



**Annual Information Form**

**July 23, 2015**

	<b>Unit Types Available♦</b>
Marquest Money Market Fund	A, F
Marquest Short Term Income Fund (Corporate Class*)	A, F
Marquest Canadian Bond Fund	A, F
Marquest Canadian Fixed Income Fund	A, F
Marquest Monthly Pay Fund	A, F, AA, F-AA
Marquest Monthly Pay Fund (Corporate Class*)	A, F
Marquest Global Balanced Fund	A, F
Marquest American Dividend Growth Fund	A, F
Marquest American Dividend Growth Fund (Corporate Class*)	A, F
Marquest Covered Call Canadian Banks Plus Fund	A, F
Marquest Covered Call Canadian Banks Plus Fund (Corporate Class*)	A, F
Marquest Small Companies Fund	A, F
Marquest Canadian Resource Fund	A, F
Marquest Canadian Resource Fund (Corporate Class*)	A, F

\* All "Corporate Class" Funds are a series of shares of Marquest Corporate Class Funds Ltd., a mutual fund corporation.

♦ "Unit Types Available" indicate the "class" of units available for unit trust funds and the "series" of shares available for corporate class funds.

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

## **TABLE OF CONTENTS**

INTRODUCTION .....	3
NAME, FORMATION AND HISTORY OF THE MARQUEST GROUP OF FUNDS .....	4
Trust Funds .....	4
Corporate Funds.....	8
INVESTMENT RESTRICTIONS.....	10
DESCRIPTION OF SECURITIES OFFERED BY THE MARQUEST GROUP OF FUNDS.....	10
The Trust Funds .....	10
The Corporate Funds .....	12
VALUATION AND PRICING .....	13
Pricing of Units and Shares .....	13
Valuation .....	14
Suspension of the determination of Unit Price or Share Price and the right to redeem Units or Shares.....	18
PURCHASES, SWITCHES AND REDEMPTIONS .....	18
Purchase of Units or Shares .....	18
Switches of Units or Shares .....	20
Redemption of Units or Shares .....	21
RESPONSIBILITY FOR FUND OPERATIONS .....	22
General.....	22
Manager .....	22
Portfolio Advisor .....	25
Brokerage Arrangements .....	28
Distributor.....	28
Directors, Officers and Trustees of the Funds .....	28
Custodian.....	29
Auditor.....	29
Registrar.....	29
Independent Review Committee.....	29
CONFLICTS OF INTEREST.....	29
Principal Holders of Securities .....	30
AFFILIATED ENTITIES.....	33
FUND GOVERNANCE.....	33
The Trust Funds .....	33
The Fund Corporation.....	33
Policies and Procedures .....	33
Use of Derivatives .....	34
Policies Regarding Securities Lending Transactions .....	34
Policies on Proxy Voting .....	34
Independent Review Committee.....	35
Policies and Procedures on Short-Term Trading .....	36
FEES AND EXPENSES.....	37
Expenses of the Funds .....	37
Management Fee Rebates .....	38
INCOME TAX CONSIDERATIONS .....	38
Taxation of the Funds .....	39
Taxation of holders of Units or Shares .....	42
ELIGIBILITY FOR REGISTERED PLANS .....	44
MATERIAL CONTRACTS .....	44
CERTIFICATE OF THE TRUST FUNDS .....	45
CERTIFICATE OF THE CORPORATE FUNDS .....	46

## INTRODUCTION

In this document:

*we, us, our, the Manager and Marquest* means Marquest Asset Management Inc.

*Class* means a class of Units of a Trust Fund.

*Corporate Fund* means any of Marquest Short Term Income Fund (Corporate Class), Marquest Monthly Pay Fund (Corporate Class), Marquest American Dividend Growth Fund (Corporate Class), Marquest Covered Call Canadian Banks Plus Fund (Corporate Class) and Marquest Canadian Resource Fund (Corporate Class), and *Corporate Funds* means all of them or some of them as the context requires.

*Fund* includes any Trust Fund and any Corporate Fund.

*Fund Corporation* means Marquest Corporate Class Funds Ltd.

*holder* means a holder of a Share or Unit.

*Management Agreements* means the management agreements between us and the Funds, including the omnibus assignment agreement for the assignment of the management agreements from GrowthWorks Enterprises Ltd., effective September 17, 2013.

*Marquest Transaction* means the transfer of management of the Funds from Growth Works Enterprises Ltd. (formerly SEAMARK Asset Management Ltd.) completed effective September 17, 2013.

*Matrix* means Matrix Asset Management Inc., which was until September 17, 2013, the manager and portfolio advisor for the Funds.

*Mavrix* means Mavrix Fund Management Inc., which was until July 22, 2010, the manager and portfolio advisor for the Funds.

*mutual fund shares* means shares of a class designated as mutual fund shares issued by the Fund Corporation, which are issuable in series.

*Simplified Prospectus* means the current simplified prospectus of the Funds.

*Series* means a series of shares of the Fund Corporation.

*Share* means a share of a Series of mutual fund shares issued by a Corporate Fund.

*Shareholder* means a holder of a Share.

*Trust Fund* means any of Marquest Money Market Fund, Marquest Canadian Bond Fund, Marquest Canadian Fixed Income Fund, Marquest Monthly Pay Fund, Marquest Global Balanced Fund, Marquest American Dividend Growth Fund, Marquest Covered Call Canadian Banks Plus Fund, Marquest Small Companies Fund and Marquest Canadian Resource Fund and *Trust Funds* means all of them or some of them as the context requires.

*Trustee* means the Manager, acting in the capacity of trustee of a Trust Fund.

*Unit* means a unit of any Class issued by a Trust Fund.

*Unitholder* means a holder of a Unit.

## NAME, FORMATION AND HISTORY OF THE MARQUEST GROUP OF FUNDS

The Marquest Group of Funds currently consists of nine Trust Funds and five Corporate Funds, that are available for subscription.

Each of the Trust Funds is an open-end mutual fund trust formed under the laws of Ontario and can issue an unlimited number of Units of one or more Classes. The Trustee has sole discretion to determine whether the capital of a Trust Fund is divided into one or more Classes of Units and the attributes which attach to each Class of Units. The Classes of Units authorized for a Trust Fund, and the attributes attached thereto, will be as shown from time to time in the Simplified Prospectus and in this Annual Information Form.

The Fund Corporation is a mutual fund corporation incorporated by articles of incorporation under the laws of Ontario. It is authorized to issue an unlimited number of common shares and an unlimited number of shares designated as mutual fund shares which are issuable in series. The outstanding common shares of the Fund Corporation are owned by the Manager. The mutual fund shares of the Fund Corporation currently consist of the Corporate Funds, each of which is a separate Series of mutual fund shares.

The address of the head office and principal office of the Manager and the Fund Corporation is 161 Bay Street, Suite 4420 PO Box 204, Toronto Ontario, M5J 2S1.

Each Fund is separate and distinct from the others in all respects, including as to its assets and liabilities. Since many attributes of the Funds and their respective Units or Shares are similar or identical, and because they have a common manager, as a matter of convenience the Units and Shares of the Funds are being offered under a combined Simplified Prospectus and are collectively described in this Annual Information Form.

On July 16, 2013, the transaction where the management of the Funds was transferred by Growth Works Capital Ltd. to Growth Works Enterprise Ltd. (formerly SEAMARK Asset Management Ltd.) was completed.

On September 17, 2013, the transaction between Matrix, the parent company of the former manager, and Marquest was completed, whereby Marquest acquired the management of the Funds and the trustee role for the Trust Funds.

### **Trust Funds**

Each Trust Fund is an open-end investment trust governed by a declaration of trust (each a Trust Fund's "Declaration of Trust") under Ontario law. The Manager is the trustee of all the Trust Funds.

The date of establishment of each Trust Fund, the dates of revisions to its Declaration of Trust, and particulars about any major events affecting the Trust Funds in the last ten years, are set forth in the following table:

<p><b>Marquest Money Market Fund</b></p>	<p>This Fund was originally established pursuant to Declaration of Trust made August 10, 1987. Effective February 7, 2006, the Fund's Declaration of Trust was amended and restated for the purpose of bringing it into conformity with current mutual fund industry practice. The amendments authorized the Trustee to designate one or more Classes of Units of the Fund in order to provide flexibility to permit the designation of Classes of Units that have attributes tailored to methods of purchase. Units of the Fund then outstanding were redesignated as Class A Units. Pursuant to this authority, the Trustee designated Class H Units of the Fund on June 29, 2007. Prior to July 22, 2010, Mavrix was the manager and portfolio advisor of the Fund. Effective July 22, 2010, Mavrix resigned as manager of the Fund, and Matrix was appointed as the successor manager of the Fund and became the portfolio advisor of the Fund. On July 22, 2010, the Fund's Declaration of Trust was amended and restated to reflect the resignation of Mavrix as trustee and the appointment of Matrix as successor trustee, and to change the name of the Fund from "Mavrix Money Market Fund" to "Matrix Money Market Fund". The Fund</p>
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	<p>ceased offering Class H Units in June 2011. Effective July 16, 2013, SEAMARK Asset Management (2013) Ltd. (formerly 8532435 Canada Corp.) was retained as sub-advisor of the Fund, replacing SEAMARK Asset Management Ltd. as sub-advisor. Prior to September 17, 2013 (the closing of the Marquest Transaction), Matrix, or one of its affiliates, was the manager and portfolio advisor of the Fund. Effective September 17, 2013, Marquest acquired the management and portfolio management of the Fund. On November 11, 2013, the Fund's Declaration of Trust was amended and restated to reflect the change of Manager and trustee of the Fund in connection with the Marquest Transaction, and to change the name of the Fund from "Matrix Money Market Fund" to "Marquest Money Market Fund".</p>
<b>Marquest Canadian Bond Fund</b>	<p>This Fund was established pursuant to a Declaration of Trust made May 22, 1998. Effective February 7, 2006, the Fund's Declaration of Trust was amended and restated for the purpose of bringing it into conformity with current mutual fund industry practice. The amendments authorized the Trustee to designate one or more Classes of Units of the Fund in order to provide flexibility to permit the designation of Classes of Units that have attributes tailored to methods of purchase. Units of the Fund then outstanding were redesignated as Class A Units, and pursuant to this authority, the Trustee designated Class F Units of the Fund on February 7, 2006 and Class I and Class O Units of the Fund on July 7, 2008. Prior to July 22, 2010, Mavrix was the manager and portfolio advisor of the Fund and the Manager was the sub-advisor for the Fund. Effective July 22, 2010, Mavrix resigned as manager of the Fund, Matrix was appointed as the successor manager of the Fund and SEAMARK Asset Management Ltd. was retained as sub-advisor of the Fund. On July 22, 2010, the Fund's Declaration of Trust was amended and restated to reflect the resignation of Mavrix as trustee and the appointment of Matrix as successor trustee and to change the name of the Fund from "Mavrix Strategic Bond Fund" to "Matrix Canadian Bond Fund". Effective July 16, 2013, SEAMARK Asset Management (2013) Ltd. (formerly 8532435 Canada Corp.) was retained as sub-advisor of the Fund, replacing SEAMARK Asset Management Ltd. as sub-advisor. Prior to September 17, 2013 (the closing of the Marquest Transaction), Matrix, or one of its affiliates, was the manager and portfolio advisor of the Fund. Effective September 17, 2013, Marquest acquired the management and portfolio management of the Fund. On November 11, 2013, the Fund's Declaration of Trust was amended and restated to reflect the change of Manager and trustee of the Fund in connection with the Marquest Transaction, and to change the name of the Fund from "Matrix Canadian Bond Fund" to "Marquest Canadian Bond Fund". On June 9, 2014, the Fund ceased to offer Class I and Class O Units. Effective July 17, 2014, Lorica Investment Counsel Inc. was retained as sub-advisor of the Fund, replacing SEAMARK Asset Management Ltd. as sub-advisor.</p>
<b>Marquest Canadian Fixed Income Fund</b>	<p>The Fund was established pursuant to a Declaration of Trust made on December 1, 2014. Units of the Fund were first offered to the public on or about December 1, 2014.</p>
<b>Marquest Monthly Pay Fund</b>	<p>This Fund was established as pursuant to a Declaration of Trust made June 24, 2003. Units of the Fund were first offered to the public on or about June 27, 2003. Effective February 7, 2006, the Fund's Declaration of Trust was amended and restated for the purpose of bringing it into conformity with current mutual fund industry practice. The amendments authorized the Trustee to designate one or more Classes of Units of the Fund in order to provide flexibility to permit the designation of Classes of Units that have attributes tailored to methods of purchase. Units of the Fund then outstanding were redesignated as Class A Units, and pursuant to this authority, the Trustee designated Class F Units of the Fund. On May 22, 2007, the Fund's Declaration of Trust was amended to change the name of the Fund from "Mavrix Canadian Income Trust Fund" to "Mavrix Income Fund" effective on June 18, 2007. On June 26, 2008, Mavrix Canada Fund (terminating fund) and Mavrix Diversified Fund (terminating fund) were merged into the Fund, whereby the assets of the terminating funds were exchanged in return for units of the Fund and unitholders of the terminating funds became unitholders of the Fund. On June 27, 2008, the Fund's Declaration of Trust was amended to change the name of the Fund from</p>

	<p>“Mavrix Income Fund” to “Mavrix Balanced Monthly Pay Fund”. On July 7, 2008, the Trustee designated Class I and Class O Units of the Fund. Prior to July 22, 2010, Mavrix was the manager and portfolio advisor of the Fund. Effective July 22, 2010, Mavrix resigned as manager of the Fund and Matrix was appointed as the successor manager of the Fund and became the portfolio advisor of the Fund. On July 22, 2010, the Fund’s Declaration of Trust was amended and restated to reflect the resignation of Mavrix as trustee and the appointment of Matrix as successor trustee, and to change the name of the Fund from “Mavrix Balanced Monthly Pay Fund” to “Matrix Monthly Pay Fund”. On June 30, 2011, Matrix Dividend &amp; Income Fund (the terminating fund) was merged into the Fund, whereby the assets of the terminating fund were exchanged in return for units of the Fund and unitholders of the terminating fund became unitholders of the Fund. On June 29, 2012, Matrix Sierra Equity Fund (the terminating fund) and Matrix Strategic Yield Fund (the terminating fund) were merged into the Fund, whereby the assets of the terminating funds were exchanged in return for units of the Fund and unitholders of the terminating funds became unitholders of the Fund. As required by National Instrument 81-102 <i>Investment Funds</i>, each of the above-mentioned mergers was approved by unitholders of the terminating funds and the applicable securities regulatory authority. On May 28, 2013, the Trustee designated Class AA and Class F-AA Units of the Fund. Prior to September 17, 2013 (the closing of the Marquest Transaction), Matrix, or one of its affiliates, was the manager and portfolio advisor of the Fund. Effective September 17, 2013, Marquest acquired the management and portfolio management of the Fund. On November 11, 2013, the Fund’s Declaration of Trust was amended and restated to reflect the change of Manager and trustee of the Fund in connection with the Marquest Transaction and to change the name of the Fund from “Matrix Monthly Pay Fund” to “Marquest Monthly Pay Fund”. Effective April 8, 2014 Cassels Investment Management Inc. was retained as sub-advisor to the Fund. Effective April 16, 2014, the Fund ceased to offer Class I and Class O units. On July 14, 2014, the holders of Class T8 units of the Fund approved a resolution to redesignate the Class T8 Units as Class AA units of the Fund.</p>
<p><b>Marquest Global Balanced Fund</b></p>	<p>This Fund was established as “Northern Rivers Monthly Income and Capital Appreciation Fund” pursuant to a Declaration of Trust made September 7, 2006, and units of the Fund were first offered to the public on or about September 7, 2006. Cassels Investment Fund Management has been the investment manager for the Fund since its inception. Northern Rivers Capital Management Inc. was the original trustee of the Fund. The Fund’s Declaration of Trust was amended on April 30, 2009 to reflect the change of trustee and manager of the Fund from Northern Rivers Capital Management Inc. to Mavrix and the change of name of the Fund from “Northern Rivers Monthly Income and Capital Appreciation Fund” to “Mavrix Tax Deferred Income Fund”. The Fund’s Declaration of Trust was amended and restated as of July 15, 2009 to conform to the form of Declaration of Trust of all of the other Funds, including changing all references to “Series” of Units to “Classes” of Units for consistency with all of the other Funds. Prior to July 22, 2010, Mavrix was the manager of the Fund. Effective July 22, 2010, Mavrix resigned as manager of the Fund and Matrix was appointed as the successor manager of the Fund. On July 22, 2010, the Fund’s Declaration of Trust was amended and restated to reflect the resignation of Mavrix as trustee and the appointment of Matrix as successor trustee, and to change the name of the Fund from “Mavrix Tax Deferred Income Fund” to “Matrix Tax Deferred Income Fund”. On June 30, 2011, the Trustee designated Class I and Class O Units of the Fund. On May 30, 2012, Class T8 units of the Fund were created. On March 21, 2013, the Minister of Finance (Canada), on behalf of the Federal Government, proposed new amendments to the Act, including rules that would treat the gains realized on the disposition of property pursuant to a “derivative forward agreement” (as defined for the purposes of the new rules in the Act), as ordinary income rather than capital gains (the “<b>Character Conversion Rules</b>”). As such, the Matrix Tax Deferred Income Fund was closed to new investments after the close of business on Wednesday, April 17, 2013 in order to safeguard the interests of existing investors in the Fund. Prior to September 17, 2013 (the closing of the Marquest Transaction), Matrix, or</p>

