. Where a Fund uses derivatives to hedge foreign currency exposure with respect to securities held on capital account, the derivatives are sufficiently linked to such securities and the derivatives are not subject to the derivative forward agreement rules ("**DFA Rules**") discussed below, gains or losses realized on such derivatives will be treated as capital gains or losses.

The DFA Rules in the Tax Act deem gains on the settlement of certain forward agreements (described as "derivative forward agreements") to be included in ordinary income rather than treated as capital gains. Under the DFA Rules, the return on a derivative entered into by a Fund that is a "derivative forward agreement" within the

meaning of the Tax Act will be taxed as ordinary income rather than capital gains. However, currency forward contracts or certain other derivatives that are entered into by a Fund in order to hedge foreign exchange risk in respect of its investments held as capital property are generally exempt from such treatment under the DFA Rules.

Losses incurred by a Fund cannot be allocated to unitholders but may be carried forward and deducted by the Fund in future years.

The Funds may be subject to the suspended loss rules contained in the Tax Act. A loss realized on a disposition of capital property is considered to be a suspended loss when a Fund, or a person affiliated with the Fund within the meaning of the Tax Act, acquires a property (a “substituted property”) that is the same or identical to the property sold, within 30 days before and 30 days after the disposition and the Fund, or affiliated person, owns the substituted property 30 days after the original disposition. If a loss is suspended, the applicable Fund generally cannot deduct the loss from the Fund’s capital gains until the substituted property is sold and is not reacquired by the Fund or an affiliated person within 30 days before and after the sale, which may increase the amount of net realized capital gains of the Fund to be made payable to its unitholders.

Rules in the Tax Act that apply to “loss restriction events” (as defined in the Tax Act) of certain trusts (the “**LRE Rules**”) may have an impact on a Fund in certain circumstances. Generally, unless a Fund qualifies for the exemption from the LRE Rules described below, the Fund will have a “loss restriction event” if any person, together with other persons with whom that person is affiliated within the meaning of the Tax Act, acquires units of the Fund having a fair market value that is greater than 50% of the fair market value of all the units of the Fund. Upon the occurrence of a “loss restriction event”, the Fund would have a deemed year-end resulting generally in a short taxation year, any undistributed income and realized capital gains (net of any applicable losses) would be expected to be made payable as a distribution on the units held by unitholders of record of the Fund on the record date for such distribution and the Fund would be restricted in its ability to use tax losses (including any unrealized capital losses) that exist at the time of the “loss restriction event”. Trusts that qualify as “investment funds” as defined in the LRE Rules are generally exempt from such adverse consequences. An “investment fund” for this purpose includes a trust that meets certain conditions, including qualifying as a “mutual fund trust” for purposes of the Tax Act (without having regard to the number of its unitholders), not using any property in the course of carrying on a business and complying with certain asset diversification requirements.

A Fund may be subject to section 94.1 of the Tax Act if the Fund holds or has an interest in “offshore investment fund property”. In order for section 94.1 of the Tax Act to apply to the Fund, the value of the interest must reasonably be considered to be derived, directly or indirectly, primarily from portfolio investments of the offshore investment fund property. If applicable, these rules can result in the Fund including an amount in its income based on the cost of the Fund’s offshore investment fund property multiplied by a prescribed interest rate. These rules would apply in a taxation year to the Fund if it could reasonably be concluded, having regard to all the circumstances, that one of the main reasons for the Fund acquiring, holding or having the investment in the entity that is an offshore investment fund property, was to benefit from the portfolio investments of the entity in such a manner that the taxes on the income, profits and gains therefrom for any particular year were significantly less than the taxes that would have been applicable if such income, profits and gains had been earned directly by the Fund.

A Fund that is not a mutual fund trust may become subject to alternative minimum tax, Part X.2 tax and Part XII.2 tax under the Tax Act, and would not be entitled to capital gains refunds. The Manager will use reasonable efforts to manage the investments of the Funds so that they will not be liable for any of these taxes.

If one or more “financial institutions”, as defined in the Tax Act, owns more than 50% of the fair market value of the units of a Fund which does not become or ceases to be a mutual fund trust, then that Fund will be a “financial institution” for purposes of the Tax Act and as such subject to certain “mark-to-market” tax rules. Where the Fund becomes a “financial institution”, the tax year of the Fund will be deemed to end immediately before that time and

any gains or losses accrued on certain securities before that time will be deemed realized by the Fund and will be distributed to unitholders. If financial institutions subsequently cease to hold more than 50% of the fair market value of the units of a Fund or if the Fund subsequently qualifies as a mutual fund trust at any time during a taxation year of the Fund, the Fund's taxation year will be deemed to end, and any gains and losses accrued to that time will similarly be recognized and included in amounts distributed to unitholders. A new taxation year for the Fund will then begin and for that and subsequent taxation years, for so long as either the Fund is a mutual fund trust or not more than 50% of the units of the Fund are held by financial institutions, the Fund will not be subject to these special mark-to-market rules.

### **Taxable Unitholders of the Funds**

A unitholder will generally be required to include in income, for tax purposes for any year, the amount (computed in Canadian dollars) of income and net taxable capital gains, if any, paid or payable by the Fund to the unitholder in the year and deducted by the Fund in computing its income for tax purposes, whether or not such amounts are paid in cash or are reinvested in additional units of the Fund. Any amounts reinvested in additional units of a Fund will be added to the unitholder's adjusted cost base of such units.

Any amount received by a unitholder in excess of the unitholder's share of the net income of the Funds generally will not be required to be included in the unitholder's income but, except to the extent that it constitutes the unitholder's share of the non-taxable portion of capital gains realized by the Funds and designated to the unitholder, generally will reduce the adjusted cost base of the unitholder's units. To the extent that a unitholder's adjusted cost base would otherwise be a negative amount at any time in a year, the negative amount will be deemed to be a capital gain realized by the unitholder and the unitholder's adjusted cost base will be nil immediately thereafter.

The Funds will designate to the extent permitted by the Tax Act the portion of the net income distributed to unitholders as may reasonably be considered to consist of taxable dividends (including eligible dividends) received by the Funds on shares of taxable Canadian corporations and net taxable capital gains of the Fund. Any such designated amount will be deemed for tax purposes to be received or realized by unitholders in the year as a taxable dividend (including an eligible dividend) and as a taxable capital gain, respectively. The dividend gross-up and tax credit treatment applicable to taxable dividends paid to an individual by a taxable Canadian corporation (including the enhanced gross-up and dividend tax credit applicable to dividends designated by the paying corporation as eligible dividends in accordance with the provisions of the Tax Act) will apply to amounts so designated as taxable dividends.

Capital gains so designated by the Funds will be subject to the general rules relating to the taxation of capital gains described below. In addition, the Funds will similarly make designations in respect of its income from foreign sources, if any, so that, for the purpose of computing any foreign tax credit available to a unitholder, the unitholder will be deemed to have paid as tax to the government of a foreign country that portion of the taxes paid by the Funds to that country that is equal to the unitholder's share of the Funds' income from sources in that country. Any loss of a Fund for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, the unitholders of such Fund.

