

Simplified Prospectus dated December 20, 2019

**RESPECTING
MUTUAL FUND SHARES OF**

MARQUEST MUTUAL FUNDS INC. - Explorer Series Fund
(Series A/Rollover, Series A/Regular and Series F)

MARQUEST MUTUAL FUNDS INC. - Flex Dividend and Income Growth™ Series Fund
(Series A/Regular and Series F)

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

The funds and the securities of the funds offered under this simplified prospectus are not registered with the United States Securities and Exchange Commission and such securities are sold in the United States only in reliance on exemptions from registration.



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MARQUEST MUTUAL FUNDS INC.

PART A

INTRODUCTION

Marquest Mutual Funds Inc. (the “**Multi Series Fund**”) is a corporate fund organized into a number of funds. In this Simplified Prospectus, “Marquest Funds” means collectively: MARQUEST MUTUAL FUNDS INC. - Explorer Series Fund (the “**Explorer Series Fund**”) and MARQUEST MUTUAL FUNDS INC. - Flex Dividend and Income Growth TM Series Fund (the “**Flex Dividend and Income Growth TM Series Fund**”) and “Marquest Fund” means any one of the Marquest Funds.

- This document contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor.
- This document contains information about the Multi Series Fund and the risks of investing in mutual funds generally, as well as the names of the firms responsible for the management of the Multi Series Fund.
- This document is divided into two parts. The first part (from pages 3 to 24) contains general information applicable to all of the Marquest Funds. The second part (from pages 25 to 36) contains specific information about each of the Marquest Funds described in this document.
- Additional information about each Marquest Fund is available in the following documents:
 - the Annual Information Form;
 - the most recently filed Fund Facts;
 - the most recently filed annual financial statements;
 - any interim financial statements filed after those annual financial statements;
 - the most recently filed annual management report of fund performance; and
 - any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as a part of this document. You can get a copy of these documents, at your request, and at no cost, by contacting Marquest Asset Management Inc. (the “**Manager**”), the manager of the Marquest Funds at 1-888-964-3533 or at clientservices@marquest.ca, or from your dealer.

- These documents and other information about the Marquest Funds are also available on the Internet at www.sedar.com.

In this document, ‘**Multi Series Fund**’, ‘**we**’, ‘**us**’ and ‘**our**’ means Marquest Mutual Funds Inc.

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

What is a mutual fund?

A mutual fund is a pool of investments made on behalf of a group of individuals who have similar investment objectives. This pool of money is managed by a professional investment manager who selects appropriate investments, such as stocks, bonds, treasury bills or other mutual funds, based on the investment objectives established for the Marquest Fund. When a Marquest Fund invests in one of our other Marquest Funds, we do not charge duplicate management fees.

When you invest in a mutual fund, you receive units of the mutual fund or shares of the mutual fund corporation. The Multi Series Fund is a mutual fund corporation. The value of your investment is realized by selling your shares back to the Marquest Fund. This is commonly referred to as a redemption. In exceptional circumstances, we may suspend your right to redeem shares. See “How do we calculate share price?” on page 9 for more information.

Each mutual fund investor shares in the fund’s income, expenses, and investment gains and losses in proportion to the number of shares they own.

What are the risks of investing in a mutual fund?

When we talk about risk, we are referring to the volatility of a fund’s unit or share price. A fund that is subject to large price swings is considered to be more volatile or risky than a fund whose price changes in small increments. Similarly, a fund whose unit or share price changes each day is considered to be more volatile or risky than a fund with a relatively constant price.

Mutual funds own different types of investments, depending upon their investment objectives. The risk of investing in a Marquest Fund is directly related to the risk associated with the investments it makes. The value of these investments will change from day to day. They are affected by such issues as changes in interest and exchange rates, general economic conditions, stock market sentiment and specific company events. As a result, a fund’s price may go up or down, and the value of your investment may be more or less when you redeem than when you first invested. There is no guarantee of a return on your investment in a Marquest Fund or that you will receive the amount you originally invested when you redeem your securities of the Marquest Fund.

Some of the common risks of investing in a mutual fund are as follows:

Changes in Legislation Risk - There can be no assurance that income tax, securities or other laws, or any administrative practice or interpretation thereof, will not be changed in a manner which adversely affects the Marquest Fund or its securityholders.

Concentration risk – Funds that concentrate their investments in a relatively small number of securities, certain sectors, specific investment themes or specific regions or countries are susceptible to higher volatility since the value of the Marquest Fund’s portfolio will vary more in response to changes in the market value of these securities, sectors, regions or countries.

Corporate Risk - The value of securities offered by a corporation is affected by developments within that corporation, including its corporate earnings and governance by senior management and board of directors.

Credit risk – Mutual funds that invest in bonds and other fixed income securities (including asset-backed securities, which are debt obligations that are backed by pools of consumer or business loans) are subject to credit risk. This means that the value of these securities depends, in part, upon the ability of borrowers to pay all amounts owed to their lenders. Companies, governments and special purpose vehicles (such as vehicles that issue asset-

backed securities) that borrow money, and the debt securities they issue, are rated by specialized rating agencies. A downgrade in an issuer's credit rating or other adverse news regarding an issuer can influence a debt security's market value. Other factors can also influence a debt security's market value such as a change in the market perception of the creditworthiness of the security, the parties involved in structuring the security and the underlying assets, if any. Lower rated and unrated debt instruments generally offer a better return than higher grade debt instruments but have the potential for substantial loss. Funds that invest in companies or markets with higher credit risk tend to be more volatile in the short term. However, they may offer the potential of higher returns over the long term.

Currency risk – Mutual funds that invest in securities denominated in a currency other than Canadian dollars may be subject to currency risk. This means that the value of foreign denominated securities will fluctuate based on the value of the Canadian dollar relative to the value of the currency in which the securities are denominated. For example, the value of an investment in a U.S. company may decline if the value of the U.S. dollar declines relative to the value of the Canadian dollar. To reduce this risk, a mutual fund may try to “hedge” this currency exposure. Hedging is a risk reduction technique that involves using derivatives to lock-in or guarantee a future exchange rate.