	<p>one of its affiliates, was the manager and portfolio advisor of the Fund. Effective September 17, 2013, Marquest acquired the management and portfolio management of the Fund. On November 11, 2013, the Fund's Declaration of Trust was amended and restated to reflect the change of Manager and trustee of the Fund in connection with the Marquest Transaction and to change the name of the Fund from "Matrix Tax Deferred Income Fund" to "Marquest Tax Deferred Income Fund". On June 9, 2014, the Fund ceased to offer Class I and Class O units. On July 14, 2014, the holders of Class T8 Units of the Fund approved a redesignation of the Class T8 Units to Class A Units of the Fund. On July 17, 2014, the Fund amended its Declaration of Trust to change the investment objective of the Fund to "The investment objective of the Fund is to provide investors with monthly cash distributions and to preserve and enhance the net asset value of the Fund against inflation through appreciation, primarily through the purchase of a diversified pool of global large capitalization dividend-yielding equity securities and fixed income securities" and to change the name of the Fund from "Marquest Tax Deferred Income Fund" to "Marquest Global Balanced Fund", which was approved by the applicable unitholders of the Fund on July 7, 2014. Marquest terminated the Fund's forward purchase and sale agreement on or about September 2, 2014. On September 5, 2014, the Marquest International Income Balanced Fund and Marquest International Balanced Fund (the terminating trust funds) merged into the Fund. In accordance with National Instrument 81-102 <i>Investment Funds</i>, holders of the terminating trust funds approved the merger at special meetings of unitholders held on July 7, 2014 and July 14, 2014 and the terminating trust funds were terminated on or about September 30, 2014.</p>
<b>Marquest American Dividend Growth Fund</b>	<p>The Fund was established pursuant to a Declaration of Trust made on July 17, 2014. Units of the Fund were first offered to the public on or about July 17, 2014.</p>
<b>Marquest Covered Call Canadian Banks Plus Fund</b>	<p>The Fund was established pursuant to a Declaration of Trust made on July 17, 2014. Units of the Fund were first offered to the public on or about July 17, 2014.</p>
<b>Marquest Small Companies Fund</b>	<p>This Fund was established pursuant to a Declaration of Trust made September 23, 2004. Units of the Fund were first offered to the public on or about September 27, 2004. Effective February 7, 2006, the Fund's Declaration of Trust was amended and restated for the purpose of bringing it into conformity with current mutual fund industry practice. The amendments authorized the Trustee to designate one or more Classes of Units of the Fund in order to provide flexibility to permit the designation of Classes of Units that have attributes tailored to methods of purchase. Units of the Fund then outstanding were redesignated as Class A Units, and pursuant to this authority, the Trustee designated Class F Units of the Fund on February 7, 2006 and Class I and Class O Units of the Fund on July 7, 2008. Prior to July 22, 2010, Mavrix was the manager and portfolio advisor of the Fund. Effective July 22, 2010, Mavrix resigned as manager of the Fund and Matrix was appointed as the successor manager of the Fund and became the portfolio advisor of the Fund. On July 22, 2010, the Fund's Declaration of Trust was amended and restated to reflect the resignation of Mavrix as trustee and the appointment of Matrix as successor trustee, and to change the name of the Fund from "Mavrix Small Companies Fund" to "Matrix Small Companies Fund". On June 30, 2011, Matrix ceased as portfolio advisor and SEAMARK Asset Management Ltd. became the sub-advisor for the Fund. On June 30, 2011, Matrix Canadian Growth Fund (the terminating fund) was merged into the Fund, whereby the assets of the terminating fund were exchanged in return for units of the Fund and unitholders of the terminating fund became unitholders of the Fund. On June 29, 2012, SEAMARK Asset Management Ltd. ceased as sub-advisor of the Fund and Matrix resumed its role as portfolio advisor for the Fund. Prior to September 17, 2013 (the closing of the Marquest Transaction), Matrix, or one of its affiliates, was the manager and portfolio advisor of the Fund. Effective September 17, 2013, Marquest acquired the management and portfolio management of the Fund. On November 11, 2013, the Fund's Declaration of Trust was amended and restated to</p>

	reflect the change of Manager and trustee of the Fund in connection with the Marquest Transaction, and to change the name of the Fund from “Matrix Small Companies Fund” to “Marquest Small Companies Fund”. On June 9, 2014, the Fund ceased to offer Class I and Class O Units.
<b>Marquest Canadian Resource Fund</b>	This Fund was established pursuant to a Declaration of Trust made June 24, 2002. Units of the Fund were first offered to the public on or about June 26, 2002. Effective February 7, 2006, the Fund’s Declaration of Trust was amended and restated for the purpose of bringing it into conformity with current mutual fund industry practice. The amendments authorized the Trustee to designate one or more Classes of Units of the Fund in order to provide flexibility to permit the designation of Classes of Units that have attributes tailored to methods of purchase. Units of the Fund then outstanding were redesignated as Class A Units, and pursuant to this authority, the Trustee designated Class F Units of the Fund on February 7, 2006 and Class I and Class O Units of the Fund on July 7, 2008. Prior to July 22, 2010, Mavrix was the manager and portfolio advisor of the Fund. Effective July 22, 2010, Mavrix resigned as manager of the Fund and Matrix was appointed as the successor manager of the Fund and became the portfolio advisor of the Fund. On July 22, 2010, the Fund’s Declaration of Trust was amended and restated to reflect the resignation of Mavrix as trustee and the appointment of Matrix as successor trustee, and to change the name of the Fund from “Mavrix Explorer Fund” to “Matrix Explorer Fund”. Effective June 30, 2011, the name of the Fund was changed from “Matrix Explorer Fund” to “Matrix Canadian Resource Fund”. Prior to September 17, 2013 (the closing of the Marquest Transaction), Matrix, or one of its affiliates, was the manager and portfolio advisor of the Fund. Effective September 17, 2013, Marquest acquired the management and portfolio management of the Fund. On November 11, 2013, the Fund’s Declaration of Trust was amended and restated to reflect the change of Manager and trustee of the Fund in connection with the Marquest Transaction, and to change the name of the Fund was changed from “Matrix Canadian Resource Fund” to “Marquest Canadian Resource Fund”. On June 9, 2014, the Fund ceased to offer Class I and Class O Units.

### Corporate Funds

The Fund Corporation was incorporated by articles of incorporation under the laws of Ontario on March 11, 2004. The articles were amended on May 26, 2004 to correct certain provisions thereof respecting the creation of new Series of mutual fund shares. The articles were further amended on July 14, 2010 to change the name of the Fund Corporation from “Mavrix Multi Series Fund Ltd.” to “Matrix Corporate Class Funds Ltd.”. The articles were further amended on November 11, 2013 to change the name of the Fund Corporation from “Matrix Corporate Class Funds Ltd.” to “Marquest Corporate Class Funds Ltd.”. The Manager is the sole holder of common shares of the Fund Corporation. The date of establishment of each Corporate Fund and particulars about any major events affecting each Corporate Fund since its inception are set forth in the following table:

<b>Marquest Short Term Income Fund (Corporate Class)</b>	This Fund was created pursuant to a by-law passed as of May 26, 2004. Effective July 7, 2008, the outstanding mutual fund shares of this Fund were redesignated as Series A mutual fund shares. Prior to July 22, 2010, Mavrix was the manager and portfolio advisor of the Fund. Effective July 22, 2010, Mavrix resigned as manager of the Fund and Matrix was appointed as the successor manager of the Fund and became the portfolio advisor of the Fund. Effective July 22, 2010, the name of the Fund was changed from “Mavrix Multi Series Fund Ltd. - Short Term Income Series” to “Matrix Short Term Income Fund (Corporate Class)”. Prior to September 17, 2013 (the closing of the Marquest Transaction), Matrix, or one of its affiliates, was the manager and portfolio advisor of the Fund. Effective September 17, 2013, Marquest acquired the management and portfolio management of the Fund. Effective November 11, 2013, the name of the Fund was changed from “Matrix Short Term Income Fund (Corporate Class)” to “Marquest Short Term Income Fund (Corporate Class)”. On June 10, 2014, Series F Shares of the Fund
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	were created.
<b>Marquest Monthly Pay Fund (Corporate Class)</b>	This Fund was created pursuant to a by-law passed as of May 30, 2011 in accordance with the articles of the Fund Corporation. On May 30, 2012 the Fund changed the name of the Series T shares to Series T8 shares and Series T-F Shares to Series T-F8 shares and effective June 29, 2012 the distribution policy for such Series was amended. Prior to September 17, 2013 (the closing of the Marquest Transaction), Matrix, or one of its affiliates, was the manager and portfolio advisor of the Fund. Effective September 17, 2013, Marquest acquired the management and portfolio management of the Fund. Effective November 11, 2013, the name of the Fund was changed from “Matrix Monthly Pay Fund (Corporate Class)” to “Marquest Monthly Pay Fund (Corporate Class)”. Effective April 8, 2014, Cassels Investment Management Inc. was retained as sub-advisor to the Fund. Effective April 16, 2014, the Fund ceased to offer Series I and Series O Shares. On September 5, 2014, having obtained approval of the applicable securityholders, Series T8 shares were redesignated as Series A shares of the Fund and Series T-F8 shares were redesignated as Series F shares of the Fund.
<b>Marquest American Dividend Growth Fund (Corporate Class)</b>	This Fund was created pursuant to a by-law passed as of July 22, 2010 in accordance with the articles of the Fund Corporation. On June 30, 2011, Series I and O shares of the Fund were created. In May, 2012, Series T8 shares of the Fund were created. Effective July 16, 2013, SEAMARK Asset Management (2013) Ltd. (formerly 8532435 Canada Corp.) was retained as sub-advisor of the Fund, replacing SEAMARK Asset Management Ltd. as sub-advisor. Prior to September 17, 2013 (the closing of the Marquest Transaction), Matrix, or one of its affiliates, was the manager and portfolio advisor of the Fund. Effective September 17, 2013, Marquest acquired the management and portfolio management of the Fund. Effective November 11, 2013, the name of the Fund was changed from “Matrix American Dividend Growth Fund (Corporate Class)” to “Marquest American Dividend Growth Fund (Corporate Class)”. Effective June 9, 2014 the Fund ceased to offer Series I and Series O shares. On July 14, 2014, holders of Series T8 shares approved a resolution to redesignate the Series T8 shares as Series A shares of the Fund.
<b>Marquest Covered Call Canadian Banks Plus Fund (Corporate Class)</b>	This Fund was created pursuant to a by-law passed as of September 23, 2011 in accordance with the articles of the Fund Corporation. Series A, F and I shares of the Fund were first offered under a Simplified Prospectus dated November 10, 2011. On May 30, 2012 the Fund changed the name of the Series T shares to Series T8 shares and effective June 29, 2012 the distribution policy for such Series was amended. Prior to September 17, 2013 (the closing of the Marquest Transaction), Matrix, or one of its affiliates, was the manager and portfolio advisor of the Fund. Effective September 17, 2013, Marquest acquired the management and portfolio management of the Fund. Effective November 11, 2013, the name of the Fund was changed from “Matrix Covered Call Canadian Banks Plus Fund (Corporate Class)” to “Marquest Covered Call Canadian Banks Plus Fund (Corporate Class)”. Effective June 9, 2014, the Fund ceased to offer Series I Shares.
<b>Marquest Canadian Resource Fund (Corporate Class)</b>	This Fund was created pursuant to the articles of the Fund Corporation dated March 11, 2004. Effective July 7, 2008, the outstanding mutual fund shares of this Fund were redesignated as Series A mutual fund shares. Prior to July 22, 2010, Mavrix was the manager and portfolio advisor of the Fund. Effective July 22, 2010, Mavrix resigned as manager of the Fund and Matrix was appointed as the successor manager of the Fund and became the portfolio advisor of the Fund. Effective July 22, 2010, the name of the Fund was changed from “Mavrix Multi Series Fund Ltd. - Explorer Series” to “Matrix Explorer Fund (Corporate Class)” and Series F shares of the Fund were created. On June 30, 2011, Series I and O shares of the Fund were created. Effective June 30, 2011, the name of the Fund was changed from “Matrix Explorer Fund (Corporate Class)” to “Matrix Canadian Resource Fund (Corporate Class)”. Prior to September 17, 2013 (the closing of the Marquest Transaction), Matrix, or one of its affiliates, was the

	manager and portfolio advisor of the Fund. Effective September 17, 2013, Marquest acquired the management and portfolio management of the Fund. Effective November 11, 2013, the name of the Fund was changed from “Matrix Canadian Resource Fund (Corporate Class)” to “Marquest Canadian Resource Fund (Corporate Class)”. Effective June 9, 2014, the Fund ceased to offer Series I and Series O Shares.
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## INVESTMENT RESTRICTIONS

The Funds are subject to certain restrictions and practices contained in securities legislation, including National Instrument 81-102 - *Investment Funds*. The Funds are managed in accordance with these restrictions and practices. These restrictions and practices, which are deemed to be incorporated by reference into this Annual Information Form, are designed in part to ensure that the investments of the Funds are diversified and relatively liquid and to ensure the proper administration of the Funds. We will provide you with a copy of these restrictions and practices upon request.

The net proceeds from the sale of Units or Shares of a Fund, and any money available for investment or reinvestment, are invested according to the fundamental investment objective of the Fund. These investment objectives and the investment strategies used by each Fund are summarized in the Simplified Prospectus. The fundamental investment objectives of a Fund may not be changed without the prior approval of holders of the Units or Shares of that Fund. Until these monies are invested or reinvested, they are maintained in Government of Canada treasury bills or in short-term paper or certificates of deposit issued or guaranteed by, or otherwise on deposit with, one or more Canadian financial institutions, or other cash equivalents.

A Fund may invest in Units or Shares of another Fund, if consistent with the investing Fund’s objectives. To the extent that such investments are made, there will be no duplication of management fees.

Each Fund is permitted to invest in “derivatives” to the extent such investments are consistent with the Fund’s investment objective. A derivative is an instrument, agreement or security whose value is based upon the market price or value of a security, commodity or financial instrument, or upon the value or level of an economic indicator such as interest rates or a stock market index.

A Fund may use clearing corporation options, future contracts, options on futures, over-the-counter options, forwards contracts, debt-like securities and listed warrants for hedging and non-hedging purposes, provided their use is consistent with the Fund’s investment objectives. We currently contemplate the following types of derivative transactions for the Funds:

- (a) the use of forward foreign exchange contracts to hedge a Fund’s currency exposure to investments denominated in non-Canadian currencies;
- (b) the purchase of conventional warrants or rights;
- (c) the purchase of unlevered equity futures contracts and debt-like securities; and
- (d) the writing of covered calls and cash secured puts.

## DESCRIPTION OF SECURITIES OFFERED BY THE MARQUEST GROUP OF FUNDS

### **The Trust Funds**

An investment in a Trust Fund is represented by Units. No Units are issued until they have been fully paid for. No certificates are issued to Unitholders.

Each Trust Fund can issue an unlimited number of Units of one or more Classes, as determined by the Trustee. The Trustee determines whether the capital of a Trust Fund is divided into one or more Classes of Units and the attributes which attach to each Class of Units. The Classes of Units authorized for each Trust Fund, and the attributes attached thereto, will be as shown from time to time in the Simplified Prospectus and in this Annual Information Form. The Units of each Class of a Trust Fund have the following attributes:

- (a) each entitles the holder to one vote:
  - (i) at all meetings where all Unitholders vote together, and
  - (ii) at all meetings where Unitholders of a particular Class vote separately as a Class;
- (b) each entitles the holder to participate pro rata in such manner and at such times as the Trustee considers appropriate and equitable, with respect to all distributions of the net income and net realized capital gains attributable to that Class of Units of the Trust Fund to holders of Units of the same Class; and
- (c) on liquidation of the Trust Fund to participate pro rata in such manner and at such times as the Trustee considers appropriate and equitable with the other Unitholders of the same Class in the net assets attributable to that Class of Units of the Trust Fund remaining after the satisfaction of its outstanding liabilities.

Units may not be transferred, except in the event of death or by operation of law. Instead, the value of your investment is realized by selling your Units back to the Fund. This is commonly referred to as “redeeming”.

Distributions in respect of any Trust Fund may be declared payable by the Manager in its sole discretion. Several factors determine the amount of the distributions by a Trust Fund including realized and unrealized gains, distributions or dividends from investments and net conversions. The history of distributions paid is no indication of future distribution payments and the composition of distributions as between net income, net realized capital gains and/or return of capital may vary. See “Income Tax Considerations”.