Unitholders will be informed each year of the composition of the amounts distributed to them, including amounts in respect of both cash and reinvested distributions. This information will indicate whether distributions are to be treated as ordinary income, taxable dividends (eligible dividends or dividends other than eligible dividends), taxable capital gains, returns of capital, and foreign source income, and whether foreign tax has been paid for which the unitholder might be able to claim a foreign tax credit, where those items are applicable.

When a unitholder acquires units in a Fund, a portion of the price paid may reflect income and realized capital gains of the Fund that have not been distributed, and accrued capital gains that have not been realized, by the Fund. This may particularly be the case near year-end before year-end distributions have been made. When and if such income and realized capital gains are distributed by the Fund, and when and if such accrued capital gains are realized and distributed, such income and gains must be taken into account by the unitholder in computing its income for tax purposes even though such amounts may have been reflected in the price paid by the unitholder. If the amounts of such distributions are reinvested in additional units of the Fund, the amounts will be added to the unitholder's adjusted cost base of its units.

Upon the actual or deemed disposition of a unit, including the exchange or redemption of a unit, and including a redemption of units to pay fees, a capital gain (or a capital loss) will generally be realized by the unitholder to the extent that the proceeds of disposition of the unit exceed (or are exceeded by) the aggregate of the adjusted cost base to the unitholder of the unit and any reasonable costs of disposition. For the purpose of computing a unitholder's capital gain (or capital loss) on a redemption of units, the proceeds of disposition will be determined as the amount paid on the redemption less any amount allocated and designated as capital gains payable to the unitholder. The adjusted cost base of units held by unitholders must be calculated separately for units of each series of each Fund held by the unitholder.

In general, the adjusted cost base of all units of a particular series of a Fund held by the unitholder is the total amount paid for mutual fund units of that series (including brokerage commissions paid and the amount of reinvested distributions), regardless of when the unitholder bought them, less any non-taxable distributions (other than the non-taxable portion of capital gains) such as a return of capital and less the adjusted cost base of any mutual fund units of that series previously redeemed/exchanged by the unitholder. For the purpose of determining the adjusted cost base of units of a series to a unitholder, when units of the series are acquired, the cost of the newly acquired units will be averaged with the adjusted cost base of all units of that series owned by the unitholder as capital property immediately before that time. You should keep detailed records of the purchase cost, sales charges and distributions related to your Fund units in order to calculate the adjusted cost base of those units. You may wish to consult a tax advisor to help you with these calculations. If management fees are paid directly by investors to the Manager, as in the case of Series O, they may be deductible expenses for tax purposes by you for non-registered accounts.

If a Fund realizes income or capital gains as a result of a transfer or disposition of its property undertaken to permit an exchange or redemption of units by a unitholder, all or a portion of the amount received by the unitholder may be designated and treated for income tax purposes as a distribution to the unitholder out of such income or capital gains rather than being treated as proceeds of disposition of the units. As noted above, based on proposed amendments to the Tax Act on July 30, 2019, if a Fund makes such an allocation to a redeeming unitholder, the Fund's income for tax purposes for the year may increase with the result that larger allocations of income and capital gains may be required to be made to unitholders who did not redeem units in the year.

The reclassification of units of a series into units of another series of the same Fund will generally not be considered to be a disposition for tax purposes and accordingly, the unitholder will realize neither a gain nor a loss as a result of a reclassification. The unitholder's total adjusted cost base of the units received upon the reclassification will equal the total adjusted cost base of the reclassified units immediately before reclassification.

One half of any capital gain realized by a unitholder and the amount of any net taxable capital gains realized or considered to be realized by a Fund and designated by the Fund in respect of a unitholder will be included in the unitholder's income as a taxable capital gain. One half of a capital loss realized by a unitholder will be an allowable capital loss that is deducted from taxable capital gains subject to and in accordance with detailed rules in the Tax Act.

## **Portfolio Turnover**

Generally, the higher the portfolio turnover rate for a year, the greater the chance of the Fund generating net capital gains realized on dispositions of securities and then paying a capital gains distribution out of a Fund. High portfolio turnover is not necessarily correlated to high Fund performance.

## **Alternative Minimum Tax**

Amounts treated as eligible dividends and capital gains will be taken into account in computing alternative minimum tax, if any, payable by a unitholder.

## **Non-Taxable Unitholders of the Funds**

In general, the amount of distributions paid or payable to a Registered Plan from a Fund and gains realized by a Registered Plan on a disposition of a unit of a Fund will not be taxable under the Tax Act. Any amount withdrawn from a Registered Plan (other than a TFSA and certain withdrawals from an RESP or RDSP) will generally be subject to tax. A penalty tax in respect of units of the Funds held by a Registered Plan may be applicable if the units are “prohibited investments”. See “**Eligibility for Investment for Registered Plans**” below.

Fees paid on registered account investments, whether paid inside or outside of the account, are not deductible for tax purposes.

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

Provided that a Fund qualifies as a mutual fund trust under the Tax Act, the units of the Funds will at all relevant times be qualified investments for Registered Plans.

Units of a Fund may be a “prohibited investment” under the Tax Act for a Registered Plan even when the units are a qualified investment. Units of a Fund will generally not be a prohibited investment for such plans if the planholder deals at arm’s length with the Fund and does not have a “significant interest” in the Fund. A “significant interest”, in general terms, means the ownership of 10% or more of the Fund’s outstanding units by the planholder, either alone or together with persons or partnerships with whom the planholder does not deal at arm’s length. Investors should consult with their own tax advisors as to whether units of the Funds would be prohibited investments for their Registered Plans.

## **WHAT ARE YOUR LEGAL RIGHTS?**

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

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

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

## **ADDITIONAL INFORMATION**

Matco is not currently a member of, and does not intend to become a member of, the Mutual Fund Dealers Association of Canada (the “**MFDA**”) and has received from the Alberta Securities Commission, the British Columbia Securities Commission, the Saskatchewan Securities Commission, the Manitoba Securities Commission and the Ontario Securities Commission an exemption from the requirement to become a member of the MFDA. Consequently, Matco clients do not currently, and will not, have available to them investor protection benefits that would otherwise derive from Matco’s membership in the MFDA, including coverage under any investor protection plan for clients of members of the MFDA.

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



**MATCO FIXED INCOME FUND**

**Fund details**

TYPE OF FUND	Canadian Fixed Income
INCEPTION DATE	Series A: September 20, 2017 Series F: September 20, 2017 Series O: September 20, 2017
SECURITIES OFFERED	Series A, F, and O units
REGISTERED TAX PLAN ELIGIBILITY	Eligible as a qualified investment for Registered Plans
FEES AND EXPENSES	Series A: 1.20% Series F: 0.70% Series O: negotiated and paid directly to the Manager by each Series O investor  Additionally, the Fund pays its operating expenses and costs of the IRC as well as applicable sales taxes. See “Fees and Expenses” in Part A of this Simplified Prospectus.

**WHAT DOES THE FUND INVEST IN?**

***Investment objectives***

The Fund’s objective is to provide an optimal level of income with some potential for capital appreciation while preserving capital by investing primarily in Canadian dollar-denominated investment grade debt instruments. These securities will consist of bonds and debentures and may also include real return bonds, mortgage-backed securities and asset-backed securities. The debt obligations will be issued or guaranteed by, Canadian federal, provincial or municipal governments, Canadian chartered banks, Canadian loan or trust companies or Canadian corporations.