Derivative risk – Mutual funds that invest in derivatives may be subject to derivative risk. A derivative is a type of investment whose value is based on, or derived from, the value of other securities or on changes in interest or exchange rates. Derivatives can be used to reduce transaction costs, increase liquidity, profit from declines in financial markets and to “hedge” exposure to the volatility of certain securities or to interest or exchange rates. Derivative use involves some risks however. Hedging strategies may not always work and could reduce a Marquest Fund's gains. In addition, a Marquest Fund may not be able to close a derivative position when it wants to. If this happens, the Marquest Fund may be unable to realize its profits or limit its loss until the derivative expires. Also, a Marquest Fund is subject to the risk that the other party to a derivative contract might not complete the transaction as required.

Foreign investment risk – Foreign investment risk is the risk associated with investing in securities of non-Canadian issuers. The value of foreign securities may be more affected by international economic, political or social events than comparable Canadian securities. Information about foreign issuers may not be as available or reliable because financial reporting standards and other regulations in foreign countries may be less stringent than those in Canada. Also, foreign countries may not have established stock markets or legal systems.

Fund series risk – Each of the Marquest Funds is a separate Series of mutual fund shares of the Multi Series Fund and has its own assets and liabilities, which are used to calculate its value. Legally, the assets of each Marquest Fund are considered the property of the Multi Series Fund, and the liabilities are considered obligations of the Multi Series Fund. This means that if any Marquest Fund cannot meet its individual obligations, the assets of the other Marquest Funds may be required to pay for those obligations.

Income trust risk – Income trusts generally hold debt and/or equity securities of an underlying active business or are entitled to receive a royalty on revenues generated by such businesses. Income trust funds typically invest in oil, gas and other commodity-based royalty trusts, real estate investment trusts and pipeline and power trusts. There are many risks involved in income trusts. These may include business developments such as a decision to expand into a new type of business, the entering into of a favourable supply contract, and the cancellation by a major customer of its contract or significant litigation. Returns on income trusts are neither fixed nor guaranteed. Typically, trust units are more volatile than bonds and preferred shares.

Interest rate risk – Mutual funds that invest in fixed income securities are subject to interest rate risk. This means that the value of these securities will fluctuate with changes in interest rates. When interest rates rise, the value of fixed income securities tend to fall. Conversely, when interest rates fall, the value of fixed income securities tend to increase.

Issuer Risk - When more than 10% of the assets of a mutual fund are invested in any one issuer, that mutual fund is exposed to greater liquidity risk. Liquidity risk increases because, if the securities of an issuer stop being

tradable, the portion of the mutual fund's portfolio that is invested in or exposed to that issuer, will become illiquid. If securities in its portfolio become illiquid, the mutual fund will have to sell a greater proportion of its investments in securities of other issuers in order to satisfy redemption requests. By decreasing its holdings in any one issuer, a mutual fund increases the diversification of the mutual fund's portfolio and reduces its exposure to liquidity risks.

Large Transaction Risk - If an investor in a mutual fund makes a large transaction, the mutual fund's cash flow may be affected. For example, if an investor redeems a large number of shares or units of a mutual fund, the mutual fund may be forced to sell securities at unfavourable prices to pay for the redemption. This unexpected sale may have a negative impact on the value of your investment in the mutual fund. If an investor makes a large investment in the mutual fund (relative to its net asset value), the portfolio manager may not be able to invest all of that cash immediately; this "cash drag" could negatively impact performance in a rising market.

Liquidity risk – Liquidity risk is the risk that a mutual fund will not be able to sell an investment when it wants to. This is particularly true for funds that invest in emerging companies whose shares do not trade as frequently or in the same volume as larger, more established companies.

Market risk – Mutual funds that invest in equity securities, such as common stock, and equity-related securities, such as convertible securities and warrants, are subject to market risk. This means that the value of these securities will fluctuate with changes in general economic and stock market conditions and specific company developments. Changes in the price of individual equity securities held by the Marquest Fund will affect the Marquest Fund's price.

Portfolio Advisor Risk - All mutual funds are dependent on their portfolio management team to select individual securities and, therefore, are subject to the risk that poor security selection will cause a mutual fund to underperform relative to other mutual funds with similar investment objectives.

Resource Investment Risk - Resource investment risk occurs in mutual funds that invest in resource commodities. The net asset value per share of mutual funds that invest in resource commodities will vary with changes in the world price of such resource commodities. Commodity prices can change quickly and substantially. The success of some of the resource companies in which certain of the Marquest Funds invest will depend on their ability to successfully explore for natural resource products. These companies may not be in production when the Marquest Fund invests in them, and may not be successful in their exploration efforts.

Rollover Liquidity Risk - With respect to the MARQUEST MUTUAL FUNDS INC. – Explorer Series Fund (the "Rollover Fund"), the liquidity of the securities comprising the portfolios may be limited and, in order to fund redemptions, the Rollover Fund may have to liquidate its shareholdings in more liquid large and medium-sized companies. Higher levels of redemptions than are traditionally encountered by the Rollover Fund may occur in particular following Marquest-sponsored flow-through limited partnerships completing tax-deferred rollover transactions with the Rollover Fund. Given the possible limited liquidity of the Rollover Fund's respective portfolio, the Rollover Fund's capacity to redeem shares may be limited from time to time. There is no assurance as to the amount of return an investor will receive on redemption of the shares of the Rollover Fund, as the Net Asset Value per share may be more or less than the amount invested.

Securities Lending, Repurchase and Reverse Repurchase Transactions Risk - A mutual fund may engage in securities lending, repurchase or reverse repurchase transactions in a manner consistent with its investment objectives and as permitted by Canadian securities regulatory authorities.