### **Voting Rights**

The Trust Funds do not hold regular meetings of Unitholders. However, a meeting will be held to enable Unitholders to vote on the following matters:

- (a) any increase in the fees to be charged to the Trust Fund;
- (b) the appointment of a new manager other than an affiliate of the Manager;
- (c) any change in the fundamental investment objective of the Trust Fund;
- (d) the appointment of a new auditor of the Trust Fund;
- (e) any decrease in the frequency of calculating the net asset value per Unit;
- (f) certain material reorganizations of the Trust Fund; and
- (g) certain amendments to the Declaration of Trust of the Trust Fund.

Each of these matters requires an affirmative vote of at least 50% of the votes cast at the meeting called to consider the matter. The required quorum, or minimum attendance required for such meetings, is two Unitholders present in person or by proxy, owning at least 10% of the outstanding Units of the Fund.

### **The Corporate Funds**

An investment in any Corporate Fund is represented by Shares. No Shares are issued until they have been fully paid for. No certificates are issued to Shareholders.

The Fund Corporation is authorized to issue an unlimited number of common shares and an unlimited number of mutual fund shares that are issuable in Series. The outstanding common shares of the Fund Corporation are owned by the Manager. The mutual fund shares of the Fund Corporation currently consist of the Corporate Funds, each of which is a separate Series of mutual fund shares. An unlimited number of Shares of each Corporate Fund may be issued. Each Corporate Fund has its own investment objectives as described in the Simplified Prospectus. The Shares designated for each Corporate Fund, and the attributes attached thereto, will be as shown from time to time in the Simplified Prospectus and in this Annual Information Form.

Each Corporate Fund generally derives its value from the portfolio assets attributable to that Fund and the income earned in respect thereof. A separate net asset value is calculated daily in respect of each Series of a Corporate Fund. The net asset value of each Series is determined as described under “Valuation and Pricing”.

Distributions in respect of any Corporate Fund may be declared payable by the board of directors of the Fund Corporation in its sole discretion. Several factors determine the amount of the distributions by the Fund Corporation including realized and unrealized gains, distributions or dividends from investments and net conversions. The history of distributions paid is no indication of future distribution payments and the composition of distributions as between dividends, capital gains dividends and/or return of capital may vary. See “Income Tax Considerations”.

### ***Voting Rights***

Holders of Shares of any Corporate Fund are not, as such, entitled to receive notice of, or to attend, any meeting of shareholders of the Fund Corporation or to vote at any such meeting, except as otherwise required by the *Business Corporations Act* (Ontario) or applicable securities laws. The holders of Shares of any Corporate Fund are not entitled to vote separately as a Series, or to dissent in respect of, any proposal to amend the Articles of the Fund Corporation to (i) increase or decrease any maximum number of authorized Shares or any Series thereof, (ii) effect an exchange, reclassification or cancellation of all or part of the Shares or any Series thereof, or (iii) create a new class of Shares, or Series thereof, of the Fund Corporation equal or superior to the mutual fund shares, or any Series thereof.

Holders of Shares of any Corporate Fund shall be entitled to vote on the following matters:

- (a) any increase in the fees to be charged to the Fund;
- (b) the appointment of a new manager other than an affiliate of the Manager;
- (c) any change in the fundamental investment objective of the Fund;
- (d) the appointment of a new auditor of the Fund;
- (e) any decrease in the frequency of calculating the net asset value per Share of such Fund;
- (f) any material reorganization of the Fund; and
- (g) certain amendments to the articles of incorporation of the Fund Corporation.

The rights, privileges, restrictions and conditions attaching to any Corporate Fund may be added to, changed or removed only with the approval of the holders of that Corporate Fund given in such manner as may then be required by law, subject to a minimum requirement that the approval be given by resolution passed by the affirmative vote of at least two-thirds of the votes cast at a meeting of the holders of the Shares of such Corporate Fund duly called for that purpose.

No Corporate Fund ranks ahead of any other Corporate Fund with respect to payment of declared dividends and the distribution of assets or return of capital in the event of the liquidation, dissolution or winding-up of the Fund Corporation, whether voluntary or involuntary.

You may exchange your Shares of any Corporate Fund at any time into Units of any Trust Fund or Shares of any other Corporate Fund if you meet the criteria for those Units or Shares (see “Purchases, Switches and Redemptions - Switches of Units or Shares”). Details and additional information relating to switching between Shares and Units are also available in the Simplified Prospectus of the Funds.

Fractions of Shares may be issued. Fractional Shares carry the rights and privileges, and are subject to the restrictions and conditions, applicable to whole Shares in the proportions which they bear to one Share. However, the holder of a fractional Share is not entitled to vote in respect of such fractional Share.

Holders of Shares of any Corporate Fund can redeem all or any of their Shares at the net asset value of those Shares as described under “Purchases, Switches and Redemptions”. All Shares are transferable without restriction.

Further details of the rights attaching to the Shares of each Corporate Fund are contained in the articles of incorporation of the Fund Corporation. The rights and conditions attaching to the Shares of each Corporate Fund may be modified only in accordance with the provisions attaching to the applicable Corporate Fund and the provisions of applicable corporate law. A description of each Corporate Fund and the eligibility requirements attached to each Corporate Fund is contained in the Simplified Prospectus of the Funds.

## VALUATION AND PRICING

### **Pricing of Units and Shares**

The Unit Price or Share Price, as the case may be, for each Fund is equal to the applicable Class net asset value per Unit or the Series net asset value per Share of the Fund. The Share Price of each Series of a Corporate Fund is calculated by reference to the portfolio of assets attributable to that Series. The Unit Price or Share Price is determined by the Manager at the close of business on each day. The Toronto Stock Exchange is open for trading and is available, at no cost to you, on our website at [www.marquestfunds.ca](http://www.marquestfunds.ca). This is usually done at 4:00 p.m. (Toronto time), unless The Toronto Stock Exchange closes earlier.

The Unit Price for a Class or the Share Price of a Series at any time is calculated by dividing the applicable net asset value at that time by the number of Units of that Class or the number of Shares of that Series then outstanding, as follows:

$$\begin{array}{r}
 \text{Unit Price (for a Class) of a Trust Fund} \\
 \text{or} \\
 \text{Share Price (for a Series) of a Corporate Fund}
 \end{array}
 =
 \frac{\begin{array}{l} \text{Class net asset value of the Trust Fund} \\ \text{or} \\ \text{Series net asset value of the Corporate Fund} \end{array}}{\begin{array}{l} \text{number of outstanding Units of the Class of the} \\ \text{Trust Fund} \\ \text{or} \\ \text{number of outstanding Shares of the Series of the} \\ \text{Corporate Fund} \end{array}}$$

The Class net asset value of a Trust Fund or the Series net asset value of a Corporate Fund is determined in accordance with the rules set forth below under “Valuation”.

For the purpose of issuing and redeeming Units or Shares of a Fund, the Class net asset value of each Unit or the Series net asset value of each Share will be such net asset value next calculated after a purchase or redemption order for the Unit or Share is received by us. We may suspend the determination of net asset value in certain circumstances, as

described at the end of this section under “Suspension of the determination of Unit Price or Share Price and the right to redeem Units or Shares”.

For the Marquest Money Market Fund and the Marquest Short Term Income Fund (Corporate Class), the net asset value per Unit is intended to be maintained constant on each day that the net asset value is calculated (although there is no guarantee that the price will not go up or down). This is accomplished by crediting any income and capital gains to Unitholders daily. These credited amounts are paid at the end of each month.

## **Valuation**

### ***Valuation of Assets:***

Pursuant to National Instrument 81-106 *Investment Fund Continuous Disclosure*, the Funds are required to calculate the net asset value per Unit or Share for the purposes of the financial statements in accordance with Canadian generally accepted accounting principles (GAAP). For all other purposes, including the calculation of net asset value for purchases and redemptions, the net asset value per Unit or Share is calculated in accordance with the following rules and considerations:

- (a) Cash on hand or on deposit, Government of Canada treasury bills, and short-term paper, certificates of deposit of Canadian chartered banks, cash dividends and interest declared or accrued and not yet received are valued at the full amount or some lesser amount that the Manager considers to be the fair value.
- (b) Securities which are listed on a securities exchange or traded in an over-the-counter market will be valued at their latest sale price on that day, if traded. If there are no trades on that day, these securities will be valued at a price determined by the Manager which shall not be higher than the closing asked price and will not be lower than the closing bid price. If securities are traded on more than one securities exchange, the Manager will determine which exchange shall be considered the primary market for those securities and use such exchange’s trading for valuation of those securities. If there are no bid or ask quotations, the Manager will make a realistic and fair valuation taking into account the last sale.
- (c) If the resale of any security held by a Fund is restricted or limited by law (including by statutory holding period, or by investment letter, escrow provisions or other representation, undertaking or agreement), the value of that security will be the lesser of:
  - (i) the value of that security based on reported quotations in common use; and
  - (ii) the percentage of the market value of securities of the same class, the trading of which is not subject to the same restrictions or limitations, equal to the percentage that the Fund’s acquisition cost of the securities was of the market value of the securities at the time of acquisition. Where the date on which the restrictions will be lifted is known, the actual value of the securities may be taken into account.
- (d) If a security was:
  - (i) acquired by a Fund through the exercise of (a) a conversion or exchange right attached to a security, or (b) a right, option or warrant; and
  - (ii) the resale of the security, right, option or warrant was restricted by statutory holding period, investment letter, escrow provisions or otherwise,

then the value of the security will be the value otherwise determined in accordance with these rules, except that (i) the value will be reduced by the same rate of discount which applied at the time the Fund acquired the security, right, option or warrant, and (ii) the rate of the discount may be reduced proportionately where the resale restriction is to be lifted on a specific date.

- (e) The value of bonds and debentures will be determined by:
  - (i) taking the average of the bid and ask quotations as of the valuation date; or
  - (ii) according to a formula that determines the value of the bond or debenture by comparing the rate of investment return on the bond or debenture with the rate of investment return prevailing at that time for similar investments,
 and the selection of the quotations or formula will be at the discretion of the Manager.
- (f) Securities which a Fund has agreed to purchase or sell will be included or excluded as if the agreements were in fact fully carried into effect.
- (g) Any item quoted or computed in a currency other than Canadian dollars will be valued at the equivalent in Canadian dollars at the exchange rate in effect on the date of valuation for the sale of that currency in Canada. If there are any forward currency contracts or currency futures contracts, these will be valued at their current market value on the valuation date. Any difference resulting from revaluation will be treated as an unrealized gain or loss on investment.
- (h) If a Fund writes:
  - (i) a covered clearing corporation option;
  - (ii) an option on futures; or
  - (iii) an over-the-counter option,
 then the premium received by the Fund will be reflected as a deferred credit which will be valued at an amount equal to the current market value of the option that would have the effect of closing the position. Any difference resulting from revaluation will be treated as an unrealized gain or loss on investment. The deferred credit will be deducted in calculating the net asset value of the Fund. Any securities which are the subject of a written clearing corporation option or over-the-counter option will be valued at their current market value.
- (i) The value of a futures contract, or a forward contract, will be the gain or loss that would be realized if the position in the futures contract or the forward contract were to be closed out on the valuation date. However, if “daily limits” are in effect, fair value will be based on the current market value of the underlying interest. Margin paid or deposited in respect of futures contracts and forward contracts will be reflected as an account receivable. Margin consisting of assets other than cash will be noted as held as margin.
- (j) In the case of any security or other property of a Fund which does not fall under the methods for determining value which are described above, or where the value of any such security or other property of a Fund determined as described above would not, in the opinion of the Manager, reflect the fair value of such security or other property, the value of that security or other property will be a value that the Manager considers to be fair.

In the past year, pursuant to paragraph (j) of the above-listed rules and considerations, the Manager has exercised its discretion to fair value securities in the following instances:

- (1) special warrants and similar securities have been fair valued where the “marked-to-market” discount determined has exceeded the maximum threshold established by the Manager based on the duration of the resale restriction period;
- (2) securities of private companies which are not listed on a stock exchange have been fair valued where the Manager believes that the acquisition cost or current carrying cost of such securities does not represent their fair value; and

- (3) securities whose resale is restricted or limited by law have been valued at the value of the trading price of the equivalent unrestricted security.

***Net Asset Value per Unit or Share:***

In this section:

***change in non portfolio assets*** for a Fund on a valuation date means:

- (a) the aggregate of all income accrued by the Fund on that valuation date, including cash dividends and distributions, interest and compensation; plus or minus
- (b) any change in the value of any non portfolio assets or liabilities stated in any foreign currency accrued on that valuation date, including, without limitation, cash, accrued dividends or interest and any receivable or payables; plus or minus
- (c) any gain or loss resulting from transfers of currencies accrued on that valuation date; plus or minus
- (d) any other item accrued on that valuation date determined by the Manager to be relevant in determining a change in non portfolio assets.

***Class*** means a class of Units of a Trust Fund.

***Class expenses*** means those expenses of a Trust Fund that are attributable to a particular Class of Units of that Trust Fund.

***Class net asset value*** means, in respect of any particular Class of Units of a Trust Fund on a valuation date, the portion of the Net Asset Value of the Trust Fund attributed to the Units of such Class on that valuation date.

***net portfolio transactions*** for a Fund on any valuation date means the affect of portfolio transactions and the adjustments to the assets as a result of a stock dividend, stock split or other corporate action of an issuer of securities held by the Fund recorded on that valuation date.

***valuation date*** means any day on which The Toronto Stock Exchange is open for trading.

The following rules and considerations apply to the determination of the Class net asset value and net asset value per Unit of a Class of a Trust Fund. They also apply to the determination of the net asset value and net asset value per Share of a Series of mutual fund shares of a Corporate Fund, in which case:

- (i) all references to “Class net asset value” are to be read as references to the “net asset value of a Series of mutual fund shares” in the case of a Corporate Fund;
- (ii) all references to “net asset value per Unit of a Class” are to be read as references to the “net asset value per Share of a Series of mutual fund shares” in the case of a Corporate Fund;
- (iii) all references to “that Class” are to be read as references to “that Series” in the case of the Corporate Fund; and
- (iv) all references to “a Class of Units” or to “Units of that Class” are to be read as references to “a Series of mutual fund shares” or to “Shares of that Series” in the case of the Corporate Fund.



The Class net asset value of a Class of Units of a Trust Fund at the time of valuation on a valuation date is calculated as follows:

- (a) the Class net asset value last calculated for that Class; plus
- (b) the increase in the assets attributable to that Class as a result of the issue of Units of that Class since the last calculation; minus
- (c) the decrease in the assets attributable to that Class as a result of the redemption of Units of that Class since the last calculation; plus or minus
- (d) the proportionate share of the change in non portfolio assets attributable to that Class since the last calculation; plus or minus
- (e) the proportionate share of the net portfolio transactions attributable to that Class since the last calculation; plus or minus
- (f) the proportionate share of market appreciation or depreciation of the portfolio assets attributable to that Class since the last calculation; minus
- (g) any amounts to be paid by way of distributions to holders of Units of that Class since the last calculation; minus
- (h) any Class expenses attributable to that Class since the last calculation; minus
- (i) the portion of other expenses that are allocated to that Class of a Trust Fund on a fair and equitable basis.

In performing the calculations, the following rules apply:

- (a) A Unit of a Class of a Trust Fund being issued is deemed to become outstanding as of the next calculation of the applicable Class net asset value following the time at which the applicable Class net asset value per Unit that is the issue price of such Unit is determined and the issue price received or receivable for the issuance of the Unit shall then be deemed to be an asset of a Trust Fund attributable to the applicable Class.
- (b) A Unit of a Class of a Trust Fund being redeemed is deemed to remain outstanding until immediately before the next calculation of the applicable Class net asset value following the receipt by or on behalf of the Manager, as manager of the Fund, of a redemption request. Thereafter, until paid, the redemption price of such Unit is deemed to be a liability of the Trust Fund attributable to the applicable Class.
- (c) On any valuation date that a distribution is paid to holders of a Class of Units, a second Class net asset value is calculated for that Class, which is equal to the first Class net asset value calculated on that valuation date minus the amount of the distribution.
- (d) The Class net asset value of each Unit of a Class of Units of a Trust Fund as at any particular time is the quotient obtained by dividing the applicable Class net asset value as at such time by the total number of Units of that Class outstanding at such time. This calculation is made without taking into account any issuance or redemption of Units of that Class to be processed by the Trust Fund immediately after the time of such calculation on that valuation date. The Class net asset value per Unit for each Class of Units of a Trust Fund for the purpose of the issue or redemption of Units is calculated on each valuation date by or under the authority of the Manager, as manager of the Fund, as at such time on every valuation date as is fixed from time to time by the Manager, as manager of the Fund, and the Class net asset value per Unit so determined for each Class shall remain in effect until the time as of which the Class net asset value per Unit for that Class is next determined.
- (e) Each transaction of purchase or sale of portfolio securities effected by a Fund is reflected in the next calculation of the Net Asset Value of the Fund made after the date on which such transaction becomes binding.

**Suspension of the determination of Unit Price or Share Price and the right to redeem Units or Shares**

Suspension of the determination of the asset value of a Fund will result in suspension of determination of the Unit Price or Share Price of the Fund. The Manager, as manager of the Funds: (a) must suspend the determination of asset value of a Fund when required to do so under applicable securities law or under any exemptive relief granted by securities authorities having jurisdiction under applicable securities law; and (b) may suspend the determination of asset value of a Fund at such other time as it deems appropriate, provided that such suspension is permitted under applicable securities law.