Within the context of optimal income, the Fund may also invest in income generating common and preferred equities, as well as foreign currency denominated fixed income instruments from Canadian or foreign issuers.

The fundamental investment objectives of the Fund may only be changed with the approval of at least a majority of the votes cast at a meeting of unitholders duly called to consider the matter. However, we may change the Fund’s investment strategies described below at our discretion.

***Investment strategies***

- Matco seeks to achieve the investment objective of the Fund by investing primarily in a diversified selection of Canadian dollar-denominated investment grade debt instruments. When market conditions are appropriate, Matco may also invest in real return bonds, mortgage-backed securities, asset-backed securities, and preferred and common equities.

This document provides specific information about the Matco Fixed Income Fund. It should be read in conjunction with the rest of the Simplified Prospectus of the Matco Funds dated June 17, 2020. This document and the document that provides general information about the Matco Funds together constitute the Simplified Prospectus.



## MATCO FIXED INCOME FUND

- Matco believes that focusing on global macroeconomic trends in combination with bottom-up security selection will add value by enhancing long-term performance while at the same time reducing the overall risk of the Fund.
- Although Matco believes it is prudent to make changes and modifications to the Fund as the market evolves, risks change and opportunities present themselves, generally the Fund would have relatively low turnover and employ a “buy-and-hold” strategy, subject to market conditions.
- The Fund may invest in the debt obligations of, or guaranteed by, the Canadian federal, provincial or municipal governments up to 100% of its NAV.
- The Fund may invest in the debt of Canadian chartered banks, Canadian loan or trust companies or Canadian corporations up to 80% of its NAV.
- The Fund may invest in common or preferred equities of Canadian or US corporations up to 20% of its NAV.
- The Fund may invest in foreign securities, whether fixed income, common or preferred equities, up to 20% of its NAV.
- The Fund may hold a portion of its assets in cash or money market investments with a range of maturities for administrative reasons, or in response to adverse market, economic or political conditions.
- The Fund may invest in derivatives for hedging purposes only, as permitted by securities regulations, that are consistent with the investment objectives of the Fund. Derivatives may be used with the intention to offset or reduce a risk associated with an investment or group of investments. These risks include currency fluctuations, market risks, and interest rate changes. The Fund may enter into derivatives as defined under the heading “**What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? - What are the Specific Risks of Investing in a Mutual Fund? - Derivatives Risks**” on page 3.
- The Fund may enter into securities lending, repurchase or reverse repurchase transactions. These transactions will be used in conjunction with the Fund’s other investment strategies in the manner considered most appropriate to achieving the Fund’s overall investment objectives and enhancing the Fund’s return, as permitted by securities regulators. The Fund must hold collateral of no less than 102% of the loaned value of securities and the Fund will not lend more than 50% of the total value of its assets.

### **WHAT ARE THE RISKS OF INVESTING IN THE FUND?**

The Fund may enter into securities lending, repurchase or reverse repurchase transactions. These transactions involve risks as described under “**What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? - What are the Specific Risks of Investing in a Mutual Fund? - Securities Lending, Repurchase and Reverse Repurchase Risk**” on page 5.

This document provides specific information about the Matco Fixed Income Fund. It should be read in conjunction with the rest of the Simplified Prospectus of the Matco Funds dated June 17, 2020. This document and the document that provides general information about the Matco Funds together constitute the Simplified Prospectus.

## MATCO FIXED INCOME FUND

In addition, this Fund is subject to a number of general risks, including, but not limited to credit risk, interest rate risk, liquidity risk, foreign currency risk, international market risk, repurchase and reverse repurchase agreements risk, securities lending risk, series risk, concentration risk, income fund and royalty trust risk, income trust risk, small company risk, commodity risk, prepayment risk and portfolio manager risk, each of which is described in detail under “**What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? - What are the Specific Risks of Investing in a Mutual Fund?**” on pages 3 to 6.

### *Investment risk classification methodology*

The investor risk level of this mutual fund is required to be determined in accordance with a standard risk classification methodology that is based on the mutual fund's historical volatility as measured by the 10 year standard deviation of the returns of the Fund, assuming the reinvestment of all distributions.

For Funds which do not have 10 years of history, Matco determines investment risk classification based on a reference index that reasonably approximates the standard deviation of the mutual fund by using the actual return history of the fund for the applicable period and imputing the return history of the reference index for the remainder of the 10 year period. Risk Ratings are reviewed at least annually in accordance with regulatory and industry guidance and may change over time as additional years of data become available. For the Matco Fixed Income Fund the iShares Core Canadian Universe Bond Index ETF is used as the basis for determining the Fund's investment risk classification. The iShares Core Canadian Universe Bond Index ETF represents and is designed to be a broad measure of the Canadian investment-grade fixed income universe. Investment grade is defined as having an overall quality rating of BBB or greater, which includes government, quasi-government and corporate bonds. The universe bond index includes all bonds within the aforementioned sectors and quality ratings with maturities of one year or greater.

The standardized risk classification methodology used to identify the investor risk level of the mutual fund is available on request, at no cost, by calling toll-free 1.877.539.5743 or by writing to Suite 350, 440 - 2nd Avenue SW, Calgary, Alberta, T2P 5E9.

### **WHO SHOULD INVEST IN THIS FUND?**

This Fund may be suitable if you:

- are seeking income, stability and capital preservation;
- are willing to accept low investment risk; and
- are looking to hold the investment for the short, medium or long term.

Based on the above investment risk classification method, this Fund is classified as a low investment risk, on the basis of the Fund's historical data.

### **DISTRIBUTION POLICY**

The Fund distributes any net income on the last day of every quarter and distributes any realized net capital gains annually. The Fund may pay the final distribution of the year prior to the last day of the quarter but within the last month of the quarter. The Fund may also pay distributions at other times during the year. We

This document provides specific information about the Matco Fixed Income Fund. It should be read in conjunction with the rest of the Simplified Prospectus of the Matco Funds dated June 17, 2020. This document and the document that provides general information about the Matco Funds together constitute the Simplified Prospectus.

## MATCO FIXED INCOME FUND

automatically reinvest all distributions in additional units of the Fund unless you tell us in writing you want to receive distributions in cash. The tax treatment of each type of distribution is described under “**Income Tax Considerations**” on page 20.

### ***FUND EXPENSES INDIRECTLY BORNE BY INVESTORS***

Mutual funds pay their expenses (including the management fee) out of fund assets. This means investors in a fund indirectly pay for these expenses through lower returns. See “**Fees and Expenses**” on page 16 for details.

The chart below allows you to compare the costs of investing in the Fund with the costs of other mutual funds. It shows the cumulative expenses you would have paid over various time periods if you:

- made an initial investment of \$1,000;
- earned a total annual return of 5% in each year, calculated in accordance with National Instrument 81-102 - *Investment Funds*; and
- paid the same management expense ratio in each year as you did in the Fund’s last completed financial year calculated in accordance with National Instrument 81-106 - *Investment Fund Continuous Disclosure*.