In securities lending, a mutual fund lends its portfolio securities for a fee for a set period of time to borrowers who post acceptable collateral. The mutual fund can demand the return of the portfolio securities at any time. While the securities are on loan, the borrower provides the mutual fund with collateral consisting of cash and/or securities. To engage in securities lending, the manager of the mutual fund appoints a qualified agent under a written agreement, which addresses, among other requirements, the responsibility for administration and supervision of the securities lending program.

A repurchase transaction is where a mutual fund sells portfolio securities that it owns to a third party for cash and simultaneously agrees to buy back the securities at a later date at a specified price using the cash received by the mutual fund from the third party. While the mutual fund retains its exposure to changes in the value of the portfolio securities, it also earns fees for participating in the repurchase transaction.

A reverse repurchase transaction is where a mutual fund purchases securities from a third party and simultaneously agrees to sell the securities back to the third party at a later date at a specified price. The difference between the mutual fund's purchase price for the securities and the resale price provides the mutual fund with additional income.

The risks associated with these types of transactions arises if the other party to the agreement defaults or goes bankrupt and the mutual fund experiences losses or delays in recovering its investment. In a securities lending or repurchase transaction, the mutual fund could incur a loss if the value of the loaned or sold securities has increased in value relative to the value of the cash or collateral held by the mutual fund. In a reverse repurchase transaction, the mutual fund could incur a loss if the value of the purchased securities has decreased in value relative to the value of the cash or collateral held by the mutual fund.

To minimize the risks:

- a Marquest Fund will not enter into these types of transactions unless it is, at a minimum, fully collateralized by liquid securities with a value of at least 102% of the market value of the securities sold, purchased or loaned, as the case may be;
- a Marquest Fund will not enter into a repurchase or securities lending agreement if, immediately thereafter, the aggregate market value of all securities loaned by that Marquest Fund and not yet returned to it or sold by the Marquest Fund and not yet repurchased would exceed 50% (depending on market conditions) of the net asset value of the Marquest Fund, exclusive of cash held by the Marquest Fund; and
- these transactions will only be entered into with parties that have adequate resources and financial strength to meet their obligations under the agreement.

Small company risk – Investments in smaller, less established companies may involve greater risks than investments in larger, more established companies. Smaller companies may have more limited markets and financial resources and their securities may be more sensitive to market changes.

Specific issuer risk – The value of mutual funds that invest in equity or fixed income securities issued by specific issuers will vary in accordance with developments within the specific companies or governments that issue the equity or fixed income securities. Deterioration in the financial condition or outlook for the specific issuer will generally result in a decrease in the current value of the securities issued by it.

Substantial securityholder risk – The purchase or redemption of a substantial number shares of a Marquest Fund may require the portfolio manager to change the composition of the Marquest Fund's portfolio significantly or may force the portfolio manager to buy or sell investments at unfavourable prices, which can affect a Marquest Fund's returns. Therefore, the purchase or redemption of units or shares by a substantial securityholder may adversely affect the performance of a Marquest Fund.

We do not guarantee that the full amount of your original investment in any Marquest Fund will be returned to you when you redeem shares. Unlike bank accounts or guaranteed investment certificates (GICs), mutual fund securities are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer. In exceptional circumstances, we may have to suspend your right to redeem shares. See the sub-heading "Purchases, Switches and Redemptions - Suspension of Redemptions" on page 14 for more information.

ORGANIZATION AND MANAGEMENT OF THE MARQUEST FUNDS

<p>MANAGER AND PORTFOLIO MANAGER Marquest Asset Management Inc. 161 Bay Street, 27th Floor P.O. Box 204, Toronto, Ontario M5J 2S1</p>	<p>The Manager manages the overall business and operations of the Marquest Funds.</p> <p>The Portfolio Manager manages the investment portfolios of the Marquest Funds.</p>
<p>PRINCIPAL DISTRIBUTOR</p>	<p>A principal distributor markets and distributes mutual funds through registered dealers and brokers. Neither we nor the Marquest Funds are part of any arrangement that grants any person an exclusive right to distribute shares in a particular area, or which could give any person a material competitive advantage over others in the distribution of shares.</p> <p>There is no principal distributor of the Marquest Funds. The Marquest Funds are marketed and distributed through registered dealers and brokers.</p>
<p>CUSTODIAN RBC Investor Services Trust Toronto, Ontario</p>	<p>RBC Investor Services Trust is the custodian for the Multi Series Fund. It holds the Multi Series Fund's cash and investments on behalf of the Multi Series Fund. RBC Investor Services Trust is independent of us.</p>
<p>SECURITIES LENDING AGENT RBC Investor Services Trust Toronto, Ontario</p>	<p>The Securities Lending Agent will provide the Multi Series Fund with regular reports summarizing the securities lending transactions to facilitate monitoring of these transactions by the Multi Series Fund.</p>
<p>REGISTRAR Marquest Asset Management Inc. Toronto, Ontario</p>	<p>The Registrar keeps securityholder records and issues statements of account and other reporting information.</p>
<p>AUDITOR Ernst & Young LLP Toronto, Ontario</p>	<p>The auditor conducts an audit of the annual financial statements of each of the Marquest Funds in accordance with generally accepted auditing standards. The auditor has advised us that it is independent with respect to the funds within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.</p> <p>Ernst & Young LLP of Toronto, Ontario is the auditor of the Marquest Funds. Securityholder approval is not required for a change in the auditor of any Marquest Fund provided the Independent Review Committee has approved such change and securityholders receive notice 60 days in advance of any such change in auditor.</p>