During any period of suspension of determination of asset value of a Fund, the Fund is not permitted to issue or redeem any Units and the payment of any redemption proceeds will be postponed. Upon the reinstatement of determination of asset value, the issue and redemption of Units and the right of holders of Units to receive redemption payments shall resume.

In the event of a suspension of the determination of asset value of a Fund: (i) a holder of Units or Shares of the Fund who has delivered a redemption request for which the Unit Price or Share Price has not yet been calculated may either withdraw such holder's redemption request prior to the end of the suspension period or receive payment based on the asset value and the Unit Price or Share Price of the Fund next calculated after the termination of the suspension; and (ii) an investor who has submitted a purchase order for Units or Shares of the Fund for which the Unit Price or Share Price has not yet been calculated may either withdraw such purchase order prior to the end of such suspension period or receive Units or Shares based on the net asset value and the Unit Price or Share Price of the Fund next calculated after the termination of the suspension.

**PURCHASES, SWITCHES AND REDEMPTIONS****Purchase of Units or Shares**

Units and Shares of the Funds are offered for sale on a continuous basis, subject to the following rules and considerations:

***Purchase Orders***

You may purchase Units or Shares of a Fund by submitting a "purchase order". Orders which are received from you or your dealer after 4:00 p.m. Toronto local time on any day will be deemed to have been received on the following business day. Your dealer must forward your order to us within 24 hours of receiving it.

The Manager and its representatives reserve the right to accept or reject your order for Units or Shares within one (1) day of receiving it. If your order is rejected, any money you have paid in connection with the order will be refunded immediately.

***Price of Units or Shares***

Units or Shares of a Fund are issued to purchasers at a price equal to their "Unit Price" or "Share Price" next determined after receipt by the Manager of the purchase order. No estimate of that price can be made. Please see "Valuation and Pricing", above, for details of the method by which Unit Price and Share Price are determined.

You must pay the purchase price of Units or Shares by cash, certified cheque, bank draft, wire transfer or other form of immediately available funds. Subject to sales charges as described below, the Unit Price or Share Price received for each Unit or Share is paid directly to the Fund and will be invested in securities in accordance with the investment objectives of the Fund.

### ***Payment of Purchase Price***

Our policy is to complete settlements on a three business days basis for all Funds (other than the Marquest Money Market Fund which is required to be settled on a one business day basis). This means that you must pay the purchase price for any Units or Shares purchased (together with any applicable sales charges) to the Manager within three business days (one business day with respect to the Marquest Money Market Fund) of the trade date (the date as of which the purchase price of the Units or Shares is determined). This date is referred to below as the “last settlement date”.

If payment has not been received by the Manager on behalf of the Fund within the time period specified above, then:

- (a) The Fund will be deemed to have received and accepted, on the first business day following the last settlement date, an order for the redemption of the Units or Shares and the amount of the redemption proceeds is to be applied to reduce the amount owing to the Fund in respect of the purchase of the Units or Shares.
- (b) If the amount of the redemption proceeds exceeds the purchase price of the Units or Shares, the excess shall belong to the Fund.
- (c) If the amount of the redemption proceeds is less than the purchase price of the Units or Shares, the Manager is required to pay the amount of the deficiency to the Fund as soon as possible. The Manager will be entitled to collect this amount together with its costs, charges and expenses in doing so, plus interest, from the dealer (or, if no other dealer is involved, from you directly). Your dealer may make provision in arrangements that it has with you that will require you to compensate the dealer for any losses suffered by the dealer in connection with any failure by you to satisfy the requirements of the Fund or securities legislation for a redemption of Units or Shares of the Fund.

No certificates representing Units or Shares of a Fund will be issued.

### ***Sales Charge Options***

You have the option of purchasing Class A and Class AA Units of the Trust Funds under the “Sales Charge Option”, the “Deferred Sales Charge Option” or the “Low Load Deferred Sales Charge Option” and, if your dealer offers it and if you are eligible to purchase them, Class F and Class F-AA Units of the Trust Funds under the “No Load Option”, all as described below. Series A Shares of the Corporate Funds may be purchased under either the Sales Charge Option or the Low Load Deferred Sales Charge Option and if your dealer offers it and if you are eligible to purchase them, Series F shares of the Corporate Funds under the “No Load Option”. The option chosen affects the fees you pay, the amount of compensation paid to your dealer, and by whom it is paid.

#### ***Purchases of Class A Units, Class AA Units and Series A Shares under the Sales Charge Option:***

Under this option, a sales charge (referred to as a “Sales Charge”) is deducted from the total amount of your purchase order and paid to your dealer. The net amount remaining is applied to the purchase of Class A Units and Class AA Units, Series A Shares of a Fund at the applicable Unit Price or Share Price on the trade date.

Sales Charges are negotiated between you and the dealer. The maximum Sales Charge for all Funds (except Units of the Marquest Money Market Fund) is 5% of the total amount of the purchase order. For Units of the Marquest Money Market Fund, the maximum Sales Charge is 2% of the total amount of the purchase order.

Class A Units, Class AA Units and Series A Shares purchased on a reinvestment of distributions or dividends are not subject to a Sales Charge.

*Purchases under the Deferred Sales Charge Option and the Low Load Deferred Sales Charge Option:*

The Deferred Sales Charge Option is available only for purchases of Class A Units and Class AA Units of the Trust Funds. The Low Load Deferred Sales Charge Option is available for purchases of Class A Units and Class AA Units of the Trust Funds and Series A Shares of the Corporate Funds. Under these options, the total amount of your purchase order is applied to the purchase of Units or Shares of a Fund at the applicable Unit Price or Share Price on the trade date.

A redemption fee calculated based on the cost of Class A Units, Class AA Units or Series A Shares will apply:

- (i) to Class A Units or Class AA Units purchased under the Deferred Sales Charge Option if they are redeemed within seven years from the date of issue, and
- (ii) to Class A Units, Class AA Units or Series A Shares purchased under the Low Load Deferred Sales Charge Option if they are redeemed within three years from the date of issue,

unless the redemption qualifies for the “10% Free Redemption Amount” (as described in the Simplified Prospectus) or is made for the purpose of a Switch to Units or Shares of another Marquest Fund other than the Marquest Money Market Fund or Marquest Short Term Income Fund (Corporate Class) (see “Switches of Units or Shares” below).

The Manager will pay or cause to be paid to the dealer a selling commission, currently 5% of the total amount of the purchase order for Deferred Sales Charge Option purchases and 3% of the total amount of the purchase order for Low Load Deferred Sales Charge Option purchases. The Manager reserves the right to change the rate of such commission from time to time.

The Manager reserves the right to suspend, discontinue or modify the Deferred Sales Charge Option and the Low Load Deferred Sales Charge Option at any time. Suspension, discontinuance or modification of the options will not affect the obligation to pay deferred sales charges upon redemption of previously issued Units or Shares acquired on the Deferred Sales Charge or Low Load Deferred Sales Charge basis.

*Purchases of Class F Units, Class F-AA Units or Series F Shares under the No Load Option:*

Your dealer may offer the No Load Option to purchase Class F Units or Class F-AA Units of certain Trust Funds or Series F Shares of certain Corporate Funds if your dealer offers a managed investment account service under which the only fees and compensation the dealer receives are to be paid directly by you to the dealer, or debited from your account by the dealer, under arrangements made by you with your dealer. The Manager pays no servicing or other commissions to dealers in respect of purchases of Class F Units, Class F-AA Units or Series F Shares.

**Switches of Units or Shares**

Units of a Class or Shares of any Fund may be exchanged for Units of the corresponding Class or Shares of another Fund (referred to as a “Switch”). A Switch is effected by using the proceeds from the redemption of Units of a Class or Shares to purchase other Units of the same Class or Shares.

Units of a Class may also be exchanged for Shares of a Corporate Fund or Units of another Class of another Trust Fund, and Shares of a Corporate Fund may be exchanged for Units of a Trust Fund, however special rules or tax consequence may apply, in particular, such a switch is considered a disposition for tax purposes, which means that you may realize a capital gain or loss. See “Income Tax Considerations – Taxation of holders of Units or Shares” on page 42 for more information.

***Number of Units or Shares to be Received on the Switch***

The number of Units of a Class or Shares issuable upon a Switch is determined based upon the respective net asset values of the Units of the same Class or Shares of the Funds involved. Because a Switch involves a redemption of Units

or Shares, if a Switch occurs within 30 days after acquisition of the Units or Shares being redeemed, a Short-Term Trading Fee will be charged as described below under “Redemption Price”, and in the Simplified Prospectus under “Fees and Expenses”.

You may Switch Units or Shares of a Fund by submitting a purchase order. Orders which are received from you or your dealer after 4:00 p.m. Toronto local time on any day will be deemed to have been received on the following business day. Your dealer must forward your order to us within 24 hours of receiving it.

### ***Tax Consequences***

Please see “Income Tax Considerations” below for information on the tax consequences of a Switch.

### **Redemption of Units or Shares**

You may redeem Units or Shares of a Fund (including by way of a Switch) subject to the following rules and conditions:

#### ***Redemption Price***

Units or Shares of a Fund will be redeemed at their Unit Price or Share Price next calculated following receipt by the Manager at its head office of a written request for redemption of a specified number (or dollar value) of Units or Shares. Redemptions made pursuant to a Systematic Withdrawal Plan will be made without charge. Otherwise, redemptions are subject to deduction of a Deferred Sales Charge or Low Load Deferred Sales Charge for Units or Shares purchased under the Deferred Sales Charge Option or the Low Load Deferred Sales Charge Option, and deduction of a Short-Term Trading Fee if the redemption occurs within 30 days after the acquisition, whether by purchase or Switch, of the Units or Shares being redeemed, as described under “Fees and Expenses” in the Simplified Prospectus.

Redemption requests received by the Manager after 4:00 p.m. Toronto local time on any day will be deemed to have been received on the next business day.

If you deliver a request for redemption to a registered dealer, applicable policies of Canadian securities regulatory authorities require that your request be transmitted to the Manager on the same day it is received by the dealer unless it is received after normal business hours, in which case it shall be transmitted not later than the next business day.

#### ***Documentation required***

Your signature on the redemption request must be guaranteed by a Canadian chartered bank or trust company, or by an investment dealer or other guarantor acceptable to the Manager.

For a holder that is a corporation, partnership, agent, fiduciary, surviving joint owner or other person not an individual acting in such individual’s own right, additional documentation of a customary nature will be required by the Manager in connection with a redemption request.

No redemption will be effected until the request for redemption and any required additional documentation, duly executed, is actually received by the Manager at its head office.

#### ***Payment for Units or Shares Redeemed***

Payment for Units or Shares redeemed will be made in cash by the Fund within three business days of the date of the determination of the Unit Price or Share Price upon which the redemption is based.

If the determination of the redemption price is postponed by reason of a declaration by the Manager suspending determination of the Unit Price or Share Price, your right to have Units or Shares redeemed by a Fund is similarly

suspended. If you do not withdraw your redemption request, the redemption price payable by the Fund will be the Unit Price or Share Price determined the next day that such a determination is made.

#### ***Failure to Comply with Requirements Regarding Redemption Orders***

Under applicable policies of the Canadian Securities Administrators, if all of a Fund's requirements in respect of a redemption order have not been complied with on or before the tenth business day after the determination of the Unit Price or Share Price for the purpose of a redemption, the Fund will be deemed to have received and accepted on the next business day an order for the purchase of the equivalent number of Units or Shares of the Fund which have been redeemed and will apply the amount of the redemption proceeds to the payment of the issue price of such Units or Shares.

If the amount of the issue price of such Units or Shares is less than the redemption proceeds, the excess shall belong to the Fund.

If the amount of the issue price of such Units or Shares exceeds the redemption proceeds, the Manager will be required to pay forthwith to the Fund the amount of the deficiency and is entitled to collect such amount together with its costs, charges and expenses in so doing and interest thereon from the dealer (or if no other dealer is involved, from you). Your dealer may make provision in arrangements that it has with you that will require you to compensate the dealer for any losses suffered by the dealer in connection with any failure by you to satisfy the requirements of the Fund or securities legislation for a redemption of Units or Shares of the Fund.

#### ***Suspension of Redemption Rights***

The Manager may declare a suspension of the right to redeem Units or Shares of the Fund in certain circumstances. Please refer to "Net Asset Value - Suspension of the determination of Unit Price or Share Price and the right to redeem Units or Shares", above.

#### ***Redemption by the Manager***

If the value of your Units or Shares in a Fund falls below \$250 due to redemptions we may redeem your Units or Shares. Before doing so, we will give you at least 30 days' notice.

#### ***Tax Consequences***

Please see "Income Tax Considerations" below for information on the tax consequences of a redemption.

### **RESPONSIBILITY FOR FUND OPERATIONS**

#### **General**

The overall responsibility for each Trust Fund rests with the Manager in its capacity as trustee. The board of directors of the Fund Corporation oversees management of the Fund Corporation and each Corporate Fund by monitoring and assessing the Manager's direction of the business and affairs of the Fund Corporation and each Corporate Fund.

#### **Manager**

The manager of the Funds is the Marquest Asset Management Inc. Marquest, in its capacity as manager, has the power and authority to manage, supervise and administer each Fund. In the case of the Trust Funds, this power and authority has been delegated to the Manager under the terms of the Declarations of Trust, pursuant to Management Agreements. In the case of the Corporate Funds, the Manager is subject to the supervision of the Fund Corporation's board of directors.

You may contact us at our head office at 161 Bay Street, Suite 4420 PO Box 204, Toronto Ontario, M5J 2S1. You can also call us toll-free at 1-888-964-3533, contact us by e-mail at [clientservices@marquest.ca](mailto:clientservices@marquest.ca), or see our website at [www.marquestfunds.ca](http://www.marquestfunds.ca).

### ***The Manager's Responsibilities as Manager***

Under the Management Agreements, the Manager's responsibilities as manager include:

- (a) making investment decisions;
- (b) the purchase and sale of investments and brokerage arrangements relating thereto;
- (c) the provision of administrative services and facilities to the Funds, and
- (d) the payment of certain expenses of the Funds. For information about expenses borne by the Funds, see "Fees and Expenses" below.

The Manager, as the manager of the Funds, has no responsibility to the Funds other than to render the services called for honestly, in good faith and in the best interests of the holders of Units and Shares, and in connection therewith to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. As long as the Manager, as manager, meets the required standard, the Manager is entitled to indemnifications similar to those available to a director of a corporation under the *Canada Business Corporations Act*.

### ***Renewal and Termination***

Each Management Agreement is subject to automatic renewal for additional one year terms. A Management Agreement may be terminated during its term if the Manager defaults in its performance of any of its duties or obligations thereunder and the holders pass a resolution at a meeting of holders terminating the Management Agreement as a result of such default. Further, the holders of a Fund may, by resolution passed at a meeting of holders at least 180 days before the end of the initial term or each anniversary thereof, elect not to renew a Management Agreement, whereupon the Management Agreement will not be renewed beyond its existing term. The Manager, as manager, must give the holders and, in the case of the Trust Funds, the Trustee, at least 180 days' notice of its intention not to renew a Management Agreement.

In the event that a Management Agreement is terminated or not renewed, the Trustee in the case of the Trust Funds and the board of directors in the case of the Fund Corporation shall use their best efforts to appoint a successor manager provided that no such appointment shall be effective until it has been approved by the holders in the same manner as is set forth above with respect to a change of manager. If a successor manager of a Fund has not been appointed within 90 days of the termination or non-renewal of the Fund's Management Agreement, the Fund will terminate.

***Officers and Directors of the Manager and Portfolio Management Representatives***

The names, places of residence, present positions and principal occupations during the preceding five years of the directors and executive officers of Marquest Asset Management Inc. and the persons registered with Marquest who are responsible for the management or portfolio management of the Marquest Group of Funds, are as follows.