<b>SERIES</b>	<b>1-YEAR</b>	<b>3-YEAR</b>	<b>5-YEAR</b>	<b>10-YEAR</b>
A	\$12.81	\$40.38	\$70.78	\$161.12
F	\$8.72	\$27.47	\$48.16	\$109.62
O	\$1.05	\$3.31	\$5.80	\$13.21

The chart does not account for fees directly borne by you. See “**Fees and Expenses**” on page 16 for details. In particular, Series O is not charged a management fee as investors negotiate and pay a fee directly to the Manager.

This document provides specific information about the Matco Fixed Income Fund. It should be read in conjunction with the rest of the Simplified Prospectus of the Matco Funds dated June 17, 2020. This document and the document that provides general information about the Matco Funds together constitute the Simplified Prospectus.

**MATCO BALANCED FUND**

**Fund details**

TYPE OF FUND	Canadian Neutral Balanced
INCEPTION DATE	Series A: November 29, 2007 Series F: November 29, 2007 Series O: November 29, 2007
SECURITIES OFFERED	Series A, F, and O units
REGISTERED TAX PLAN ELIGIBILITY	Eligible as a qualified investment for Registered Plans
FEES AND EXPENSES	Series A: 1.75% Series F: 1.00% Series O: negotiated and paid directly to the Manager by each Series O investor  Additionally, the Fund pays its operating expenses and costs of the IRC as well as applicable sales taxes. See “Fees and Expenses” in Part A of this Simplified Prospectus.

**WHAT DOES THE FUND INVEST IN?**

***Investment objectives***

The Fund’s objective is to seek a balance of long-term capital appreciation and current income by investing in a Canadian focused portfolio of equities and fixed income instruments, diversified across investment styles and market capitalization, geographic regions, asset classes, and sectors.

We may not change the fundamental investment objectives, or any of the material investment strategies of the Fund without first obtaining approval of a majority of the votes of the unitholders of the Fund entitled to vote on such matters, at a meeting to consider the change.

***Investment strategies***

- Matco uses a top-down approach to asset allocation and sector selection, and a bottom-up approach to security selection. Matco's Asset Allocation committee employs a macro review of domestic and global economies. Matco determines the risk and return potential of global capital markets versus Canada and then each asset class to determine their respective weightings in the Fund. Under normal market conditions, an optimal asset mix of Canadian fixed income (40%-60%), Canadian equities (25%-45%) and U.S./global/international equities (0%-35%) will be pursued. Matco will actively rebalance the portfolio within the stated ranges when deemed appropriate to generate regular cash flow and to position the Fund for growth opportunities.

This document provides specific information about the Matco Balanced Fund. It should be read in conjunction with the rest of the Simplified Prospectus of the Matco Funds dated June 17, 2020. This document and the document that provides general information about the Matco Funds together constitute the Simplified Prospectus.

## MATCO BALANCED FUND

- The Fund may also invest in the securities of other mutual funds including the Matco Canadian Equity Income Fund (formerly the Matco Canadian Equity Fund), Matco Small Cap Fund, Matco Global Equity Fund and Matco Fixed Income Fund. As at the date of this Simplified Prospectus the entirety of the net asset value of the Fund which has not been dedicated to cash is invested in such securities of the Matco family of funds. The Fund does not intend to purchase securities of, or enter into, specified derivative transactions for which the underlying interest is based on the securities of other mutual funds. The portfolio manager will determine whether to invest directly in securities or indirectly through other mutual funds on the basis of alignment of the mutual funds with the Fund's overall investment objectives as well as the ability to achieve the desired asset allocation and greatest overall return.
- The Fund will primarily employ Matco's internal investment management to meet the Fund's objectives. Matco, at its discretion, may add non-proprietary managers within the Fund as an overlay strategy. Matco uses a rigorous manager selection process that continuously monitors and evaluates the selected external managers on criteria such as performance, adherence to investment style and corporate governance.
- The Fund may employ the techniques of utilizing individual, bond and ETF securities for core holdings as well as a fund-of-funds approach in order to position the Fund for growth opportunities.
- The Fund may hold a portion of its assets in cash or cash equivalents while seeking investment opportunities or due to market conditions.
- The Fund may invest in derivatives for hedging purposes only, as permitted by securities regulations that are consistent with the investment objectives of the Fund. Derivatives may be used with the intention to offset or reduce a risk associated with an investment or group of investments. These risks include currency fluctuations, market risks, and interest rate changes. The Fund may enter into derivatives as defined under the heading "**What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? - What are the Specific Risks of Investing in a Mutual Fund? - Derivatives Risks**" on page 3.
- The Fund may enter into securities lending, repurchase or reverse repurchase transactions. These transactions will be used in conjunction with the Fund's other investment strategies in the manner considered most appropriate to achieving the Fund's overall investment objectives and enhancing the Fund's return, as permitted by securities regulators. The Fund must hold collateral of no less than 102% of the loaned value of securities and the Fund will not lend more than 50% of the total value of its assets.

### **WHAT ARE THE RISKS OF INVESTING IN THE FUND?**

The Fund may enter into securities lending, repurchase or reverse repurchase transactions. These transactions involve risks as described under "**What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? - What are the Specific Risks of Investing in a Mutual Fund? - Securities Lending, Repurchase and Reverse Repurchase Risk**" on page 5.

In addition, this Fund is subject to a number of general risks, including, but not limited to stock market risk, interest rate risk, credit risk, fixed income risk, liquidity risk, concentration risk, income fund and royalty trust risk, income trust risk, small company risk, commodity risk, prepayment risk and portfolio manager risk,

This document provides specific information about the Matco Balanced Fund. It should be read in conjunction with the rest of the Simplified Prospectus of the Matco Funds dated June 17, 2020. This document and the document that provides general information about the Matco Funds together constitute the Simplified Prospectus.

## MATCO BALANCED FUND

each of which is described in detail under “**What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? - What are the Specific Risks of Investing in a Mutual Fund?**” on pages 3 to 6.

During the 12 month period immediately preceding the date that is 30 days before the date hereof, greater than 10% of the net asset value of the Fund was invested in the series O units of each of the Matco Fixed Income Fund, Matco Global Equity Fund, Matco Canadian Equity Income Fund (formerly the Matco Canadian Equity Fund) and Matco Small Cap Fund. The maximum percentage of the net asset value of the Fund that was invested in units of those funds during such 12 month period was 52.5%, 24.6%, 28.2% and 11.2%, respectively. Having greater than 10% of the Fund’s net asset value invested in the securities of one issuer can give rise to concentration risk, as described in detail under “**What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? - What are the Specific Risks of Investing in a Mutual Fund?**” on pages 3 to 6.

### *Investment risk classification methodology*

The investor risk level of this mutual fund is required to be determined in accordance with a standard risk classification methodology that is based on the mutual fund's historical volatility as measured by the 10 year standard deviation of returns of the Fund, assuming the reinvestment of all distributions.

The standardized risk classification methodology used to identify the investor risk level of the mutual fund is available on request, at no cost, by calling toll-free 1.877.539.5743 or by writing to Suite 350, 440 - 2nd Avenue SW, Calgary, Alberta, T2P 5E9.

### **WHO SHOULD INVEST IN THIS FUND?**

This Fund may be suitable if you:

- are seeking income, stability and capital appreciation;
- are willing to accept low investment risk; and
- are looking to hold the investment for the medium to long term.