<p>INDEPENDENT REVIEW COMMITTEE</p>	<p>In accordance with National Instrument 81-107 – <i>Independent Review Committee for Investment Funds</i>, the mandate of the Independent Review Committee (“IRC”) is to review, and in some cases approve, conflict of interest matters related to the Marquest Funds that we refer to it.</p> <p>The IRC is composed of two individuals, each of whom is independent of us and our affiliates. The Manager is currently working on appointing a third individual to fill the vacancy on the IRC. Additional information about the IRC, including the names of its members, is available in the Marquest Funds’ Annual Information Form. The IRC prepares, at least annually, a report of its activities for securityholders which is available on our website at www.marquest.ca or, at your request and at no cost, by calling toll-free 1-888-964-3533, or by e-mail at clientservices@marquest.ca. Additional information about the IRC, including the names of its members, is available in the Multi Series Fund’s Annual Information Form.</p> <p>The IRC may also approve certain mergers or reorganizations involving the Marquest Funds, such as a transfer of a Marquest Fund’s assets to another mutual fund managed by us or an affiliate of ours. Investor approval will not be obtained in these circumstances, but you will be sent a written notice at least 60 days before the effective date of any such transaction.</p>
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PURCHASES, SWITCHES AND REDEMPTIONS

Who can sell securities of the Multi Series Fund to you?

Shares of the Multi Series Fund have been primarily offered to limited partners who have purchased units of flow-through limited partnerships administered by the Manager of the Marquest Funds and its related entities or by a former manager of the Marquest Funds. The Multi Series Fund also offers to the public mutual fund shares (“**Mutual Fund Shares**”) in multiple series (each a “**Series**”) within the two Marquest Funds: Explorer Series Fund and Flex Dividend and Income Growth™ Series Fund. You can buy Mutual Fund Shares through your registered broker or dealer.

The Marquest Funds will also continue to participate in rollover transactions with limited partnerships administered by the Manager and offer Mutual Fund Shares to limited partners who have purchased units of these flow-through limited partnerships. Rollover transactions will occur with the Explorer Series Fund. To date, 140 rollovers have occurred.

How do we calculate share prices?

Whether you are buying, selling, transferring or switching between Marquest Funds, we base the transaction on the value of a Marquest Fund share. The price of a share is called the net asset value (“**Net Asset Value**”) per share, or share price. All of our share prices are quoted in Canadian dollars.

We calculate a separate Net Asset Value for each Series of a Marquest Fund, by taking the value of the assets in the relevant Series, subtracting the total of the liabilities allocated to the relevant Series, and dividing the balance by the number of shares held by investors in that Series. You will find more information about the calculation of Net Asset Value in the Marquest Funds’ Annual Information Form.

The Manager will calculate the Net Asset Value of each Series of Mutual Fund Shares of each of the five Marquest Funds at the end of each business day that the Toronto Stock Exchange (the “**TSX**”) is open for trading. We do this at 4:00 p.m. (Toronto time), unless the TSX closes earlier. In exceptional circumstances, we may have to suspend calculation of the share price for one or more Marquest Funds. This may occur when trading is suspended

on markets where more than 50 percent of the assets of the Marquest Fund are listed or traded or when we receive permission from appropriate securities regulators. We will calculate a separate Net Asset Value for each Series within a Marquest Fund. Each Series within a Marquest Fund has a different Net Asset Value because there are different fees that apply to different Series within a Marquest Fund. All of the Series of Mutual Fund Shares within a single Marquest Fund are referable to the same portfolio of assets, even though different fees may apply to different Series of Mutual Fund Shares within the same Marquest Fund.

How can you buy Mutual Fund Shares of a Marquest Fund?

You can buy Mutual Fund Shares through your registered broker or dealer on any day on which the TSX is open for trading (a “**business day**”).

The Multi Series Fund will also distribute Mutual Fund Shares to flow-through limited partnerships administered by the Manager. The flow-through limited partnership then distributes the Mutual Fund Shares to the limited partners who purchased units of the limited partnerships. If you purchase Mutual Fund Shares from your broker or dealer, you negotiate the sales commission you pay directly with your broker or dealer. Your broker or dealer will generally deduct the sales commission and forward the net amount of your order to be invested in the Marquest Fund.

You must complete a purchase order in order to buy Mutual Fund Shares. Except as provided in the following sentence, the broker or dealer receiving your purchase order must send the order, along with payment, to the Toronto office of the Multi Series Fund’s registrar and transfer agent on the same day the broker or dealer receives the order. If the broker or dealer receives the order after 4:00 p.m. (Toronto time) on a business day or on a day that is not a business day, the broker or dealer may send the order to the Toronto office of the Multi Series Fund’s registrar and transfer agent on the next business day. Whenever practicable, the dealer must send the order by courier or wire order to ensure that the Toronto office of the Multi Series Fund’s registrar and transfer agent receives it as quickly as possible. The broker or dealer must pay for the cost of sending the order. As a security measure, a purchase order placed by wire order directly by you will not be accepted.

If we receive your purchase order before 4:00 p.m. (Toronto time) on a business day, you will pay that day’s Net Asset Value per Series of Mutual Fund Share. If we receive your purchase order after 4:00 p.m. (Toronto time) on a business day or on a day that is not a business day, you will pay the Net Asset Value per Series of Mutual Fund Share on the next business day. If the Manager calculates the Net Asset Value at a time other than as at the close of business of the TSX, the price you pay will be determined relative to that time. All orders are processed within two business days.

We do not issue a certificate when you buy Mutual Fund Shares. You will receive a confirmation, which is proof of your purchase, indicating the purchase price, the amount of any sales charge, the number of securities of each Series purchased, and the number of securities, in total, owned by you. This confirmation will be sent to you at the address you have given to your dealer. For as long as you own Multi Series Fund securities, you will receive a statement of account holdings and account activity, showing all transactions, as well as the total value of the account at the end of the period, twice a year. Similar information, together with the amount of any redemption or switch charges, is confirmed for switches and redemptions.

You will find more information about buying, switching and redeeming Mutual Fund Shares in the Annual Information Form of the Multi Series Fund.