<b>Name and Municipality of Residence</b>	<b>Present Position with Marquest</b>	<b>Principal Occupation During Past Five Years</b>
<b>Gerald L. Brockelsby,</b> BA, CFA Oakville, Ontario	Chief Investment Officer and director	Mr. Brockelsby has over 38 years' experience in managing investment funds for corporations, pension funds and individuals. Prior to establishing Marquest in 1985, Mr. Brockelsby was the Chief Investment Officer for the Inco Pension Plan for eight years. Mr. Brockelsby has managed multiple small cap equity and fixed income mandates, including Marquest's flagship Resource Fund which has been one of the top performing funds in its sector since inception in 2003. In addition, Mr. Brockelsby has also managed the Terra Funds flow-through LP's and rollover mutual funds since early 2009.  Mr. Brockelsby is the principal Portfolio Manager to the Marquest Advised Funds.
<b>Stephen J. Zamin</b> Toronto, Ontario	Chief Financial Officer and director	Stephen J. Zamin is the Chief Financial Officer of Marquest. Previously, Mr. Zamin was the Chief Financial Officer & Head of General Administration for Alpha Group which successfully launched and managed Alpha Exchange Inc., a securities exchange in Canada. His previous roles include 10 years within BMO Financial Group primarily, as Vice President Finance and Corporate Controller for BMO Nesbitt Burns Inc., a registered broker-dealer in Canada and its subsidiaries. He also served as Chief Financial Officer of BMO Nesbitt Burns Equity Partners Inc. and its US affiliates. Mr. Zamin is a Chartered Accountant, Certified Public Accountant (Illinois), Chartered Global Management Accountant (USA) and holds a BMath from the University of Waterloo.
<b>Paul Crath</b> Toronto, Ontario	Director	Mr. Crath has acted in corporate finance strategy and development for several mid-market growth stage companies, including mergers and acquisitions and financing initiatives, where he has had past success with multiple investments, buyouts and disposition for portfolio companies. Mr. Crath has also worked extensively in a senior role with several groups in structured product development and marketing of investment funds. He currently is a director of Accilent Raw Materials Group Inc. and provides advisory services in the following areas; (i) specialty mergers and merchant banking transactions and investment products and (ii) investment development services, where his focus is on product development and institutional/high net worth sales and marketing and legal and financial structuring. He began his career as a corporate lawyer at White & Case, LLP in New York City, specializing in acquisition financings.
<b>Andrew A. McKay</b> Toronto, Ontario	President	Previously, Mr. McKay was the Chief Executive Officer of Tailwind Financial Inc., a U.S.-based special purpose acquisition company. Prior to co-founding Tailwind, Mr. McKay was Chief Executive Officer of Legend Investment Partners Inc. Prior to that, Mr. McKay was the Chief Executive Officer of Fairway Capital Corp., a Canadian asset management firm. Prior to co-founding Fairway Capital, Mr. McKay was the Chief Operating Officer, a director and co-founder of Skylon Capital Corp., an investment management holding company. Prior to such time, he was a director of Altamira International Bank (Barbados) Inc., the offshore asset management subsidiary of Altamira Management Ltd. and an officer of Ivory & Sime plc, a



Name and Municipality of Residence	Present Position with Marquest	Principal Occupation During Past Five Years
		leading UK investment management firm. Mr. McKay is a Fellow of both the Institute of Chartered Management Accountants and the Institute of Chartered Secretaries and Administrators.
Andre G. Poles Port Hope, Ontario	General Counsel and Chief Compliance Officer	General Counsel and Chief Compliance Officer of Marquest Asset Management Inc., prior to that Chief Compliance Officer of a Scholarship Plan Dealer and Investment Fund Manager and in the period 2008-2013 was Senior Vice-President and Head of the Canada Risk Management Group, Compliance, Regulating Risk and Legal Resources for the Macquarie Group of Companies

The Funds have not paid, and are not obligated to pay, any remuneration to the directors or officers of the Manager or to persons registered with the Manager who are responsible for the management or portfolio management of the Marquest Group of Funds.

#### **Portfolio Advisor**

The following entities act as portfolio advisor or sub-advisor for the Funds:

(a)	<b><u>Portfolio Advisor or Sub-advisor</u></b>	<b><u>Name of Fund</u></b>
	Marquest Asset Management Inc.	Marquest Money Market Fund Marquest Short Term Income Fund (Corporate Class) Marquest Covered Call Canadian Banks Plus Fund Marquest Covered Call Canadian Banks Plus Fund (Corporate Class) Marquest Small Companies Fund Marquest Canadian Resource Fund Marquest Canadian Resource Fund (and Corporate Class)
		(collectively, the “Marquest Advised Funds”)

The Manager is the portfolio advisor for the Funds listed above. Gerald Brockelsby, registered with the Manager, is the portfolio manager responsible for each of these Funds. Please refer to the table under “Officers and Directors of the Manager” for information about his prior experience.

(b)	<b><u>Portfolio Advisor or Sub-advisor</u></b>	<b><u>Name of Fund</u></b>
	SEAMARK Asset Management (2013) Ltd. (formerly 8532435 Canada Corp.)	Marquest American Dividend Growth Fund Marquest American Dividend Growth Fund (Corporate Class)
		(collectively, the “SEAMARK Sub-Advised Funds”)

SEAMARK Asset Management (2013) Ltd. (formerly 8532435 Canada Corp.) (“SEAMARK”) is the sub-advisor of the SEAMARK Sub-Advised Funds.

Pursuant to an amended and restated fund sub-advisory agreement (the “SEAMARK Sub-Advisory Agreement”), the investment portfolios of the SEAMARK Sub-Advised Funds must be managed in accordance with the provisions of the SEAMARK Sub-Advisory Agreement. The SEAMARK Sub-Advisory Agreement continues in effect from year to year unless terminated by either party upon at least 90 days’ prior written notice, or terminated by either party without notice or upon such notice as is reasonable in the circumstances in the event of (a) the commission by the sub-advisor or the Manager, as the case may be, of any material fraudulent act or compliance violation in the performance of any of its obligations or any material deliberate misrepresentation; (b) the persistent failure of the sub-advisor or the Manager, as the case may be, to perform its duties and discharge its obligations, or in the case of the sub-advisor, to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the SEAMARK Sub-Advised Funds, and to devote such time and attention and exercise such degree of care, diligence and skill as reasonably may be expected of a prudent investment advisor in comparable circumstances; (c) the continuing malfeasance or misfeasance of the sub-advisor or the Manager, as the case may be, in the performance of its duties; (d) the bankruptcy or insolvency of the sub-advisor or the Manager, as the case may be, the passing of a resolution for its dissolution or the issuance of an order for its dissolution or the making of a general assignment for the benefit of its creditors; or (e) in whole or in part to the extent necessary, in the event the sub-advisor or the Manager, as the case may be, fail to obtain any necessary registration or qualification in any jurisdiction required to effect the purposes of the SEAMARK Sub-Advisory Agreement.

The following are the names of the persons employed by or associated with SEAMARK who are principally responsible for the day-to-day management of a material portion of the portfolios of the SEAMARK Sub-Advised Funds, implementing a particular material strategy or managing a particular segment of the portfolio of the SEAMARK Sub-Advised Funds, and each person’s business experience during the last five years:

<u>Name and Municipality of Residence</u>	<u>Present Position with SEAMARK</u>	<u>Principal Occupation During Past Five Years</u>
<b>Robert McKim</b> Halifax, Nova Scotia	Chief Executive Officer, Chief Investment Officer & Portfolio Manager	Portfolio management responsibilities with sub-advisor since June 2013. Portfolio management responsibilities with SEAMARK Asset Management Ltd. from April 2012 to June 2013. Founder/Principal of LeeSide Capital Management 2009 to March 2012. Retired 2005 to 2009.
<b>George Loughery</b> Moncton, New Brunswick	Chief Portfolio Manager	Portfolio management responsibilities with sub-advisor since August 2013. Portfolio management responsibilities with SEAMARK Asset Management Ltd. from April 2012 to August 2013. Founder/Principal of LeeSide Capital Management 2009 to March 2012. Retired 2006 to 2009.
<b>Don Wishart</b> Halifax, Nova Scotia	President & Portfolio Manager	Portfolio management responsibilities with sub-advisor since June 2013. Portfolio management responsibilities with SEAMARK Asset Management Ltd. from April 2012 to June 2013. Founder/Principal of LeeSide Capital Management 2009 to March 2012. Portfolio management and fiscal responsibilities with SEAMARK Asset Management Ltd. 2002 to 2009 in the roles of CFO and Chief Portfolio Manager.
<b>Beste Alpargun</b> Halifax, Nova Scotia	Portfolio Manager	Portfolio management responsibilities with sub-advisor since July 2013. Portfolio management responsibilities with SEAMARK Asset Management Ltd. from December 2009 to July 2013. Previously investment research responsibilities and Chief Financial Officer responsibilities with Citadel Securities Inc. from December 2006 to December 2009.

(c)	<b><u>Sub-Advisor</u></b>	<b><u>Name of Fund</u></b>
	Lorica Investment Counsel Inc.	Marquest Canadian Bond Fund Marquest Canadian Fixed Income Fund
		(collectively, the “Lorica Sub-Advised Funds”)

Pursuant to a sub-advisory agreement (the “Lorica Sub-Advisory Agreement”), the Manager has retained Lorica Investment Counsel Inc. of Toronto, Ontario (“Lorica”) as the sub-advisor of the Lorica Sub-Advised Funds. Lorica is responsible for providing, or causing to be provided, advice on, and management of the investment portfolio of the Lorica Sub-Advised Funds.

The Lorica Sub-Advisory Agreement continues in effect from year to year unless: (a) terminated by either party upon at least 90 days’ prior written notice; (b) terminated by the Manager upon at least 30 days’ prior written notice if Lorica fails to remedy a material breach of the agreement; (c) Lorica ceases to carry on business, becomes bankrupt or no longer holds the necessary licenses or registrations to carry out its obligations under the agreement; or (d) the Lorica Sub-Advised Funds are terminated.

The following are the names of the persons employed by or associated with Lorica who are principally responsible for the day-to-day management of a material portion of the portfolio of the Lorica Sub-Advised Funds, implementing a particular material strategy or managing a particular segment of the portfolio of the Lorica Sub-Advised Funds, and each person’s business experience during the last five years:

<u>Name and Municipality of Residence</u>	<u>Present Position with Lorica Investment Counsel Inc.</u>	<u>Principal Occupation During Past Five Years</u>
<b>Gary Morris</b> Toronto, Ontario	President and Advising Representative (Portfolio Manager)	President and Advising Representative (Portfolio Manager) with Lorica since November 2010. Prior to November 2010, Director of Fixed Income and Advising Representative (Portfolio Manager) at Laketon Investment Management Ltd.
<b>Thomas Gomes</b> Toronto, Ontario	Advising Representative (Portfolio Manager)	Advising Representative (Portfolio Manager) with Lorica since November 2010. Prior to November 2010, Advising Representative / Associate Advising Representative (Portfolio Manager) at Laketon Investment Management Ltd.

<b>(d)</b>	<b><u>Investment Manager or Sub-Advisor</u></b>	<b><u>Name of Fund</u></b>
	Cassels Investment Management Inc.	Marquest Monthly Pay Fund Marquest Monthly Pay Fund (Corporate Class) Marquest Global Balanced Fund

Pursuant to an amended and restated investment management agreement and a sub-advisory agreement (the “Investment Management Agreements”) the Manager has retained Cassels Investment Management Inc. of Toronto, Ontario (“CIM”) as the investment manager of Marquest Global Balanced Fund and sub-advisor of Marquest Monthly Pay Fund and Marquest Monthly Pay Fund (Corporate Class) (collectively, the “CIM Funds”). CIM is responsible for providing, or causing to be provided, advice on, and management of the investment portfolios of the CIM Funds. CIM has hired Brookfield Investment Management Inc. to manage the fixed income portion of the Marquest Global Balanced Fund’s portfolio.

Each of the Investment Management Agreements continues in effect from year to year unless: (a) terminated by either party upon at least 90 days’ prior written notice; (b) terminated by the Manager upon at least 30 days’ prior written notice if CIM fails to remedy a material breach of the agreement; (c) CIM ceases to carry on business, becomes bankrupt or no longer holds the necessary licenses or registrations to carry out its obligations under the agreement; or (d) the CIM Funds are terminated.

The following are the names of the persons employed by or associated with CIM who are principally responsible for the day-to-day management of a material portion of the portfolios of the CIM Funds, implementing a particular material strategy or managing a particular segment of the portfolios of the CIM Funds, and each person’s business experience during the last five years:

<u>Name and Municipality of Residence</u>	<u>Present Position with Cassels Investment Management Inc.</u>	<u>Principal Occupation During Past Five Years</u>
<b>Robert Cassels</b> Toronto, Ontario	President and Director, Chief Investment Officer	President and Director, Chief Investment Officer, Cassels Investment Management Inc., since 1999.
<b>Liis Palmer</b> Toronto, Ontario	Vice President, Director and Portfolio Manager	Vice President (since 2000) and Director (since 2010), Portfolio Manager, Cassels Investment Management Inc.

### **Brokerage Arrangements**

The Manager has in place a process for selecting brokers and allocating trades to selected brokers which is designed to be in the best interests of each of the Funds. In selecting a broker, the Manager will not consider a broker's sale of Fund shares as a factor. The Manager may consider, in addition to the ability to trade at the best price, speed/timeliness, confidentiality, market depth, broker's expertise, capital commitment and knowledge of the other side of a trade. As permitted under securities legislation, the Manager receives, on behalf of the Funds, both order execution goods and services and research goods and services. The research goods and services are customary and relate to the kinds of investments within the Funds' portfolios, including general and specific reports on markets, pricing and credit ratings. The Manager makes a determination that the Funds receive reasonable benefit from order execution goods and services and research goods and services by considering both the use of the goods and services and the amount of brokerage commissions paid. The name of any other broker that provides order execution goods and services or research goods and services will be provided upon request by contacting the Funds toll-free at 1-888-964-3533 or at [clientservices@marquest.ca](mailto:clientservices@marquest.ca).

### **Distributor**

The Manager has responsibility for distribution of the Units and Shares of the Funds. It facilitates the offering and sale of the Units and Shares through dealers who are duly licensed or registered to trade in securities or otherwise lawfully entitled to act in connection with trades in Units or Shares in jurisdictions where the Units and Shares may be lawfully offered and sold. There is no principal distributor (as defined in National Instrument 81-102 – *Investment Funds*) of the Funds. The Manager's dealings with any dealer may be by way of formal appointment or on an ad hoc basis. The Manager is not entitled to any fee or other compensation payable by the Funds for its services as distributor. The Manager also maintains the Funds' Unitholder and Shareholder records.

### **Directors, Officers and Trustees of the Funds**

Pursuant to the Declarations of Trust, the Manager is the trustee of each Trust Fund. The Trust Funds themselves have no other trustees, officers or directors. For details about the Manager's officers and directors, please see "Responsibility for Fund Operations - Manager" above.

The names, places of residence, present positions and principal occupations during the preceding five years of the directors and officers of the Fund Corporation are as follows:

<b>Name and Municipality of Residence</b>	<b>Present Position with the Fund Corporation</b>	<b>Principal Occupation During Past Five Years</b>
<b>Gerald L. Brockelsby</b> , BA, CFA Oakville, Ontario	Chief Executive Officer and director	Chief Investment Officer and director of Marquest
<b>Stephen Zamin</b> Toronto, Ontario	Chief Financial Officer and director	Chief Financial Officer of Marquest, prior to joining Marquest was Chief Financial Officer and Head of Administration for

Name and Municipality of Residence	Present Position with the Fund Corporation	Principal Occupation During Past Five Years
		Alpha Group
Paul Crath Toronto, Ontario	Director	Director, Accilent Raw Materials Group Inc.

### **Custodian**

RBC Investor Services Trust (“RBC Investor Services”) is the custodian of the cash and securities of each Fund pursuant to a Custodian Agreement with respect to each of those Funds. All securities, other than foreign securities, are held at RBC Investor Services’ principal office in Toronto. Foreign securities are held by a sub-custodian appointed in the country where the principal trading market is located. The principal sub-custodian for U.S. securities is The Bank of New York Mellon, 1 Wall Street, New York, New York, U.S.A. 10286. RBC Investor Series and any sub-custodian may use a domestic or foreign depository authorized to operate a book-based system.

### **Auditor**

Collins Barrow Toronto LLP of Toronto, Ontario is the auditor of all of the Funds.

### **Registrar**

The Manager acts as registrar for each Fund and maintains a register of Unitholders and Shareholders at its Toronto office.

### **Independent Review Committee**

In accordance with National Instrument 81-107 - *Independent Review Committee for Investment Funds*, the Independent Review Committee is responsible for reviewing, and in some cases approving, conflict of interest matters related to the Funds that we refer to it. The compensation payable to, and the expenses of, the Independent Review Committee are paid by the Funds. For further information, please see “Fund Governance - Independent Review Committee”, below.

## **CONFLICTS OF INTEREST**

The Funds may be subject to various conflicts of interest because the Manager is engaged in a range of management, advisory and other business activities. The investment restrictions applicable to the Funds referred to above in “Investment Restrictions” have been adopted in part to protect the interests of the Funds and the holders from such conflicts. Further, the Manager will make investment decisions for the Funds independently of those made for other clients of the Manager and independently of the Manager’s own investments.

However, on occasion, the Manager may make the same investment for a Fund or Funds and one or more of its other clients. In addition, the Management Agreements provide that the Manager is not obligated to present any particular investment opportunity to a Fund and may take for its own account and recommend to others any such investment opportunity. Where a Fund or Funds and one or more of the other clients of the Manager are engaged in the purchase or sale of the same security, the same transaction will be effected on an equitable basis.

Affiliates of the Manager and/or directors or officers of the affiliates may, and probably will, earn finder’s fees, placement fees and due diligence fees (paid by resource companies in the form of monetary commissions, options, shares and/or share purchase warrants, without limitation) in consideration of its evaluation of resource companies and

negotiation of terms of private placement financings for such companies, and will have no duty to account for these fees to the Funds or any of its securityholders.