Based on the above investment risk classification method, this Fund is classified as a low to medium investment risk, on the basis of the last 10 years’ data.

### **DISTRIBUTION POLICY**

The Fund distributes any net income on the last day of every quarter and distributes any realized net capital gains annually. The Fund may pay the final distribution of the year prior to the last day of the quarter but within the last month of the quarter, and the Fund may also pay distributions at other times during the year. We automatically reinvest all distributions in additional units of the Fund unless you tell us in writing you want to receive distributions in cash. The tax treatment of each type of distribution is described under “**Income Tax Considerations**” on page 20.

This document provides specific information about the Matco Balanced Fund. It should be read in conjunction with the rest of the Simplified Prospectus of the Matco Funds dated June 17, 2020. This document and the document that provides general information about the Matco Funds together constitute the Simplified Prospectus.

## MATCO BALANCED FUND

### ***FUND EXPENSES INDIRECTLY BORNE BY INVESTORS***

Mutual funds pay their expenses (including the management fee) out of fund assets. This means investors in a fund indirectly pay for these expenses through lower returns. See “**Fees and Expenses**” on page 16 for details.

The chart below allows you to compare the costs of investing in the Fund with the costs of other mutual funds. It shows the cumulative expenses you would have paid over various time periods if you:

- made an initial investment of \$1,000;
- earned a total annual return of 5% in each year, calculated in accordance with National Instrument 81-102 - *Investment Funds*; and
- paid the same management expense ratio in each year as you did in the Fund’s last completed financial year calculated in accordance with National Instrument 81-106 - *Investment Fund Continuous Disclosure*.

<b>SERIES</b>	<b>1-YEAR</b>	<b>3-YEAR</b>	<b>5-YEAR</b>	<b>10-YEAR</b>
A	\$23.84	\$75.14	\$131.70	\$299.79
F	\$16.07	\$50.64	\$88.77	\$202.06
O	\$5.04	\$15.89	\$27.85	\$63.39

The chart does not account for fees directly borne by you. See “**Fees and Expenses**” on page 16 for details. In particular, Series O is not charged a management fee as investors negotiate and pay a fee directly to the Manager.

This document provides specific information about the Matco Balanced Fund. It should be read in conjunction with the rest of the Simplified Prospectus of the Matco Funds dated June 17, 2020. This document and the document that provides general information about the Matco Funds together constitute the Simplified Prospectus.



## MATCO CANADIAN EQUITY INCOME FUND

### MATCO CANADIAN EQUITY INCOME FUND (FORMERLY THE MATCO CANADIAN EQUITY FUND)

#### Fund details

TYPE OF FUND	Canadian Equity
INCEPTION DATE	Series A: November 29, 2007 Series F: November 29, 2007 Series O: November 29, 2007
SECURITIES OFFERED	Series A, F, and O units
REGISTERED TAX PLAN ELIGIBILITY	Eligible as a qualified investment for Registered Plans
FEES AND EXPENSES	Series A: 1.75% Series F: 1.00% Series O: negotiated and paid directly to the Manager by each Series O investor  Additionally, the Fund pays its operating expenses and costs of the IRC as well as applicable sales taxes. See “Fees and Expenses” in Part A of this Simplified Prospectus.

#### WHAT DOES THE FUND INVEST IN?

##### *Investment objectives*

The Fund’s objective is to achieve superior risk-adjusted returns through long-term capital appreciation by investing primarily in securities of mid to large market capitalization Canadian companies with strong fundamentals.

We may not change the fundamental investment objectives, or any of the material investment strategies of the Fund without first obtaining approval of a majority of the votes of the unitholders of the Fund entitled to vote on such matters, at a meeting to consider the change.

##### *Investment strategies*

- Matco's process-driven approach to managing money incorporates both quantitative and qualitative analyses.
- Matco employs a Growth at a Reasonable Price (GARP) investment style. Our goal is to provide our clients with both growth and income.
- Matco manages concentrated portfolios, which generally hold between 30-35 securities.
- Matco will employ the technique of utilizing individual security holdings within the Fund for core holdings versus an all fund-of-funds solution. This allows for greater control of tax distributions and investment management implementation within the Fund, equivalent to an institutional or private client mandate.

This document provides specific information about the Matco Canadian Equity Income Fund (formerly the Matco Canadian Equity Fund). It should be read in conjunction with the rest of the Simplified Prospectus of the Matco Funds dated June 17, 2020. This document and the document that provides general information about the Matco Funds together constitute the Simplified Prospectus.



## MATCO CANADIAN EQUITY INCOME FUND

- The Fund will strategically utilize large, mid and small capitalized securities to achieve its objectives with a bias towards large capitalized securities which distribute dividends and/or income.
- Securities are purchased with a long-term horizon.
- The Fund may also invest in the securities of other mutual funds, including the Matco Small Cap Fund, as permitted under securities regulations. The portfolio manager will determine whether to invest directly in securities or indirectly through other mutual funds on the basis of alignment of the mutual funds with the Fund's overall investment objectives as well as the ability to achieve the desired asset allocation and greatest overall return.
- The Fund may hold a portion of assets in cash or cash equivalents while seeking investment opportunities or due to market conditions.
- The Fund may invest in derivatives for hedging purposes only, as permitted by securities regulations that are consistent with the investment objectives of the Fund. Derivatives may be used with the intention to offset or reduce a risk associated with an investment or group of investments. These risks include currency fluctuations, market risks and interest rate changes. The Fund may enter into derivatives as described under the heading “**What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? - What are the Specific Risks of Investing in a Mutual Fund? - Derivatives Risks**” on page 3.
- The Fund may invest in, or enter into, specified derivative transactions for which the underlying interest is based on the securities of other mutual funds. Such other mutual funds may be managed by us or our affiliates or associates. There is no set percentage of the Fund's net asset value dedicated to such investments.
- Although the Fund is primarily focused on Canadian equities, it may also invest from time to time in U.S. and foreign securities based upon Matco's assessment of market conditions. The Fund is required to maintain a minimum of 70% Canadian securities. The maximum exposure to foreign markets is 30% of the Fund.
- The Fund may enter into securities lending, repurchase or reverse repurchase transactions. These transactions will be used in conjunction with the Fund's other investment strategies in the manner considered most appropriate to achieving the Fund's overall investment objectives and enhancing the Fund's return, as permitted by securities regulators. A Fund must hold collateral of no less than 102% of the loaned value of securities and the Fund will not lend more than 50% of the total value of its assets.

### **WHAT ARE THE RISKS OF INVESTING IN THE FUND?**

As at the date hereof, securities of the Fund representing more than 10% of the NAV of the Fund are held by Matco Investments Ltd. (See the Fund's AIF for more detail). Should Matco Investments Ltd. or any other significant holder redeem a significant amount of their holdings in a short time, the Fund may be required to sell some of its holdings at an inopportune time. See “**What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? - What are the Specific Risks of Investing in a Mutual Fund? - Substantial Unitholder Risk**” on page 5.