Rules for buying securities of mutual funds have been established by the securities regulatory authorities:

- We must receive payment for the securities and all necessary documents within two business days of receiving your order.
- If we do not receive payment within two business days, we must sell (redeem) your securities on the next business day or on the day on which the Multi Series Fund first knows that the method of payment will not be honoured. If the proceeds are greater than the payment you owe, the Multi Series Fund must keep

the difference. If the proceeds are less than the payment you owe, we will collect the shortfall, plus any costs involved, from your broker or dealer. Your dealer may wish to collect this amount, plus the expenses of doing so, from you.

- We have the right to accept or reject any order to buy Mutual Fund Shares within one business day of receiving the order with complete documents. If we reject your order, we will return your money immediately.

If a cheque for the purchase of Mutual Fund Shares is dishonoured by your bank or other financial institution for any reason, you must pay us a service charge. We may redeem securities from your account to pay this charge.

Except for Mutual Fund Shares issued under a rollover with a limited partnership, your initial investment in Mutual Fund Shares and each additional purchase must be as follows:

Name of Marquest Fund	Name of Series of Marquest Fund	Fund Code	Minimum Initial Purchase	Minimum Subsequent Purchase
Explorer Series Fund	Series A/ Rollover	MAV7001	Rollover	\$25
	Series A/Regular	MAV7100	\$500	\$25
	Series F	MAV7011	\$500	\$25
Flex Dividend and Income Growth™ Series Fund	Series A/Regular	MAV7005	\$1,000	\$100
	Series F	MAV7055	\$1,000	\$100

Mutual Fund Shares of a particular Marquest Fund and classified as Series A shares (other than rollover) are available to all investors while Series F shares may only be purchased by investors who are participants in a fee-for-service or wrap account program sponsored by certain securities dealers, or at the Manager’s discretion. Your investment advisor must notify the Manager if you are no longer enrolled in a fee-for-service or wrap account program.

If the Manager is notified that you no longer meet the eligibility criteria for Series F, we will sell or convert your Series F shares in accordance with the instructions from your investment advisor. In the absence of instructions, we may automatically sell your Series F shares or convert them to Series A/Regular shares. There may be tax implications arising from any such sale. See “Income Tax Considerations for Investors” on page 21 for more details.

How can you switch between Marquest Funds?

You can switch Mutual Fund Shares from one Marquest Fund to another or from one Series of a Marquest Fund to another Series of the same Marquest Fund by contacting your broker or dealer. The switch of Mutual Fund Shares of one Marquest Fund for Mutual Fund Shares of another Marquest Fund will be a taxable disposition for purposes of the *Income Tax Act* (Canada) (the “**Tax Act**”) and, accordingly, may result in a capital gain or capital loss for a taxable switching shareholder who holds Mutual Fund Shares as capital property. Generally, the rules do not apply to reclassification of shares where a shareholder exchanges a share of one class of Shares for another Share of the same class and both Shares derive their value from the same property or group of properties. See “Income Tax Considerations for Investors” on page 21 for more information. When we receive your order to switch, we will sell Mutual Fund Shares of the particular Series and use the proceeds to buy Mutual Fund Shares of another Series within the same or different Marquest Fund or Series, as you instruct us. Switches may result in your dealer receiving a higher trailing commission. Please see the table under the heading “Dealer

Compensation” on page 20 for the annual trailing commission payable to dealers in respect of each Series of the Marquest Funds.

Except as provided immediately below, we do not charge you a fee at the time of a switch transaction. Your broker or dealer may, however, charge you a negotiable fee for a switch. Please see the table under the heading “Fees and Expenses” on page 16 for more information about the fees and expenses paid by the Marquest Fund and the fees and expenses payable directly by you.

Short-term Trading

A short term switch fee of 2% of the original cost of the amount switched, regardless of the sales charge option chosen, will be charged if you invest in Mutual Fund Shares for a 90-day period or less. The Multi Series Fund may adopt a different standard or fee as may be required by any regulatory changes or to conform to industry guidelines. We will deduct the fee from the switch proceeds. This fee is designed to deter excessive trading and to protect shareholders from other investors moving quickly in and out of the various Series of Mutual Fund Shares. Frequent trading can hurt a Marquest Fund’s performance by forcing the Portfolio Manager to keep more cash in a Marquest Fund than would otherwise be needed or to sell investments at an inappropriate time. This short term switch fee does not apply:

- to Mutual Fund Shares you receive from reinvested dividends or distributions;
- to the first switch of any Series of Mutual Fund Shares received as a result of a rollover from a Marquest-branded limited partnership;
- to Mutual Fund Shares sold as a result of the death of the shareholder;
- if you are exercising a statutory right of withdrawal or rescission;
- in certain limited circumstances where we determine it would be equitable not to charge this fee; or
- to redemptions initiated by the Multi Series Fund.

The Manager has adopted policies and procedures to detect and deter inappropriate short term trading and excessive short-term trading.

An inappropriate short-term trade is defined as a combination of a purchase and redemption, including switches between the Marquest Funds, within 90 days that the Manager believes is detrimental to fund investors and which may take advantage of securities priced in other time zones or illiquid securities that trade infrequently. Excessive short-term trading is a combination of purchases and redemptions, including switches between the Marquest Funds, which occur within 30 days so frequently that the Manager believes the trading is detrimental to fund investors.

In addition to the short term switch fee of 2% outlined above, the Manager may take such additional action as it considers appropriate to prevent further similar activity by the investor. These actions may include the delivery of a warning to the investor, placing the investor/account on a watch list to monitor his or her trading activity and the subsequent refusal of further trades by the investor if the investor continues to attempt such trading activity and/or closure of the investor’s account.

In determining whether a short-term trade is inappropriate or excessive, the Manager will consider relevant factors including the following:

- bona fide changes in investor circumstances or intentions;
- unanticipated financial emergencies;

- the nature of the Marquest Fund;
- past trading patterns;
- unusual market circumstances; and
- an assessment of harm to the Marquest Fund or to the Manager.