### **Principal Holders of Securities**

#### ***Principal Holders of Units of the Trust Funds***

The following table shows the number and class of Units of each Trust Fund owned of record or known by the Trustee to be owned beneficially, directly or indirectly, by persons owning 10% or more of the Units of the Trust Funds, determined as of June 30, 2015:

<b>Name</b>	<b>Fund</b>	<b>Type of Ownership</b>	<b>Class of Units</b>	<b>No. of Units Owned</b>	<b>Percentage of Units</b>
Individual Investor D	Marquest Money Market Fund	Of Record and Beneficial	Class F	3,610.515	99.99%
Marquest Canadian Bond Fund (Corporate Class)	Marquest Canadian Bond Fund	Of Record and Beneficial	Class F	148,521.581	94.10% 19.29%*
Individual Investor E	Marquest Canadian Fixed Income Fund	Of Record and Beneficial	Class A	9,693.21	69.50%
Individual Investor F	Marquest Canadian Fixed Income Fund	Of Record and Beneficial	Class F	137,766.800	33.06% 31.99%*
M.O.S.A.I.C.	Marquest Canadian Fixed Income Fund	Of Record and Beneficial	Class F	87,743.521	21.05% 20.37%*
Marquest Monthly Pay Fund (Corporate Class)	Marquest Monthly Pay Fund	Of Record and Beneficial	Class F	160,205.029	24.28%
Marquest Canadian Bond Fund (Corporate Class)	Marquest Monthly Pay Fund	Of Record and Beneficial	Class F	151,566.631	22.97%
Individual Investor G	Marquest Monthly Pay Fund	Of Record and Beneficial	Class AA	43,203.593	14.65%
Individual Investor H	Marquest Monthly Pay Fund	Of Record and Beneficial	Class F AA	3,828.591	27.85%
Individual Investor I	Marquest Monthly Pay Fund	Of Record and Beneficial	Class F AA	2,960.130	21.53%
Individual Investor J	Marquest Global Bond Fund	Of Record and Beneficial	Class F	14,349.722	14.15%
Individual Investor K	Marquest American Dividend Growth Fund	Of Record and Beneficial	Class A	75,273.380	32.39% 31.56%*
Individual Investor L	Marquest American Dividend Growth Fund	Of Record and Beneficial	Class F	1,287.978	20.96%
Individual Investor M	Marquest American Dividend Growth Fund	Of Record and Beneficial	Class F	1,809.068	29.44%

Name	Fund	Type of Ownership	Class of Units	No. of Units Owned	Percentage of Units
Individual Investor N	Marquest American Dividend Growth Fund	Of Record and Beneficial	Class F	623.993	10.15%
Individual Investor O	Marquest American Dividend Growth Fund	Of Record and Beneficial	Class F	1,809.068	29.44%
Individual Investor L	Marquest Covered Call Canadian Bank Plus Fund	Of Record and Beneficial	Class F	5,056.102	18.96%
Individual Investor P	Marquest Covered Call Canadian Bank Plus Fund	Of Record and Beneficial	Class F	5,573.263	20.91%
Individual Investor Q	Marquest Small Companies Fund	Of Record and Beneficial	Class F	311.596	27.72%
Individual Investor R	Marquest Small Companies Fund	Of Record and Beneficial	Class F	667.161	59.35%
Marquest Canadian Resource Fund (Corporate Class)	Marquest Canadian Resource Fund	Of Record and Beneficial	Class F	542,344.922	99.89% 86.24%*

\* Shows percentage of the total of the Fund owned

- To protect the privacy of individual investors, we have omitted the names of the beneficial owners. This information is available on request by contacting us at the telephone number on the back cover of this Annual Information Form.

### ***Principal Holders of Shares of the Corporate Funds***

The Manager owns the sole issued and outstanding common share in the capital of the Fund Corporation. The following table shows the number and class of mutual fund shares of each Corporate Fund owned of record or known by the Manager to be owned beneficially, directly or indirectly, by persons owning 10% or more of the mutual fund shares of the Corporate Funds, determined as of June 30, 2015:

Name	Fund	Type of Ownership	Series of Mutual Fund Shares	No. of Shares Owned	Percentage of Shares
Ricci Enterprises Inc.	Marquest Short Term Income Fund (Corporate Class)	Of Record and Beneficial	Series A	26,242.118	23.16% 23.16%*
Individual Investor S	Marquest Monthly Pay Fund (Corporate Class)	Of Record and Beneficial	Series A	14,326.555	14.96% 14.71%*
Individual Investor T	Marquest Monthly Pay Fund (Corporate Class)	Of Record and Beneficial	Series F	1,606.468	100%
Individual Investor U	Marquest American Dividend Growth Fund (Corporate Class)	Of Record and Beneficial	Series F	11,244.78	33.12%
Individual Investor V	Marquest American Dividend Growth Fund (Corporate Class)	Of Record and Beneficial	Series F	3,718.042	10.95%

Name	Fund	Type of Ownership	Series of Mutual Fund Shares	No. of Shares Owned	Percentage of Shares
1537518 Ontario Ltd.	Marquest Covered Call Canadian Bank Plus Fund (Corporate Class)	Of Record and Beneficial	Series F	9,235.587	23.00%
Individual Investor W	Marquest Covered Call Canadian Bank Plus Fund (Corporate Class)	Of Record and Beneficial	Series F	5,282.989	13.16%
Individual Investor X	Marquest Canadian Resource Fund (Corporate Class)	Of Record and Beneficial	Series F	4,789.390	54.31%
Individual Investor Y	Marquest Canadian Resource Fund (Corporate Class)	Of Record and Beneficial	Series F	2,225.033	25.23%
Individual Investor Z	Marquest Canadian Resource Fund (Corporate Class)	Of Record and Beneficial	Series F	1,312.165	14.88%

\* Shows percentage of the total issued and outstanding units of the Fund owned

- To protect the privacy of individual investors, we have omitted the names of the beneficial owners. This information is available on request by contacting us at the telephone number on the back cover of this Annual Information Form.

### ***Principal Holders of Shares of the Manager\****

As of June 30, 2015, the outstanding shares of the Manager are owned as follows:

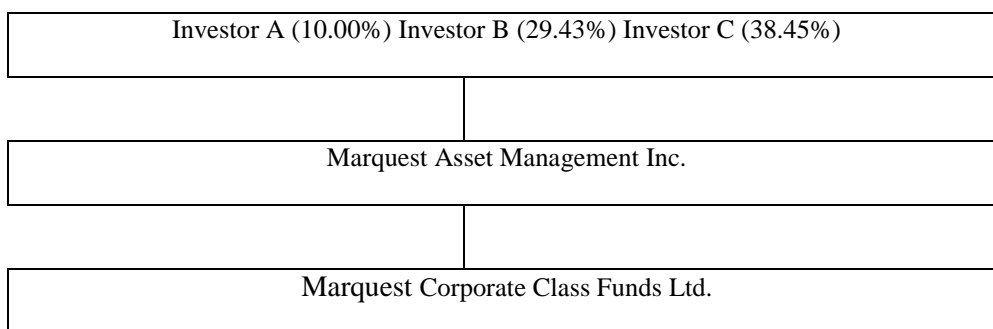
Name of Holder <sup>(1)</sup>	Number of Issued and Outstanding Voting Common Shares of the Manager	Type of Ownership	Percentage of Issued and Outstanding Common Shares
Individual Investor A	822.99 common shares	Direct and Indirect	10.00
Individual Investor B	2422.01 common shares	Indirect	29.43
Individual Investor C	3,164.44 common shares	Direct and Indirect	38.45

Notes:

- (1) To protect the privacy of individual investors, we have omitted the name of the beneficial owners. This information is available on request by contacting us at the telephone number on the back cover of this Annual Information Form.



## AFFILIATED ENTITIES



Notes:

- (1) Marquest Asset Management Inc. owns 100% of the issued and outstanding common shares of Marquest Corporate Class Funds Ltd. The common shares of Marquest Corporate Class Funds Ltd. entitle the holder(s) to vote for the election of the directors of Marquest Corporate Class Funds Ltd.

The manager and the portfolio advisor to the Marquest Advised Funds is Marquest Asset Management Inc., which owns all of the issued and outstanding shares of the Fund Corporation. Gerald Brockelsby, Stephen Zamin and Paul Crath are directors of both the Marquest Asset Management Inc. and Marquest Corporate Class Fund Ltd. Mr. Brockelsby is the Chief Investment Officer of Marquest Asset Management Inc. and the Chief Executive Officer of Marquest Corporate Class Funds Ltd. and Mr. Zamin is the Chief Financial Officer of both Marquest Asset Management Inc. and Marquest Corporate Class Funds Ltd.

## FUND GOVERNANCE

### **The Trust Funds**

As both trustee and manager of the Trust Funds, the Manager is ultimately responsible for each Trust Fund. The officers and directors of the Manager listed under the heading “Officers and Directors of the Manager” (above) are responsible for the management of the Manager. The board of directors of the Manager approve the financial statements for the Trust Funds on a semi-annual basis.

### **The Fund Corporation**

The board of directors of the Fund Corporation is responsible for the management of the business and affairs of the Corporate Funds. Meetings of the board are held at least quarterly, and more often as required. The board of directors of the Fund Corporation is composed of Gerald Brockelsby, Stephen Zamin and Paul Crath. The names and municipalities of residence of each member of the board of directors and their principal business occupations or associations within the last five years are set out under “Responsibility for Fund Operations - Directors, Officers and Trustees of the Funds”.

The board of directors of the Fund Corporation has an Audit Committee that is responsible for conducting such review and inquiry of management and the auditors as it deems necessary for establishing that the Fund Corporation is applying appropriate systems of internal controls consistent with applicable legal and regulatory requirements.

### **Policies and Procedures**

The Manager has written policies and procedures including a Disclosure Policy and a Code of Ethics that apply to all of its employees, officers and directors. The purpose of such policies and procedures is to ensure, among other things, that The Manager’s employees put the interests of the Funds and Unit and Shareholders ahead of their own. These policies and procedures deal with matters such as privacy and confidentiality, conflicts of interest, personal trading activities and disclosure of material information.

### **Use of Derivatives**

Derivatives are used by certain of the Funds to effect their investment objectives and strategies as disclosed in the Simplified Prospectus. They are always used by a Fund in compliance with the requirements established by Canadian securities authorities and by discretionary exemptions given to them. A Fund cannot use derivatives for speculative trading. If a Fund uses derivatives, it will hold enough assets or cash to cover its commitments under those derivatives. This limits the amount of losses that could result from the use of derivatives. Derivative exposure is monitored as part of an overall compliance monitoring program and periodic reports are provided to the board of directors of the Manager. When required, margins required for derivative transactions are held by independent third parties with whom the Manager has appropriate arrangements. Cassels Investment Management Inc., as the investment manager or sub-advisor of the CIM Funds, and Brookfield Investment Management Inc., as sub-advisor of the Marquest Global Balanced Fund, are responsible for establishing trading limits and other controls on derivatives trading for those Funds, and monitors trading activities of those Funds in conjunction with the Manager.

### **Policies Regarding Securities Lending Transactions**

Each of the Funds is permitted to enter into securities lending transactions. For details about how the Funds engage in these transactions, please see “Securities lending transactions” under “Specific information about each of the mutual funds described in this document” in the Simplified Prospectus of the Funds. A Fund may enter into securities lending transactions only as permitted under applicable securities laws.

The custodian of the Funds will act as the agent for each Fund in administering the securities lending transactions of the Fund. The Manager will manage the risks associated with these transactions by requiring the agent to:

- (a) maintain internal controls, procedures and records including a list of approved borrowers based on generally accepted creditworthiness standards, transaction and credit limits for each borrower, and collateral diversification standards;
- (b) establish daily the market value of both the securities loaned by a Fund and the cash or collateral held by a Fund. If on any day the market value of the cash or collateral is less than 102% of the market value of the loaned securities, the borrower will be required to provide additional cash or collateral to the Fund to make up the shortfall; and
- (c) ensure that a Fund does not lend more than 50% of the total value of its assets through securities lending transactions (excluding the collateral for loaned securities).

The agent will be required to provide the Manager with regular reports summarizing the securities lending transactions to facilitate monitoring of these transactions by the Manager. Any agreements, policies and procedures that are applicable to a Fund relating to securities lending will be reviewed by senior management of the Manager. The Manager and the agent will review at least annually the policies and procedures described above to ensure that the risks associated with securities lending transactions are being properly managed.

### **Policies on Proxy Voting**

Certain of the Corporate Funds offered by the Fund Corporation invest substantially all of their assets in the underlying Trust Funds. The Corporate Funds do not vote securities of any underlying Trust Fund held by the Corporate Funds. Instead, where applicable, the Funds may arrange for such securities to be voted by the beneficial securityholders of the Funds. The following guidelines apply to primarily to the underlying Trust Funds (although the Corporate Funds are also subject to these policies and procedures). Where a Fund invests in an underlying mutual fund or exchange-traded fund that is not managed by the Manager, the Manager will vote in the same proportion as all other securityholders of such underlying fund.

The Manager has established policies and procedures for the Funds to follow to determine whether, and how, to vote on any matter for which a Fund receives, in its capacity as securityholder, proxy materials for a meeting of securityholders of an issuer. These policies prescribe that voting rights should be exercised with a view to the best interests of a Fund and its securityholders. The policies and procedures include: (a) a standing policy for dealing with routine matters on which a Fund may vote; (b) the circumstances under which a Fund will deviate from the standing policy for routine matters; (c) the policies under which, and the procedures by which, a Fund will determine how to vote or refrain from voting on non-routine matters; and (d) procedures to ensure that portfolio securities held by a Fund are voted in accordance with the policies and procedures. Each Fund's portfolio adviser, and any third parties that may be consulted in determining how to vote proxies relating to portfolio securities of the Fund, are required to acknowledge and undertake to observe these policies and procedures. Where a Fund invests in an underlying mutual fund or exchange-traded fund that is not managed by the Manager, the Manager will vote in the same proportion as all other securityholders of such underlying fund.

The proxy voting policies that have been developed by the Manager are general in nature and cannot contemplate all possible proposals or non-routine matters with which a Fund may be presented. Under the standing policy for dealing with routine matters on which a Fund may vote, routine matters are limited to the determination of the number of directors comprising the board of directors of an issuer, the election of directors, the appointment of a chairperson, the appointment of a trustee, the appointment of auditors, and the remuneration of auditors. According to the standing policy, the Manager will vote with management of the issuer on such routine matters. Non-routine matters generally include all matters that are not specified to be routine, and would include unit-based compensation, issuance of rights and warrants, employee and management bonuses, shareholder rights plans, financings and amendments to an issuer's articles of incorporation. In order to discharge its obligations under the proxy voting policies, the Manager will review all relevant available documentation, including research on management performance, corporate governance and all other factors that it considers relevant.

In the unlikely event that a matter on which a Fund may vote presents a conflict between the interests of holders of Units or Shares of the Fund and those of the Fund's manager, portfolio adviser, or any affiliate or associate of the Fund, its manager or its portfolio adviser, the policies and procedures require that the matter be referred to an appropriate independent third party, which may be the legal counsel or auditor of the Fund. The Fund will be required to vote in a manner consistent with the recommendation of the independent third party, or refrain from voting on such matter.

A copy of our policies and procedures on proxy voting is available on request and at no cost by calling toll-free 1-888-964-3533 or by writing to us at 161 Bay Street, Suite 4420 PO Box 204, Toronto Ontario, M5J 2S1. A Fund's proxy voting record for the most recent period ended June 30 of each year will be available on our website at [www.marquestfunds.ca](http://www.marquestfunds.ca) and will be available at no cost to any holder of Units or Shares of a Fund upon request at any time after August 31 of that year.

### **Independent Review Committee**

In accordance with National Instrument 81-107 – *Independent Review Committee for Investment Funds*, (“NI 81-107”) the mandate of the Independent Review Committee (“IRC”) is to review all conflict of interest matters relating to any Fund referred to it by the Manager and to approve or withhold its approval from such matters in accordance with its written charter, NI 81-107 and applicable securities laws. The IRC is responsible for conducting regular assessments of the Manager and the Funds and providing the Manager and shareholders a report at least annually. Pursuant to NI 81-107, the former members of the IRC (David Scollard, D. R. Heimler and Bruce Friesen) ceased to be members of the IRC on the change of manager resulting from the Marquest Transaction. The IRC has been reconstituted with the following three members: John R. Anderson, William D. Packham and Jeremy Zuker. Each is independent of the Manager, and its respective affiliates within the meaning of NI 81-107. The chair of the IRC is John R. Anderson.

John R. Anderson has over 30 years of financial and corporate governance experience including 14 years as a partner at Ernst & Young from 1979 to 1992. Mr. Anderson has been the chief financial officer of LPBP Inc., a company which formerly invested in health science focused partnerships since May 2004. Mr. Anderson was the Chief Financial Officer of TriNorth Capital Inc. from June 2009 to December 2009; the Chief Financial Officer of Impax Energy Services

Income Trust, an income trust from June 2006 to May 2009, and the Chief Financial Officer of Tailwind Financial Inc. a special acquisition company, from April 2007 to April 2009. From 2005 to June 2006, Mr. Anderson was self-employed. Previously, he was the Chief Financial Officer of The T. Eaton Company Limited. Mr. Anderson currently serves as a director and chair of the Audit Committee of Pivot Technology Solutions Inc. (CVE: PTG) and an independent director and chair of the Audit Committee of Marret Resources Corp. (TSX: MAR). Mr. Anderson was formerly lead director and chair of the Audit Committee of NeuLion Inc. (TSX: NLN), a director of Canadian Medical Discoveries Fund and Chairman of the Board of Directors of Ridley College. Mr. Anderson holds a Bachelor of Arts degree from the University of Toronto and is a chartered accountant in Canada. In 2006, Mr. Anderson obtained the ICD.D designation by graduating from the Rotman Institute of Corporate Directors at the University of Toronto.