The Fund may enter into securities lending, repurchase or reverse repurchase transactions. These transactions involve risks as described under “**What is a Mutual Fund and What are the Risks of Investing in a Mutual**

<p>This document provides specific information about the Matco Canadian Equity Income Fund (formerly the Matco Canadian Equity Fund). It should be read in conjunction with the rest of the Simplified Prospectus of the Matco Funds dated June 17, 2020. This document and the document that provides general information about the Matco Funds together constitute the Simplified Prospectus.</p>
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## MATCO CANADIAN EQUITY INCOME FUND

**Fund? - What are the Specific Risks of Investing in a Mutual Fund? Securities Lending, Repurchase and Reverse Repurchase Risk”** on page 5.

In addition, this Fund is subject to a number of more general risks, including, but not limited to stock market risk, interest rate risk, foreign investment and currency risk, credit risk, liquidity risk, class risk, concentration risk, income fund and royalty trust risk, income trust risk, commodity risk and portfolio manager risk, each of which is described in detail under “**What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? - What are the Specific Risks of Investing in a Mutual Fund?**” on pages 3 to 6.

### *Investment risk classification methodology*

The investor risk level of this mutual fund is required to be determined in accordance with a standard risk classification methodology that is based on the mutual fund's historical volatility as measured by the 10 year standard deviation of the returns of the Fund, assuming the reinvestment of all distributions.

The risk classification for the Matco Canadian Equity Income Fund (formerly the Matco Canadian Equity Fund), which combines data from the Fund's predecessor has increased from low to medium, to medium on the basis of the last 10 years' data.

The standardized risk classification methodology used to identify the investor risk level of the mutual fund is available on request, at no cost, by calling toll-free 1.877.539.5743 or by writing to Suite 350, 440 – 2nd Avenue SW, Calgary, Alberta, T2P 5E9.

### **WHO SHOULD INVEST IN THIS FUND?**

This Fund is not intended to be a complete investment program for all investors and may only be suitable if you:

- are seeking long-term capital appreciation with a bias toward companies that pay a dividend;
- can tolerate a low to medium level of investment risk; and
- are planning to hold the investment for the medium to long term.

Based on the above investment risk classification method, this Fund is classified as a medium risk.

### **DISTRIBUTION POLICY**

The Fund distributes any net income on the last day of every quarter and distributes any realized net capital gains annually. The Fund may pay the final distribution of the year prior to the last day of the quarter but within the last month of that quarter. The Fund may also pay distributions at other times during the year. We automatically reinvest all distributions in additional units of the Fund unless you tell us in writing you want to receive distributions in cash. The tax treatment of each type of distribution is described under “**Income Tax Considerations**” on page 20.

### **FUND EXPENSES INDIRECTLY BORNE BY INVESTORS**

Mutual funds pay their expenses (including the management fee) out of fund assets. This means investors in a fund indirectly pay for these expenses through lower returns. See “**Fees and Expenses**” on page 16 for details.

<p>This document provides specific information about the Matco Canadian Equity Income Fund (formerly the Matco Canadian Equity Fund). It should be read in conjunction with the rest of the Simplified Prospectus of the Matco Funds dated June 17, 2020. This document and the document that provides general information about the Matco Funds together constitute the Simplified Prospectus.</p>
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## MATCO CANADIAN EQUITY INCOME FUND

The chart below allows you to compare the costs of investing in the Fund with the costs of other mutual funds. It shows the cumulative expenses you would have paid over various time periods if you:

- made an initial investment of \$1,000.00;
- earned a total annual return of 5% in each year, calculated in accordance with National Instrument 81-102 *Investment Funds*; and
- paid the same management expense ratio in each year as you did in the Fund's last completed financial year, calculated in accordance with National Instrument 81-106 - *Investment Fund Continuous Disclosure*.

<b>SERIES</b>	<b>1-YEAR</b>	<b>3-YEAR</b>	<b>5-YEAR</b>	<b>10-YEAR</b>
A	\$21.84	\$68.85	\$120.68	\$274.70
F	\$13.97	\$44.02	\$77.17	\$175.65
O	\$2.94	\$9.27	\$16.25	\$36.98

The chart does not account for fees directly borne by you. See “**Fees and Expenses**” on page 16 for details. In particular, Series O is not charged a management fee as investors negotiate and pay a fee directly to the Manager.

This document provides specific information about the Matco Canadian Equity Income Fund (formerly the Matco Canadian Equity Fund). It should be read in conjunction with the rest of the Simplified Prospectus of the Matco Funds dated June 17, 2020. This document and the document that provides general information about the Matco Funds together constitute the Simplified Prospectus.

**MATCO SMALL CAP FUND**

**Fund details**

TYPE OF FUND	Canadian Small-Mid Cap Equity
INCEPTION DATE	Series A: March 18, 2010 Series F: March 1, 2010 Series N: February 6, 2018 Series O: March 17, 2010
SECURITIES OFFERED	Series A, F, and O units
REGISTERED TAX PLAN ELIGIBILITY	Eligible as a qualified investment for Registered Plans
FEES AND EXPENSES	Series A: 2.00% Series F: 1.25% Series N: 0.65% Series O: negotiated and paid directly to the Manager by each Series O investor  Additionally, the Fund pays its operating expenses and costs of the IRC as well as applicable sales taxes. See “Fees and Expenses” in Part A of this Simplified Prospectus.

**WHAT DOES THE FUND INVEST IN?**

*Investment objectives*

This Fund seeks to provide long-term capital appreciation by investing primarily in small to mid-capitalization Canadian companies.

We may not change the fundamental investment objectives, or any of the material investment strategies of the Fund without first obtaining approval of a majority of the votes of the unitholders of the Fund entitled to vote on such matters, at a meeting to consider the change.

*Investment strategies*

- The Fund seeks to invest in a portfolio of companies that exhibit certain characteristics such as profitability, strong and/ or strengthening financial statements, reasonable multiples, predictability, analyst recognition and market participation and income.

This document provides specific information about the Matco Small Cap Fund. It should be read in conjunction with the rest of the Simplified Prospectus of the Matco Funds dated June 17, 2020. This document and the document that provides general information about the Matco Funds together constitute the Simplified Prospectus.

## MATCO SMALL CAP FUND

- The Fund will utilize both qualitative and quantitative investment techniques. The investment techniques are expected to result in the Fund's portfolio security selection and weightings being different from the applicable benchmark, the iShares S&P/TSX Small Cap Index ETF.
- The Fund may hold a portion of assets in cash or cash equivalents while seeking investment opportunities or due to market conditions.
- The Fund may also invest in the securities of other mutual funds, including other Matco funds, as permitted under securities regulations. The portfolio manager will determine whether to invest directly in securities or indirectly through other mutual funds on the basis of alignment of the mutual funds with the Fund's overall investment objectives as well as the ability to achieve the desired asset allocation and greatest overall return.
- Although the Fund is primarily focused on Canadian equities, it may also invest from time to time in U.S. and foreign securities based upon Matco's assessment of market conditions. The Fund is required to maintain a minimum of 70% Canadian securities. The maximum exposure to foreign markets is 30% of the Fund.
- The Fund may invest in derivatives for hedging purposes only, as permitted by securities regulations that are consistent with the investment objectives of the Fund. Derivatives may be used with the intention to offset or reduce a risk associated with an investment or group of investments. These risks include currency fluctuations, market risks and interest rate changes. The Fund may enter into derivatives as defined under the heading **“What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? - What are the Specific Risks of Investing in a Mutual Fund? - Derivatives Risks”** on page 3.
- The Fund may enter into securities lending, repurchase or reverse repurchase transactions. These transactions will be used in conjunction with the Fund's other investment strategies in the manner considered most appropriate to achieving the Fund's overall investment objectives and enhancing the Fund's return, as permitted by securities regulators. A Fund must hold collateral of no less than 102% of the loaned value of securities and the Fund will not lend more than 50% of the total value of its assets.