In making these judgments the Manager seeks to act in a manner that it believes is consistent with the best interests of its investors. The interests of the Marquest Funds' investors and the Marquest Funds' ability to manage its investments may be adversely affected by inappropriate or excessive short-term trading because, among other things, these types of trading activities can dilute the value of fund securities, can interfere with the efficient management of the funds' portfolios and can result in increased brokerage and administrative costs. While the Manager will actively take steps to monitor, detect and deter inappropriate and excessive short-term trading, it cannot ensure that such trading activity will be completely eliminated. For example, certain financial institutions may offer alternative investment products to the public that are comprised in whole or in part of securities of the Marquest Funds. These institutions may open accounts with the Manager on behalf of multiple investors whose identity and trading activity is not normally recorded on our transfer agent system.

The Manager reserves the right to restrict, reject or cancel, without any prior notice, any purchase or exchange order, including transactions that are deemed to represent inappropriate or excessive short-term trading.

Please see the table under the heading "Fees and Expenses" on page 16 for more information about the short-term switch fees.

How can you redeem Mutual Fund Shares of a Marquest Fund?

You may redeem your Mutual Fund Shares on any business day by completing a redemption request and delivering it to your broker or dealer or directly to us. For your protection, your signature on any redemption request must be guaranteed by a bank, trust company or a dealer. This procedure must be followed carefully. We may require other documents for corporations and other accounts that are not in the name of an individual.

Except as provided in the following sentence, if you deliver the redemption request to a broker or dealer, the broker or dealer must send the redemption request to the Toronto office of the Multi Series Fund's registrar and transfer agent on the same day that the broker or dealer receives the redemption request. If the broker or dealer receives the redemption request after 4:00 p.m. (Toronto time) on a business day or on a day that is not a business day, the broker or dealer must send it to the Toronto office of the Multi Series Fund's registrar and transfer agent on the next business day. Whenever practicable, a broker or dealer must send your redemption request by courier or wire order to ensure that the Toronto office of the Multi Series Fund's registrar and transfer agent receives it as quickly as possible. The cost of sending the redemption request must be paid by the broker or dealer. As a security measure, a redemption request sent by wire order directly from you will not be accepted.

A redemption request that is received at the Toronto office of the Multi Series Fund's registrar and transfer agent before 4:00 p.m. (Toronto time) on a business day will be processed at the Net Asset Value per share of the particular Series calculated at that day's Net Asset Value for that Series of Mutual Fund Share. A redemption request that is received at the Toronto office of the Multi Series Fund's registrar and transfer agent after 4:00 p.m. (Toronto time) on a business day or on a day that is not a business day, will be processed in the same way on the next business day. If the Manager calculates the Net Asset Value at a time other than as at the close of business of the TSX, the redemption amount you receive will be determined relative to that time.

If the Multi Series Fund's registrar and transfer agent has received all documents required to complete a redemption order to the Multi Series Fund's satisfaction, we will pay the redemption amount within two business days from the date of the Net Asset Value calculation. Otherwise, the redemption amount will be paid within two

business days (from the date of the Net Asset Value calculation) after the Toronto office of the Multi Series Fund's registrar and transfer agent receives the missing documents.

If you hold your Marquest Fund investment in a Registered Plan, the redemption amount will be paid to the trustee of the plan, because the necessary tax forms must be prepared.

If the Toronto office of the Multi Series Fund's registrar and transfer agent does not receive all documents needed to complete the redemption request within ten business days, we are obliged under securities laws to repurchase your securities on or before 4:00 p.m. (Toronto time) on the tenth business day. If the sale proceeds are greater than the repurchase amount, the Multi Series Fund is required to keep the difference. If the sale proceeds are less than the repurchase amount, your broker or dealer will be required to pay the Multi Series Fund the difference plus any expenses, and may wish to collect this amount plus the expenses of doing so from you.

We will acknowledge your redemption request with a confirmation indicating the redemption price, the amount of any redemption charge, the number of securities redeemed, and the total number of securities you own. We will send this confirmation to you at the address you have given to your broker or dealer.

What fees are payable by an investor for a redemption?

If you redeem Mutual Fund Shares before the expiry of the minimum hold period of 90 days shown in the table under the heading "Fees and Expenses", the Multi Series Fund may deduct a redemption fee from your redemption proceeds, unless your Mutual Fund Shares were received as part of a rollover from a Marquest flow-through limited partnership, in which case there will be no fee for redemption from the Series received upon the rollover. To reduce the fees you pay when redeeming Mutual Fund Shares, the Marquest Fund will first sell securities that are not subject to the redemption fee.

When you redeem Mutual Fund Shares, we will charge the redemption fee amount as described under "Fees and Expenses". These fees are designed to deter excessive trading and to protect shareholders from other investors moving quickly in and out of the Marquest Funds. Frequent trading can hurt a Marquest Fund's performance by forcing the Portfolio Manager to keep more cash in that Marquest Fund than would otherwise be needed or to sell investments at an inappropriate time.

The amount of the redemption fee depends primarily on the sales charge option that was selected, the amount of your original investment and the length of time you own the Mutual Fund Shares. See "Fees and Expenses" on page 16 for more information about these fees.

When can the Multi Series Fund redeem your Mutual Fund Shares?

The Multi Series Fund has the right to redeem your MARQUEST MUTUAL FUNDS INC. - Explorer Series Fund Shares (the "**Explorer Series Shares**") and MARQUEST MUTUAL FUNDS INC. - Flex Dividend and Income Growth™ Series Fund Shares (the "**Flex Dividend and Income Growth™ Series Shares**") if the value of shares held by you in a single Marquest Fund falls below \$500 due to redemption. Your shareholdings in all Marquest Funds will not be aggregated for this purpose. The Manager may then redeem your Explorer Series Shares or Flex Dividend and Income Growth™ Series Shares on at least 30 days' notice, so that you have the option of buying more Mutual Fund Shares to raise your balance above the minimum.