William D. Packham is the Executive Managing Director of Wealth Management and Life and Health Insurance with Desjardins Group. He also serves as Co-Chair and Interim CEO of Qtrade Financial Group, a Desjardins affiliate. Previously Mr. Packham was President and Chief Executive Officer of Hampton Securities Incorporated, a financial services holding company. From 2002 until 2007, Mr. Packham served as President and Chief Executive Officer of Rockwater Capital Corporation, an independent public financial services company, as well as a member of the Board of Directors. Mr. Packham has held numerous positions in the investment industry including senior roles with firms such as Merrill Lynch Canada Inc. and Midland Walwyn Inc. In 1998, as President of Midland Walwyn Capital Inc., Mr. Packham was instrumental in the merger of the firm with Merrill Lynch Canada Inc., where he held the title President and Chief Operating Officer, and later Vice Chairman of Merrill Lynch Canada Inc. until joining Rockwater Capital Corporation as President and Chief Executive Officer in September 2002. Mr. Packham served as Chairman of the Investment Dealers Association of Canada (now Investment Industry Regulatory Organization of Canada) in 2001 and 2002 and has also served on various industry boards and has been a Director or advisor to several other private and public companies. Mr. Packham obtained his Bachelor of Mathematics degree from the University of Waterloo and is also a Chartered Accountant.

Jeremy Zuker is the co-founder of WhereiPark, a leading digital marketplace for parking, and Toronto Market Company, a producer of retail pop-up markets that support local entrepreneurs and transform public spaces. He was the founder and President of WagJag.com, one of Canada's leading group buying websites which was acquired by Torstar in 2010. He remained with the company until 2013. Previously, Mr. Zuker led business development for Tailwind Financial Inc., a US-based special purpose acquisition company from 2007 to 2009. Prior to that, Mr. Zuker was an Associate with TorQuest Partners Inc., a Canadian-based manager of private equity funds. Mr. Zuker has international business experience and holds an M.Sc. in Political Economy from The London School of Economics (merit) and received his A.B. (magna cum laude) in Economics and Public Policy from Duke University.

Each member of the IRC receives an annual retainer plus a fixed fee and expenses for each meeting of the IRC that the member attends. The costs of the IRC are allocated among the Funds in a manner that is considered by the IRC to be fair and reasonable to the Funds. The composition of the IRC may change from time to time. The Manager has established written policies and procedures to follow in making decisions involving actual or perceived conflicts of interest, and refers such matters to the IRC for their review and recommendation or approval.

The IRC has adopted a written charter that sets out the IRC's mandate, responsibilities and functions and the policies it will follow when performing its functions. Generally, the IRC is responsible for considering, and in some cases approving certain actions, policies and procedures in respect of conflicts of interest that we refer to the IRC. The IRC will also provide reports to the Funds and to holders of Units or Shares in respect of the IRC's functions. For the year ended December 31, 2013, members of the IRC were paid, in aggregate, \$59,090. Members of the IRC are also reimbursed for their expenses which are typically nominal and associated with travel and the administration of meetings.

#### **Policies and Procedures on Short-Term Trading**

We have policies and procedures to detect and deter short-term or excessive trading of securities of the Funds. We monitor trades and if, in our sole discretion, we determine that you are engaging in short-term trading, in addition to taking other available remedies, we may reject your purchase or switch order(s) or may charge a short-term trading fee to be paid directly to the Fund out of the redemption proceeds, reducing the amount otherwise payable to you on the

redemption or switch. We have the option to waive this fee at any time. If further short-term trading occurs, any further transactions, other than redemptions, may be refused.

The restrictions imposed on short-term trading, including the short-term trading fees, will generally not apply in connection with redemptions or switches (i) from the Marquest Money Market Fund or Marquest Short Term Income Fund (Corporate Class), (ii) initiated by us, (iii) under special circumstances, as determined by us in our sole discretion, or (iv) made under the Systematic Withdrawal Program or the 10% free redemption program.

Despite these restrictions and our procedures to detect and deter short-term trading, we cannot ensure that such trading will be completely eliminated.

## **FEES AND EXPENSES**

The Manager provides all facilities necessary to conduct the Funds' business and except as indicated below, pays all expenses associated with the management and administration of the Funds. In return for providing these services, each Fund pays the Manager a management fee, which is calculated and accrued daily, and paid on a regular periodic basis, not less frequently than monthly, based on an annual percentage of the average net assets per Class or Series of the Fund, excluding the value of any assets which are Units or Shares of any other Fund managed by the Manager. The percentages vary depending on the Fund and are set out in the Simplified Prospectus of the Funds. The Manager may voluntarily waive, absorb or pay a portion of fees and expenses attributable to the Fund, at its discretion. Such fees and expenses may also be abated from time to time, at the Manager's discretion.

### **Expenses of the Funds**

Unless otherwise specified in the Funds' Simplified Prospectus, each Fund also pays all of its operating expenses, such as:

- (a) the costs of legal, audit, custodial and banking fees and expenses, costs of portfolio valuation, Unitholder and Shareholder registration and accounting services, reporting and making distributions and paying dividends to Unitholders and Shareholders and communications with Unitholders and Shareholders that are mandatory requirements of law or of the Canadian securities regulatory authorities, including fees and expenses related to the Prospectus of the Fund as well as GST or HST and any provincial sales taxes on such costs;
- (b) brokerage fees and commissions and other expenses of portfolio transactions;
- (c) any other taxes directly attributable to the Fund;
- (d) interest charges should the Fund be required to borrow temporarily to provide funds for payment of redemptions; and
- (e) fees and expenses payable in connection with the IRC, including compensation paid to members of the IRC, insurance premiums for coverage required by the IRC, travel costs of IRC members in attending meetings of the IRC, and costs of outside advisers retained by the IRC (if any).

In the event a Fund invests in or redeems Units or Shares of another Fund, there is no fee or other charge to either Fund in connection with the investment or redemption transaction, nor will the Manager charge a management fee to the investing Fund with respect to assets invested by the investing Fund in another Fund. No such investment will be made if the effective rate of management fees charged by the Manager to the investing Fund, including the portion of the fees charged by the Manager to the other Fund relating to the assets invested by the investing Fund in the other Fund, would exceed the maximum management fee rate applicable to the investing Fund when calculated taking into account its average net assets.

A Fund is generally required to pay GST or HST of up to 15%, depending on the residence of a fund's securityholders, on management fees and administration fees charged to the Fund. Generally, GST or HST paid or payable by a Fund will not be recoverable and will accordingly increase its operating expenses.

### **Management Fee Rebates**

We may reduce the management fee rate that we charge with respect to any particular securityholder's Fund securities (a "management fee rebate").

How we will implement the management fee rebate depends on the nature of the Fund:

- If the Fund is a Corporate Fund, we will make a payment equal to the amount of the rebate to the investor. We will then reinvest that payment, on the investor's behalf, in the series of Fund securities in respect of which we authorized the rebate.
- If the Fund is a Trust Fund, we will make a payment equal to the amount of the rebate to the Trust Fund. The Trust Fund will then make a special distribution to the investor, by issuing Fund securities, from the series in respect of which we authorized the rebate, equal in value to the amount of the rebate payment. The special distributions paid by a Trust Fund will be paid first out of the Trust Fund's income and capital gains and then, if necessary, out of capital.
- All fee rebates are calculated and paid quarterly on the last valuation day of each quarter.
- All securities issued under a fee rebate program will be subject to the same Redemption Fee schedule as the original securities.

The level of reduction is typically negotiable between the securityholder and the Manager and usually will be based on the size of the securityholder's account and the extent of Fund services required by the securityholder. Reductions will not necessarily be based upon purchases over a specified period of time or on the value of a securityholder's account at a particular point in time.

You should discuss management fee rebates with your tax advisor so that you are fully aware of the tax implications for your particular situation. Fee rebates are paid at our discretion and our fee rebate program may be revised or cancelled at any time.

### **INCOME TAX CONSIDERATIONS**

The following is a fair summary of the principal Canadian federal income tax considerations generally applicable as at the date of this Annual Information Form to the Funds and, with respect to the acquisition, ownership and disposition of Units or Shares of a Fund, to an individual who, for the purposes of the Income Tax Act (Canada) (the "Tax Act"), is a Canadian resident, is not affiliated and deals at arm's length with the Fund, will hold Units or Shares of the Fund as capital property, and has invested for such individual's own benefit and not as a trustee of a trust. Generally, Shares and Units will be considered to be capital property to a holder provided that the holder does not hold such Shares or Units in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain holders who might not otherwise be considered to hold Shares or Units as capital property may, in certain circumstances, be entitled to have such securities and all other "Canadian securities" owned or subsequently acquired by them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is based on the facts set out in this Annual Information Form, the current provisions of the Tax Act, the regulations thereunder and the current published administrative practices and policies of the Canada Revenue Agency, ("CRA"). It takes into account all specific proposals (the "Tax Proposals") to amend the Tax Act and the regulations thereunder publicly announced by the Minister of Finance before the date hereof. This summary is based on the

assumption that none of the issuers of securities held by the Funds will be foreign affiliates of the Funds or of any holders of Shares or Units. This summary assumes Tax Proposals will be enacted as currently proposed although no assurance can be given in that regard. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in law whether by legislative, regulatory, administrative or judicial action. Furthermore, this summary does not take into account other federal, provincial or foreign income tax legislation or considerations.

This summary also assumes that none of the securities held by any Fund will be (a) an offshore investment fund property that would require the Fund to include significant amounts in the Fund's income pursuant to section 94.1 of Tax Act, (b) interests in a non-resident trust, other than an "exempt foreign trust" for purposes of section 94 of the Tax Act or (c) interests in a trust (or a partnership which holds such an interest) which would require the Fund (or the partnership) to report income in connection with such interest pursuant to section 94.2 of the Tax Act.

This summary is also based on the following assumptions:

- (i) It is assumed that an investor does not undertake or arrange any transaction relating to the investor's Units or Shares, other than those referred to in this Annual Information Form, and that none of the transactions relating to the investor's Units or Shares and referred to in this Annual Information Form is undertaken or arranged primarily to obtain a tax consequence other than those specifically described herein.
- (ii) It is assumed that each Trust Fund, and the Fund Corporation, have elected pursuant to subsection 39(4) of the Tax Act to have all Canadian securities owned by them deemed to be capital property.
- (iii) It is assumed that each Trust Fund qualifies and will continue to qualify as both a "unit trust" and a "mutual fund trust" for the purposes of the Tax Act (in order to so qualify, a Trust Fund must, among other things, comply with certain conditions as to the number of its holders of Units and the dispersal of ownership of its Units); and that the Fund Corporation qualifies and will continue to qualify as a "mutual fund corporation" for the purposes of the Tax Act. The Manager has advised that it expects the Funds to so qualify at all material times. If a Fund were not to so qualify, the income tax consequences described below would in some respects be materially different.
- (iv) It is assumed that a Fund was not established and will not be maintained primarily for the benefit of non-residents of Canada.

**This description of income tax considerations is of a general nature only, is not exhaustive of all possible income tax considerations and is not intended to constitute advice to any particular investor. Prospective investors should seek independent advice from their own tax advisors regarding the tax consequences of investing in Units or Shares of a Fund, based upon their own particular circumstances.** The income and other tax consequences of acquiring, holding or disposing of Units or Shares of a Fund vary according to the status of the investor, the province or provinces in which the investor resides or carries on business and, generally, the investor's own particular circumstances.

### **Taxation of the Funds**

In this segment of this summary of federal income tax considerations, dealing with income tax at the fund level, the term "Fund" will refer to each Trust Fund and to the Fund Corporation (rather than the Corporate Funds, which are represented by the several Series of shares of the Fund Corporation), because the Fund Corporation is the taxable entity.

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

In computing income for taxation year, the Fund Corporation will be required to include in income all dividends received by the Fund Corporation in the year. In computing taxable income, the Fund Corporation will generally be permitted to deduct all dividends received by it from taxable Canadian corporations. The Fund Corporation will generally not be permitted a deduction in computing taxable income for dividends received by it from corporations other than taxable Canadian corporations.

The taxable portion of capital gains (net of any applicable capital losses) realized by the Fund Corporation will be subject to tax at normal corporate rates applicable to a mutual fund corporation.

As a mutual fund corporation, the Fund Corporation is entitled in certain circumstances to a refund of tax paid by it in respect of its net realized capital gains. In certain circumstances where the Fund Corporation has recognized a capital gain in a taxation year, it may elect not to pay capital gains dividends in that taxation year in respect thereof and instead pay tax on such capital gains, which may in the future be fully or partially refundable upon the payment of sufficient capital gains dividends and/or capital gains redemptions. Also, as a mutual fund corporation, the Fund Corporation is entitled to maintain a capital gains dividend account in respect of its realized net capital gains and from which it may elect to pay dividends which are treated as capital gains in the hands of shareholders. The Fund Corporation may pay capital gains dividends to shareholders of any Fund in the corporation so that it can receive a refund of capital gains taxes it has paid whether or not such taxes relate to the investment portfolio of such Fund.

An investor who purchases shares may be taxed on income, accrued but unrealized capital gains and realized but undistributed capital gains that are in the Fund Corporation at the time shares are purchased and that are reflected in the purchase price of the shares. As a consequence of tax-deferred transfers of property to the corporation by certain limited partnerships a shareholder may receive capital gains dividends that relate to gains on the property that accrued prior to the property being owned by the Fund Corporation. The Corporation may declare and pay capital gains dividends to shareholders of any of the Funds, regardless of whether the related capital gains resulted from a disposition of shares in a particular Fund's portfolio.

The Fund Corporation is generally subject to tax on taxable dividends received by it from taxable Canadian corporations under Part IV of the Tax Act in an amount equal to 33-1/3% of such dividends, which tax will be refundable on the basis of \$1 for each \$3 of taxable dividends paid by the Fund Corporation to its holders of Shares. If the Fund Corporation meets the definition of an investment corporation for purposes of the Tax Act it will not be subject to the refundable Part IV tax and will be entitled to deduct from its tax otherwise payable an amount equal to a portion of the amount, if any, by which its taxable income exceeds its net taxable capital gains.

The Fund Corporation will designate, to the extent permitted, its taxable dividends as eligible dividends. An "eligible dividend" as defined in the Tax Act will be entitled to an enhanced gross-up and dividend tax credit. To the extent available under the Tax Act and CRA's administrative practice, the Fund Corporation will pass on to holders in respect of eligible dividends the benefit of the enhanced gross-up and dividend tax credit.

To the extent that the Fund Corporation earns income (other than dividends from taxable Canadian corporations and taxable capital gains), including interest and dividends from corporations other than taxable Canadian corporations, the Fund Corporation will be subject to income tax on such income and no refund will be available in respect thereof.

In computing the adjusted cost base of any particular security, the Fund Corporation will generally be required to average the cost of that security with the adjusted cost base of all other identical securities owned by the Fund Corporation (regardless of the Corporate Fund to which it relates) and held as capital property at the time of acquisition.

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

Each Trust Fund is liable for tax in each year on:

- the amount of its net income for the year, including net realized taxable capital gains, less
- the portion of the net income for the year, including net realized taxable capital gains, that is paid or payable to holders of Units in the year. (For convenience, in the balance of this summary of income tax considerations, the term "distributed" is used in place of "paid or payable").

If a Trust Fund makes distributions of its net income and net realized capital gains in any year and deducts the full amount available for deduction in computing its income for that year, as is the stated intention of each Trust Fund, then



the Trust Fund will usually not have any income tax liability for that year. However, if a Trust Fund does not distribute the full amount of its net realized capital gains in the year that the gains are realized, the Trust Fund may be liable for tax on the undistributed portion. If a Trust Fund is liable for tax in a given year on undistributed net realized capital gains, the Trust Fund can reduce this liability by an amount based on redemptions of its Units during the year.

Provided that appropriate designations are made by a taxable Canadian corporation that is the issuer of securities held by a Trust Fund, certain dividends, including eligible dividends, paid by the issuer to the Trust Fund will effectively retain their character in the hands of the Trust Fund.

An “eligible dividend” as defined in the Tax Act will be entitled to an enhanced gross-up and dividend tax credit. To the extent available under the Tax Act and CRA’s administrative practice, the Trust Funds will pass on to holders in respect of eligible dividends the benefit of the enhanced gross-up and dividend tax credit. Each Trust Fund will designate, to the extent permitted, any eligible dividends received by the Fund as eligible dividends to the extent such dividends are included in distributions to holders of Units.