### **WHAT ARE THE RISKS OF INVESTING IN THE FUND?**

The Fund may enter into securities lending, repurchase or reverse repurchase transactions. These transactions involve risks as described under **“What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? - What are the Specific Risks of Investing in a Mutual Fund? - Securities Lending, Repurchase and Reverse Repurchase Risk”** on page 5.

In addition, this Fund is subject to a number of general risks, including, but not limited to stock market risk, interest rate risk, foreign investment and currency risk, liquidity risk, class risk, concentration risk, income fund and royalty trust risk, small company risk, commodity risk and portfolio manager risk, each of which is described in detail under **“What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? -What are the Specific Risks of Investing in a Mutual Fund?”** on pages 3 to 6.

<p>This document provides specific information about the Matco Small Cap Fund. It should be read in conjunction with the rest of the Simplified Prospectus of the Matco Funds dated June 17, 2020. This document and the document that provides general information about the Matco Funds together constitute the Simplified Prospectus.</p>
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## MATCO SMALL CAP FUND

### **Investment risk classification methodology**

The investor risk level of this mutual fund is required to be determined in accordance with a standard risk classification methodology that is based on the mutual fund's historical volatility as measured by the 10 year standard deviation of the returns of the Fund, assuming the reinvestment of all distributions.

The risk classification for the Matco Small Cap Fund, which combines data from the Fund's predecessor, is determined to be medium to high risk.

The standardized risk classification methodology used to identify the investor risk level of the mutual fund is available on request, at no cost, by calling toll-free 1.877.539.5743 or by writing to Suite 350, 440 – 2nd Avenue SW, Calgary, Alberta, T2P 5E9.

### ***WHO SHOULD INVEST IN THIS FUND?***

This Fund is not intended to be a complete investment program and may only be suitable if you:

- are seeking above average capital gain potential;
- are seeking exposure to high-growth small to mid capitalization companies;
- can withstand volatility in the value of the Fund's securities; and
- can tolerate a medium level of investment risk.

Based on the above investment risk classification method, this Fund is classified as a medium to high investment risk.

### ***DISTRIBUTION POLICY***

The Fund distributes any net income on the last day of every quarter and distributes any realized net capital gains annually. The Fund may pay the final distribution of the year prior to the last day of the quarter but within the last month of the quarter. The Fund may also pay distributions at other times during the year. We automatically reinvest all distributions in additional units of the Fund unless you tell us in writing you want to receive distributions in cash. The tax treatment of each type of distribution is described under "**Income Tax Considerations**" on page 20.

<p>This document provides specific information about the Matco Small Cap Fund. It should be read in conjunction with the rest of the Simplified Prospectus of the Matco Funds dated June 17, 2020. This document and the document that provides general information about the Matco Funds together constitute the Simplified Prospectus.</p>
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## MATCO SMALL CAP FUND

### ***FUND EXPENSES INDIRECTLY BORNE BY INVESTORS***

Mutual funds pay their expenses (including the management fee) out of fund assets. This means investors in a fund indirectly pay for these expenses through lower returns. See “**Fees and Expenses**” on page 16 for details.

The chart below allows you to compare the costs of investing in the Fund with the costs of other mutual funds. It shows the cumulative expenses you would have paid over various time periods if you:

- made an initial investment of \$1,000;
- earned a total annual return of 5%, in each year, calculated in accordance with National Instrument 81-102 - *Investment Funds*; and
- paid the same management expense ratio in each year as you did in the Fund’s last completed financial year calculated in accordance with National Instrument 81-106 - *Investment Fund Continuous Disclosure*.

<b>SERIES</b>	<b>1-YEAR</b>	<b>3-YEAR</b>	<b>5-YEAR</b>	<b>10-YEAR</b>
A	\$23.42	\$73.82	\$129.38	\$294.51
F	\$15.65	\$49.32	\$86.45	\$196.78
N	\$8.93	\$28.14	\$49.32	\$112.26
O	\$1.79	\$5.63	\$9.86	\$22.45

The chart does not account for fees directly borne by you. See “**Fees and Expenses**” on page 16 for details. In particular, Series O is not charged a management fee as investors negotiate and pay a fee directly to the Manager.

This document provides specific information about the Matco Small Cap Fund. It should be read in conjunction with the rest of the Simplified Prospectus of the Matco Funds dated June 17, 2020. This document and the document that provides general information about the Matco Funds together constitute the Simplified Prospectus.

**MATCO GLOBAL EQUITY FUND**

**Fund details**

TYPE OF FUND	Global Equity
INCEPTION DATE	Series A: September 20, 2017 Series F: September 20, 2017 Series O: September 20, 2017
SECURITIES OFFERED	Series A, F, and O units
REGISTERED TAX PLAN ELIGIBILITY	Eligible as a qualified investment for Registered Plans
FEES AND EXPENSES	Series A: 2.15% Series F: 1.15% Series O: negotiated and paid directly to the Manager by each Series O investor  Additionally, the Fund pays its operating expenses and costs of the IRC as well as applicable sales taxes. See “Fees and Expenses” in Part A of this Simplified Prospectus.

**WHAT DOES THE FUND INVEST IN?**

***Investment objectives***

The objective of this Fund is to achieve above-average long-term, risk-adjusted returns by investing in global equity securities. Capital will be allocated to the best global opportunities, which may include both large and small capitalization companies. The amount invested in any one country will vary depending upon the economic, investment and market opportunities within each region. The Fund will be primarily invested in equity and equity-related securities. This is an all-capitalization, global equity fund that may also invest in short term and money market securities from time to time.

The fundamental investment objectives of the Fund may only be changed with the approval of at least a majority of the votes cast at a meeting of unitholders duly called to consider the matter. However, we may change the Fund’s investment strategies described below at our discretion.

***Investment strategies***

- Matco's process-driven approach to managing money incorporates both quantitative and qualitative analysis.
- Our company employs a Growth at a Reasonable Price (GARP) investment style.
- Matco manages concentrated portfolios.
- The Fund will strategically utilize large, mid and small capitalized securities to achieve its objectives with a bias towards large capitalized securities.

This document provides specific information about the Matco Global Equity Fund. It should be read in conjunction with the rest of the Simplified Prospectus of the Matco Funds dated June 17, 2020. This document and the document that provides general information about the Matco Funds together constitute the Simplified Prospectus.