Suspension of Redemptions

Under extraordinary circumstances, the rights of investors to redeem Mutual Fund Shares may be suspended by the Multi Series Fund. The Manager, as the manager of the Fund, may suspend the calculation of Net Asset Value per Series share of a Marquest Fund and the right to redeem Mutual Fund Shares of that Marquest Fund at the following times and in the following circumstances:

- (a) during any period when normal trading is suspended on a stock, options or futures exchange in Canada or outside Canada, on which securities are listed and traded, or on which specified derivatives are traded that represent more than 50% by value, or underlying market exposure, of the total assets of the Marquest Fund, without allowance for liabilities, and those securities or specified derivatives are not traded on any other exchange that represents a reasonable alternative for the Marquest Fund; and
- (b) subject to the consent of the Canadian securities regulatory authorities, for any period during which the Manager determines that it is not reasonably practicable to sell the assets in a Marquest Fund's portfolio, or it is not reasonably practicable to determine fairly the value of those assets.

During any period of suspension the Manager will not calculate the Net Asset Value per Series share of the particular Marquest Fund, and the Multi Series Fund will not be permitted to issue any Mutual Fund Shares in respect of that Marquest Fund. The calculation of the Net Asset Value per Series share will resume when trading resumes on the exchange referred to in (a) or when the Ontario Securities Commission or other Canadian securities regulatory authority declares the suspension in (b) ended.

No suspension of redemption will continue for longer than 90 days. If, at the end of the period of suspension, no orderly market has been re-established, the purchase or redemption of Mutual Fund Shares of a particular Marquest Fund will be based on the Net Asset Value per Series share next calculated after the termination of the suspension. If the calculation of the Net Asset Value per Series share of the particular Marquest Fund is suspended, an investor who has requested redemption may either withdraw the redemption request or receive payment based on the Net Asset Value per share of the Series next calculated after the termination of the suspension.

OPTIONAL SERVICES

We offer the following services:

Dividend Reinvestment Program – The net taxable income of the Multi Series Fund is paid as a declared dividend to investors. The amount of the dividend depends on the number of Mutual Fund Shares you own that are paying the dividend. You have the option of receiving dividends in cash or reinvesting them to purchase additional Mutual Fund Shares. Dividends must be reinvested in tax-deferred plans. For all other accounts, we will reinvest your dividends unless you notify us in writing that you want to receive cash. You can contact us at 1-888-964-3533 to find out what information needs to be included in your request.

Pre-Authorized Payment Plan – Under a pre-authorized payment plan, you can make automatic investments in a Marquest Fund in pre-determined amounts (not less than \$100 monthly) made on a periodic basis. You may suspend or terminate such a plan on ten days' written notice. The minimum initial subscription amount is the same as described above under the sub-heading "Purchases, Switches and Redemptions – How can you buy Mutual Fund Shares of a Marquest Fund?" on page 10.

Deferred Income Plans – The Manager will assist you in establishing, through a licensed trust company, registered retirement savings plans ("RRSPs"), registered retirement income funds ("RRIFs"), deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts ("TFSA") (collectively, "**Registered Plans**") registered under the Tax Act to invest in Mutual Fund Shares. There is a \$100 fee for each transfer or deregistration of Mutual Fund Shares held directly with the Manager in a Registered Plan.

FEES AND EXPENSES

The following table lists the fees and expenses that you may have to pay if you invest in any of the Marquest Funds. You may have to pay some of these expenses directly. A Marquest Fund may have to pay some of these fees and expenses directly, which will therefore reduce the value of your investment in Explorer Series Shares or Flex Dividend and Income Growth™ Series Shares. We will seek the consent of securityholders if we propose to change the basis of the calculation of a fee or expense charged to the Marquest Fund in a way that could result in an increase in charges to the Marquest Fund, unless that change is the result of a change made by a third party at arm's length to the Marquest Fund. In that case, we will send securityholders written notice at least 60 days before the effective date of the change.

Fees and Expenses Payable by the Marquest Funds		
Management Fees	<p>We charge the Marquest Funds a management fee based on the net asset value of the Marquest Funds. The Multi Series Fund is also required to pay HST on the fees paid to the Manager. The Manager, as manager of the Marquest Funds, may in certain circumstances reduce management fees.</p> <p>The Manager manages the activities and operations of the Marquest Funds and provides or arranges for the provision of investment management and administrative services to the Marquest Funds.</p> <p>Specifically, on behalf of the Marquest Funds, the Manager has the authority and responsibility to: determine the investment objectives and strategies of the Marquest Funds; arrange, appoint and supervise service providers; determine subscription and redemption procedures; enter into contracts; ensure compliance with applicable law, including ensuring the proper and timely filing of continuous disclosure documents; and provide any other services necessary to ensure the continued functioning of the Marquest Funds.</p>	
Fund	Series	Management Fee
<i>Explorer Series Shares</i>	Series A/Regular and Series A/Rollover	2.0%
	Series F	1.0%

Fees and Expenses Payable by the Marquest Funds		
<i>Flex Dividend and Income Growth™ Series Shares</i>	Series A/Regular	2.0%
	Series F	1.0%
Performance/Incentive Fees	<p>There are no performance fees or incentive fees in the case of the Explorer Series Fund.</p> <p>In the case of the Flex Dividend and Income Growth™ Series Fund, in addition to the basic management fees, the particular Marquest Fund will pay to the Manager in respect of each calendar quarter of the respective Marquest Fund a performance incentive fee (a “Performance Fee”) if the percentage gain in the Net Asset Value of each Series of the particular Marquest Fund over the preceding calendar quarter or quarters since a Performance Fee was last payable, exceeds any percentage gain or loss of the benchmark (“Benchmark”) established for the Marquest Fund over the same period. Performance Fees are paid on a per Series basis for these three Funds.</p> <p>The Benchmark for the Flex Dividend and Income Growth™ Series Fund is a blended average consisting of the following:</p>	
	Benchmark Component Index Reference	Percentage Weighting Within Benchmark
	<ul style="list-style-type: none"> • 60 Day Canadian Treasury Bill rate 5% • BMO Nesbitt Burns Preferred Share Index 10% • S&P TSX Utilities Index 10% • S&P TSX Income Trust Index 15% • S&P TSX Capped Financials Index 20% • S&P TSX 60 Index 40% 	
<p>The Flex Dividend and Income Growth™ Series Fund will accrue an estimate of the Performance Fee, if any, calculated in the manner described below. As a result, when you redeem Mutual Fund Shares within the Flex Dividend and Income Growth™ Series Fund since the Performance Fee is reflected in the Net Asset Value of the Series of that Marquest Fund, you have paid for your proportionate share of the Performance Fee accrued to the date of your redemption. When you purchase Mutual Fund Shares within the Flex Dividend and Income Growth™ Series Fund the amount you pay will be reduced by any Performance Fee accrued to date during that Performance Measurement Period (as defined below).</p>		