#### ***Taxation of the Fund Corporation and the Trust Funds***

The Fund Corporation and the Trust Funds will be entitled to deduct an amount equal to the reasonable expenses that they incur in the course of issuing the Shares or Units. Such issue expenses will be deductible by the Fund Corporation and the Trust Funds ratably over a five-year period subject to reduction in any taxation year which is less than 365 days. The Fund Corporation and the Trust Funds will generally be entitled to deduct reasonable administrative expenses and interest payable by them on money borrowed to purchase securities. Any non-capital losses incurred by the Fund Corporation and the Trust Funds may generally be carried forward or back in accordance with the rules and limitations contained in the Tax Act and deducted in computing the taxable income of the Fund Corporation and the Trust Funds.

The Fund Corporation and Trust Funds may enter into transactions denominated in currencies other than the Canadian dollar, including the acquisition of securities. The cost and proceeds of disposition of securities, interest and all other amounts will be determined for purposes of the Tax Act in Canadian dollars using the appropriate exchange rates determined in accordance with the detailed rules in the Tax Act. The amount of income, gains and losses realized by the Fund Corporation and Trust Funds may be affected by fluctuations in the value of foreign currencies relative to the Canadian dollar. Gains or losses in respect of currency hedges entered into in respect of amounts invested in securities will likely constitute capital gains and capital losses provided that the securities are capital property to the Fund Corporation and Trust Funds and there is sufficient linkage, while gains and losses in respect of positions that are not hedging securities will generally be on income account.

The Fund Corporation and Trust Funds may derive income or gains from investment in countries other than Canada, and as a result, may be liable to pay income or profits taxes in such countries. Generally, in computing the amount of its Canadian income taxes, the Fund Corporation will be entitled to claim credits in respect of such taxes paid, including foreign taxes, withheld at source, to the extent permitted by the detailed rules in the Tax Act. To the extent that a tax credit is not claimed, the Fund Corporation will generally be able to deduct any such foreign taxes paid. To the extent that such foreign tax paid by a Trust Fund exceeds 15% of the amount included in the Trust Fund’s income from such investments, such excess may generally be deducted by the Trust Fund in computing its net income for the purposes of the Tax Act. To the extent that any such foreign tax paid does not exceed 15% of such amount and has not been deducted in computing the Trust Fund’s income, the Trust Fund may designate in respect of a holder a portion of the foreign source income which can reasonably be considered to be part of the Trust Fund’s income distributed to such holder so that such income and a portion of the foreign tax paid by the Trust Fund may be regarded as foreign source income of, and foreign tax paid by, the holder for the purposes of the foreign tax credit provisions of the Tax Act.

Premiums received on covered call options written by the Marquest Covered Call Canadian Banks Plus Fund that are not exercised prior to the end of the year will constitute capital gains of the Marquest Covered Call Canadian Banks Plus Fund in the year received, unless such premiums are received by the Marquest Covered Call Canadian Banks Plus Fund as income from a business of buying and selling securities or the Marquest Covered Call Canadian Banks Plus Fund has engaged in a transaction or transactions considered to be an adventure in the nature of trade. The Marquest Covered Call

Canadian Banks Plus Fund purchases securities with the objective of earning dividends thereon over its life, writes covered call options with the objective of increasing the yield on its securities portfolio beyond the dividends received. Thus, having regard to the foregoing and in accordance with the CRA's published administrative policies, transactions undertaken by the Marquest Covered Call Canadian Banks Plus Fund in respect of shares comprising its securities portfolio and options on such shares are treated and reported by the Marquest Covered Call Canadian Banks Plus Fund as arising on capital account.

Premiums received by the Marquest Covered Call Canadian Banks Plus Fund on covered call options that are subsequently exercised will be added in computing the proceeds of disposition (or deducted in computing the adjusted cost base) to the Marquest Covered Call Canadian Banks Plus Fund of the securities disposed of (or acquired) by the Marquest Covered Call Canadian Banks Plus Fund upon the exercise of such call (or put) options. In addition, where the premium was in respect of an option granted in a previous year so that it constituted a capital gain of the Marquest Covered Call Canadian Banks Plus Fund in the previous year, such capital gain may be reversed. This tax treatment will be relevant to the Marquest Covered Call Canadian Banks Plus Fund (Corporate Class) through its ownership of Class F Units of the Marquest Covered Call Canadian Banks Plus Fund.

### **Taxation of holders of Units or Shares**

#### ***Taxation of Shareholders of the Corporate Funds***

In the case of a holder of Shares of a Corporate Fund who is an individual, taxable dividends and eligible dividends paid by the Corporate Fund, other than capital gains dividends, whether received in cash or reinvested in additional securities, will be included in computing the holder's income. The dividend gross-up and tax credit treatment normally applicable to taxable dividends paid by a taxable Canadian corporation will apply to such dividends, including the enhanced dividend gross-up and tax credit for "eligible dividends" received from the Fund Corporation. (See the discussion of "eligible dividends" and enhanced gross-up and dividend tax credit under "Taxation of the Fund Corporation" above.)

A Corporate Fund may also make distributions to holders of Shares of realized capital gains by way of capital gains dividends. Capital gains may be realized by the Corporate Fund in a variety of circumstances. Capital gains dividends paid by a Corporate Fund will be treated as realized capital gains in the hands of holders of Shares and will be subject to the general rules relating to the taxation of capital gains which are described below.

The amount of any payment received by a holder of Shares as a return of capital on a Share will not be required to be included in computing income of the holder. Instead, such amount will reduce the adjusted cost base of the relevant Share to the holder. To the extent the adjusted cost base of the Share to the holder would otherwise be a negative amount, the holder will be considered to have realized a capital gain at that time equal to such negative amount and the holder's adjusted cost base will be increased by the amount of such deemed capital gain.

Generally, a holder of Shares of a Corporate Fund is required to include in income for a particular year any management fee rebate paid directly to the holder by the Manager. However, in certain circumstances, the shareholder may elect under the Tax Act that such management fee rebates instead may be deducted in computing the cost to the shareholder of Shares of such Corporate Fund. Shareholders should consult their own advisors with respect to the tax treatment of such management fee rebates in their particular situation.

The conversion by a holder of Shares of one Corporate Fund into Shares of another Corporate Fund will not be a disposition under the Tax Act of the Shares so converted. As a result, such a holder will not realize a capital gain or capital loss on the conversion. The holder's cost of the Shares of a Corporate Fund acquired on the conversion or otherwise, will be deemed under the Tax Act to be the adjusted cost base to the holder of the Shares of the Corporate Fund so converted immediately before the conversion. This cost will be required to be averaged with the adjusted cost base of other Shares of such Corporate Fund owned by the holder.

The redemption, retraction or other disposition of Shares of a Corporate Fund (including, in order to satisfy the negotiable conversion fee payable by a holder of Shares or a Switch to Units of a Trust Fund) will be a disposition of

such Shares to the holder and will give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition of such Shares exceeds (or is less than) the aggregate of the adjusted cost base of such Shares and any reasonable costs of disposition. One-half of a capital gain (a “taxable capital gain”) is included in a holder’s income and one-half of a capital loss is deductible against taxable capital gains in accordance with the provisions of the Tax Act.

### ***Taxation of Holders of Units***

In computing income for tax purposes for a particular year, a holder of Units of a Trust Fund must generally include:

- the portion of the Trust Fund’s net income distributed to the holder of Units; and
- the taxable portion of the Trust Fund’s net realized capital gains distributed to the holder (whether or not accrued or realized by the Trust Fund prior to the holder’s acquisition of Units),

whether or not these amounts are reinvested in additional Units of the Trust Fund.

The non-taxable portion of net realized capital gains of a Fund that is distributed to the holder of Units in the year will not be included in computing the holder’s income for a given year. Any amount in excess of the holder’s share of the Trust Fund’s net income for a taxation year paid or payable to the holder in the year will not generally be included in the holder’s income but will generally reduce the adjusted cost base of the holder’s Units. To the extent that the adjusted cost base of the holder’s Units would otherwise be a negative amount, the holder will be considered to have realized the capital gain at the time equal to such negative amount and the holder’s adjusted cost base will be increased by the amount of such deemed capital gain.

Management fee distributions are paid by the Trust Fund, first, out of net income, then out of net taxable capital gains, and thereafter, if necessary, out of capital.

The Trust Funds intend to make appropriate designations so that the following will retain their character in the holder’s hands for purposes of the Tax Act when they are distributed:

- taxable dividends received by the Trust Fund on shares of the capital stock of taxable Canadian corporations (these amounts will be eligible for the normal gross-up and credit rules under the Tax Act);
- net realized taxable capital gains of the Trust Fund; and
- foreign source income of the Trust Fund and foreign taxes eligible for the foreign tax credit.

The holder’s adjusted cost base of each Unit of a Fund will generally be the average calculated by totaling the actual amounts (including any brokerage fees and other costs incidental to the acquisition) that the holder paid to acquire all of the Units of the Trust Fund held at the time and dividing by the number of Units held. Units acquired by reinvestment of distributions or management fee rebate will be included in the calculation. In the event that a Trust Fund has returned capital as part of a distribution, the amount of capital received would be deducted in the averaging calculation.

When a holder of Units disposes of a Unit of a Trust Fund, whether by redemption or otherwise (including a sale of Units, Switch of Units of one Trust Fund for Units of another Trust Fund or Switch of Units for Shares of a Corporate Fund, or deemed disposition at death), a capital gain or capital loss may arise. One-half of any capital gain will be included in the holder’s income and one-half of any capital loss may be deducted against taxable capital gains realized in accordance with the provisions of the Tax Act.

The net asset value of Units of a class acquired by a holder of Units may reflect income and gains that have accrued in the Trust Fund, but which have not yet been realized or distributed. Distributions made by the Trust Fund to the holder may include such income and gains, with the result that the holder will be required to include these amounts in income, even though they formed part of the purchase price of the holder’s Units.

***Alternative Minimum Tax***

Individuals (other than certain trusts) are subject to an alternative minimum tax. Such persons may be liable for this alternative minimum tax in respect of realized capital gains and/or dividends.

***Tax Information***

The Manager will provide holders of Units and Shares with transaction statements and the annual tax information slips reporting income and net realized capital gains distributions needed to complete their income tax returns.

**ELIGIBILITY FOR REGISTERED PLANS**

The Fund Corporation is a “mutual fund corporation” (as defined in the Tax Act) and each of the Trust Funds is expected to qualify as a “mutual fund trust” (as defined in the Tax Act) at all material times. Each Fund is a “registered investment” under the Tax Act. All of the Funds are qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts. Provided that the holder of a tax-free savings account, or the annuitant under a registered retirement savings plan or registered retirement income fund, as the case may be, does not hold a “significant interest” (within the meaning of the Tax Act) in the Fund, and provided that such holder or annuitant deals at arm’s length with the Fund for purposes of the Tax Act, the Shares or Units as the case may be, will not be a prohibited investment for a trust governed by such tax-free savings account, registered retirement savings plan, or registered retirement income fund. Holders should consult their own tax advisors as to whether Units or Shares of a Fund will be prohibited investments in their particular circumstances.

**MATERIAL CONTRACTS**

The material contracts entered into by or on behalf of the Funds are: (a) the Declarations of Trust, referred to above in “Name, Formation and History of the Marquest Group of Funds”, as amended, and as assigned to Marquest on September 17, 2013; (b) the Management Agreements referred to above in “Responsibility for Fund Operations – Manager” as amended, and as assigned to Marquest on September 17, 2013; (c) the Custodial Agreement made with the custodian of the Funds’ assets referred to above in “Responsibility for Fund Operations – Custodian”; and (d) the portfolio advisory and sub-advisory agreements referred to above in “Responsibility for Fund Operations – Portfolio Advisor”. These contracts may be inspected during normal business hours at the office of the Manager in Toronto at 161 Bay Street, Suite 4420, Toronto Ontario, M5J 2S1.

**CERTIFICATE OF THE TRUST FUNDS  
AND OF MARQUEST ASSET MANAGEMENT INC. AS MANAGER, TRUSTEE AND PROMOTER OF**

Marquest Money Market Fund  
Marquest Canadian Bond Fund  
Marquest Canadian Fixed Income Fund  
Marquest Monthly Pay Fund  
Marquest Global Balanced Fund  
Marquest Small Companies Fund  
Marquest Canadian Resource Fund  
Marquest American Dividend Growth Fund  
Marquest Covered Call Canadian Banks Plus Fund  
(collectively, the "Trust Funds")

This Annual Information Form, together with the Simplified Prospectus and the documents incorporated by reference into the Simplified Prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the Simplified Prospectus, as required by the securities legislation of all provinces and territories of Canada and do not contain any misrepresentations.

DATED July 23, 2015

(signed) "Andrew A. McKay"

Andrew A. McKay

President, in the capacity of Chief Executive Officer, of  
Marquest Asset Management Inc.

(signed) "Stephen Zamin"

Stephen Zamin

Chief Financial Officer of Marquest Asset  
Management Inc.

On behalf of the Board of Directors  
of MARQUEST ASSET MANAGEMENT INC.  
as Trustee, Manager and Promoter of the Trust Fund

(signed) "Gerald L. Brockelsby"

Gerald L. Brockelsby

Director of Marquest Asset  
Management Inc.

(signed) "Paul Crath"

Paul Crath

Director of Marquest Asset  
Management Inc.

**CERTIFICATE OF THE CORPORATE FUNDS  
AND OF MARQUEST ASSET MANAGEMENT INC. AS MANAGER AND PROMOTER OF**

Marquest Canadian Resource Fund (Corporate Class)  
Marquest Short Term Income Fund (Corporate Class)  
Marquest American Dividend Growth Fund (Corporate Class)  
Marquest Monthly Pay Fund (Corporate Class)  
Marquest Covered Call Canadian Banks Plus Fund (Corporate Class)  
(collectively, the "Corporate Funds")

This Annual Information Form, together with the Simplified Prospectus and the documents incorporated by reference into the Simplified Prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the Simplified Prospectus, as required by the securities legislation of all provinces and territories of Canada and do not contain any misrepresentations.

DATED July 23, 2015

(signed) "Gerald L. Brockelsby"  
Gerald L. Brockelsby  
Chief Executive Officer of Marquest Corporate  
Class Funds Ltd.

(signed) "Stephen Zamin"  
Stephen Zamin  
Chief Financial Officer of Marquest Corporate  
Class Funds Ltd.

On behalf of the Board of Directors  
of MARQUEST CORPORATE CLASS FUNDS LTD.

(signed) "Gerald L. Brockelsby"  
Gerald L. Brockelsby  
Director of Marquest Corporate  
Class Funds Ltd.

(signed) "Paul Crath"  
Paul Crath  
Director of Marquest Corporate  
Class Funds Ltd.

(signed) "Stephen Zamin"  
Stephen Zamin  
Director of Marquest Corporate  
Class Funds Ltd.

On behalf of MARQUEST ASSET MANAGEMENT INC.  
as Manager and Promoter of the Corporate Fund

(signed) "Andrew A. McKay"  
Andrew A. McKay  
President, in the capacity of Chief Executive  
Officer, of Marquest Asset Management Inc.

(signed) "Stephen Zamin"  
Stephen Zamin  
Chief Financial Officer of Marquest Asset  
Management Inc.

On behalf of the Board of Directors of MARQUEST ASSET MANAGEMENT INC.  
as Manager and Promoter of the Corporate Fund

(signed) "Gerald L. Brockelsby"  
Gerald L. Brockelsby  
Director of Marquest Asset  
Management Inc.

(signed) "Paul Crath"  
Paul Crath  
Director of Marquest Asset  
Management Inc.



### **Marquest Funds**

Marquest Money Market Fund  
Marquest Short Term Income Fund (Corporate Class)  
Marquest Canadian Bond Fund  
Marquest Canadian Fixed Income Fund  
Marquest Monthly Pay Fund  
Marquest Monthly Pay Fund (Corporate Class)  
Marquest Global Balanced Fund  
Marquest American Dividend Growth Fund  
Marquest American Dividend Growth Fund (Corporate Class)  
Marquest Covered Call Canadian Banks Plus Fund  
Marquest Covered Call Canadian Banks Plus Fund (Corporate Class)  
Marquest Small Companies Fund  
Marquest Canadian Resource Fund  
Marquest Canadian Resource Fund (Corporate Class)

### **MARQUEST ASSET MANAGEMENT INC.**

161 Bay Street, Suite 4420  
PO Box 204, Toronto Ontario  
Tel: 1-888-964-3533  
Website: [www.marquestfunds.ca](http://www.marquestfunds.ca) Email: [clientservices@marquest.ca](mailto:clientservices@marquest.ca)

Additional information about the Marquest Group of Funds is available in the Funds' management reports of fund performance and financial statements.

You can get a copy of these documents at your request, and at no cost, by calling toll-free 1-888-964-3533, or from your dealer or by e-mail at [clientservices@marquest.ca](mailto:clientservices@marquest.ca).

These documents and other information about the Marquest Group of Funds, such as information circulars and material contracts, are also available on the Marquest Group of Funds' Internet site at [www.marquestfunds.ca](http://www.marquestfunds.ca) or at [www.sedar.com](http://www.sedar.com) (Certain of such information is available in English only.)