## MATCO GLOBAL EQUITY FUND

- Securities are purchased with a long-term horizon.
- The Fund may also invest in the securities of other mutual funds (including Matco Funds), indexes, and ETF's permitted under securities regulations. The portfolio manager will determine whether to invest directly in securities or indirectly through other mutual funds on the basis of alignment of the mutual funds with the Fund's overall investment objectives as well as the ability to achieve the desired asset allocation and greatest overall return.
- The Fund may hold a portion of assets in cash or cash equivalents while seeking investment opportunities or due to market conditions.
- The Fund may invest in derivatives for hedging purposes only, as permitted by securities regulations that are consistent with the investment objectives of the Fund. Derivatives may be used with the intention to offset or reduce a risk associated with an investment or group of investments. These risks include currency fluctuations, market risks and interest rate changes. The Fund may enter into derivatives as described under the heading **“What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? - What are the Specific Risks of Investing in a Mutual Fund? - Derivatives Risks”** on page 3.
- The Fund may invest in, or enter into, specified derivative transactions for which the underlying interest is based on the securities of other mutual funds. Such other mutual funds may be managed by Matco or its affiliates or associates. There is no set percentage of the Fund's net asset value dedicated to such investments.
- The Fund will invest in foreign securities and up to 100% of the assets of the Fund may be invested in such foreign securities.

The Fund may enter into securities lending, repurchase or reverse repurchase transactions. These transactions will be used in conjunction with the Fund's other investment strategies in the manner considered most appropriate to achieving the Fund's overall investment objectives and enhancing the Fund's return, as permitted by securities regulators. A Fund must hold collateral of no less than 102% of the loaned value of securities and the Fund will not lend more than 50% of the total value of its assets.

### **WHAT ARE THE RISKS OF INVESTING IN THE FUND?**

The Fund may enter into securities lending, repurchase or reverse repurchase transactions. These transactions involve risks as described under **“What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? - What are the Specific Risks of Investing in a Mutual Fund? - Securities Lending, Repurchase and Reverse Repurchase Risk”** on page 5.

In addition, this Fund is subject to a number of more general risks, including, but not limited to stock market risk, interest rate risk, foreign investment and currency risk, credit risk, liquidity risk, class risk, concentration risk, income fund and royalty trust risk, income trust risk, commodity risk and portfolio manager risk, each of which is described in detail under **“What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? - What are the Specific Risks of Investing in a Mutual Fund?”** on pages 3 to 6.

During the 12 month period immediately preceding the date that is 30 days before the date hereof, greater than 10% of the net asset value of the Fund was invested in the iShares Core MSCI Emerging Markets IMI Index ETF, iShares Currency Hedged MSCI Japan ETF, iShares MSCI Europe IMI Index ETF CAD-Hedged, and iShares Core S&P 500. The maximum percentage of the net asset value of the Fund that was invested in units

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## MATCO GLOBAL EQUITY FUND

of those funds during such 12 month period was 13.6%, 10.1%, 25.9% and 21.9%, respectively. Having greater than 10% of the Fund's net asset value invested in the securities of one issuer can give rise to concentration risk, as described in detail under "**What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? - What are the Specific Risks of Investing in a Mutual Fund?**" on pages 3 to 6.

### *Investment risk classification methodology*

The investor risk level of this mutual fund is required to be determined in accordance with a standard risk classification methodology that is based on the mutual fund's historical volatility as measured by the 10 year standard deviation of the returns of the Fund, assuming the reinvestment of all distributions.

For Funds which do not have 10 years of history, Matco determines the investment risk classification based on a reference index that reasonably approximates the standard deviation of the mutual fund by using the actual return history of the fund for the applicable period and imputing the return history of the reference index for the remainder of the 10 year period. Risk Ratings are reviewed at least annually and may change over time as additional years of data become available. For the Matco Global Equity Fund the Vanguard Total World Stock ETF will be used to determine investment risk classification. The Vanguard Total World Stock ETF represents the equity returns of 23 developed markets, 24 emerging markets and includes 2,400 constituents across 11 sectors.

The standardized risk classification methodology used to identify the investor risk level of the mutual fund is available on request, at no cost, by calling toll-free 1.877.539.5743 or by writing to Suite 350, 440 – 2nd Avenue SW, Calgary, Alberta, T2P 5E9.

### **WHO SHOULD INVEST IN THIS FUND?**

This Fund is not intended to be a complete investment program for all investors and may only be suitable if you:

- are seeking long-term capital appreciation with an equity bias;
- can tolerate a low to medium level of investment risk; and
- are planning to hold the investment for the medium to long term.

Based on the above investment risk classification method, this Fund is classified as a low to medium risk.

### **DISTRIBUTION POLICY**

The Fund distributes any net income on the last day of every quarter and distributes any realized net capital gains annually. The Fund may pay the final distribution of the year prior to the last day of the quarter but within the last month of the quarter. The Fund may also pay distributions at other times during the year. We automatically reinvest all distributions in additional units of the Fund unless you tell us in writing you want to receive distributions in cash. The tax treatment of each type of distribution is described under "**Income Tax Considerations**" on page 20.

This document provides specific information about the Matco Global Equity Fund. It should be read in conjunction with the rest of the Simplified Prospectus of the Matco Funds dated June 17, 2020. This document and the document that provides general information about the Matco Funds together constitute the Simplified Prospectus.

## MATCO GLOBAL EQUITY FUND

### ***FUND EXPENSES INDIRECTLY BORNE BY INVESTORS***

Mutual funds pay their expenses (including the management fee) out of fund assets. This means investors in a fund indirectly pay for these expenses through lower returns. See “**Fees and Expenses**” on page 16 for details.

The chart below allows you to compare the costs of investing in the Fund with the costs of other mutual funds. It shows the cumulative expenses you would have paid over various time periods if you:

- made an initial investment of \$1,000;
- earned a total annual return of 5% in each year, calculated in accordance with National Instrument 81-102 - *Investment Funds*; and
- paid the same management expense ratio in each year as you did in the Fund’s last completed financial year calculated in accordance with National Instrument 81-106 - *Investment Fund Continuous Disclosure*.

<b>SERIES</b>	<b>1-YEAR</b>	<b>3-YEAR</b>	<b>5-YEAR</b>	<b>10-YEAR</b>
A	\$40.11	\$126.45	\$221.63	\$504.50
F	\$31.08	\$97.98	\$171.74	\$390.92
O	\$18.38	\$57.93	\$101.53	\$231.12

The chart does not account for fees directly borne by you. See “**Fees and Expenses**” on page 16 for details. In particular, Series O is not charged a management fee as investors negotiate and pay a fee directly to the Manager.

This document provides specific information about the Matco Global Equity Fund. It should be read in conjunction with the rest of the Simplified Prospectus of the Matco Funds dated June 17, 2020. This document and the document that provides general information about the Matco Funds together constitute the Simplified Prospectus.



Matco Fixed Income Fund  
Matco Balanced Fund  
Matco Canadian Equity Income Fund (formerly Matco Canadian Equity Fund)  
Matco Global Equity Fund  
Matco Small Cap 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 they legally form part of this document just as if they were printed as part of this document. You can get a copy of these documents, at your request, and at no cost, by calling toll-free 1.877.539.5743, or from your dealer, or by e-mail at [matco@matcofinancial.com](mailto:matco@matcofinancial.com).

These documents and other information about the Funds, such as information circulars and material contracts, are also available on the Matco Financial Inc. website at [www.matcofinancialinc.com](http://www.matcofinancialinc.com) or at [www.sedar.com](http://www.sedar.com).

#### MANAGER OF THE FUNDS

Matco Financial Inc.  
Suite 350, 440 – 2nd Avenue SW, Calgary, Alberta T2P 5E9