Fees and Expenses Payable by the Marquest Funds	
	<p>The cumulative Performance Fee for the particular Series will be calculated daily, such that, to the extent possible, the Series Net Asset Value will reflect any Performance Fee payable as at the end of that particular day. Although the particular Series of the Marquest Fund may accrue the Performance Fee, the Manager is only entitled to be paid the Performance Fee, at the end of each calendar quarter or quarters, if certain conditions are met.</p>
	<p>The Performance Fee is based on the performance of the Mutual Fund Shares of each Series within the Flex Dividend and Income Growth™ Series Fund over a “Performance Measurement Period”, which is the preceding calendar quarter or quarters since a Performance Fee was last payable for a particular Series. Generally, in determining whether a Performance Fee will be payable, the return of the Series of the particular Marquest Fund is compared to the return of the applicable Benchmark over the Performance Measurement Period. If the percentage gain of the particular Series of the Marquest Fund exceeds the percentage gain or loss of the Benchmark, the Performance Fee will be equal to 20% of this excess gain multiplied by the average Net Asset Value of the Series for the Performance Measurement Period. This is $20\% \times (\text{Series percentage gain minus the Benchmark performance}) \times (\text{average Net Asset Value of the Series}) = \text{amount of Performance Fee}$.</p> <p>The Manager will not be paid the Performance Fee unless:</p> <ol style="list-style-type: none"> 1. the Benchmark is positive in the Performance Measurement Period; 2. the cumulative return of the Series of the particular Marquest Fund is greater than zero since the last time the Performance Fee in respect of that Series was paid to the Manager; and 3. the cumulative return for the Series of the particular Marquest Fund has outperformed the Benchmark since the last time the Performance Fee in respect of that Series was paid to the Manager (a “high water mark” approach). <p>If however, the Benchmark is negative but the other two tests are met at the end of the Performance Measurement Period, the Performance Fee will still be accrued during the Performance Measurement Period as an expense for the Series of that Marquest Fund in calculating the Series Net Asset Value.</p>
Operating Expenses	<p>The Multi Series Fund pays all operating expenses, including HST. The Multi Series Fund’s expenses are allocated among the Marquest Funds or Series within a Marquest Fund, as applicable. An expense item that can be specifically attributed to a Marquest Fund or Series will be borne only by that Marquest Fund or Series. Common expenses will be allocated among the Marquest Funds.</p> <p>The main operating expenses include, but are not limited to, legal fees, audit fees, custodial fees, banking and other administrative fees, regulatory filing fees, fees and expenses payable in connection with the IRC, record keeping and shareholder communication expenses, brokerage fees, commission and other portfolio transaction expenses, and taxes payable by the Multi Series Fund. The expenses of the Marquest Funds will be allocated among the Marquest Funds, as applicable. Each</p>

Fees and Expenses Payable by the Marquest Funds	
	<p>Marquest Fund will bear separately any expense item that can be attributed specifically to the Marquest Fund.</p> <p>The fees payable to the IRC are currently set at \$6,018.45 (plus applicable taxes) per annum for the IRC members in total (being \$3,068.23 to the Chair of the IRC and \$2,950.22 to the remaining IRC member). In addition to paying their proportionate share of IRC fees, the Marquest Funds pay their proportionate share of expenses incurred by the IRC including 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). These fees and expenses are allocated among the Marquest Funds and the other investment funds managed by us in a manner that we consider to be fair and reasonable to all of the funds.</p> <p>Marquest Funds that offer more than one Series of securities allocate operating expenses proportionately among the Series, and operating expenses that are specific to a Series are allocated to that Series.</p>

Fees and Expenses Payable Directly by You	
Initial Sales Charges	<p>If you purchase Mutual Fund Shares through your broker or dealer, you will pay the initial sales commission that you negotiate with your broker or dealer. The range for sales commissions is generally from 0% to 5% of the purchase order in the case of shares designated as Series A/Regular. Your broker or dealer will generally deduct the sales commission and forward the net amount of the purchase order to be invested in the Marquest Fund. If you acquire your Mutual Fund Shares as part of a rollover from a Marquest flow-through limited partnership, there is no initial sales charge.</p>
Short Term Switch Fees	<p>We will charge a short term switch fee of 2% of Net Asset Value, at the time of the switch, of the Mutual Fund Shares switched by you if you have held the Mutual Fund Shares for less than 90 days. Your broker or dealer may also charge you a negotiable fee for a switch. This amount is negotiated between you and your dealer and is paid at the time of the switch, unless your Mutual Fund Shares were received as part of a rollover from a Marquest flow-through limited partnership, in which case there will be no fee for the first switch.</p>
Redemption Charges	<p>We will charge a redemption fee of 2% of Net Asset Value, at the time of redemption, of the Mutual Fund Shares redeemed by you if you have held the Mutual Fund Shares for less than 90 days, unless your Mutual Fund Shares were received as part of a rollover from a Marquest flow-through limited partnership, in which case there will be no fee for redemption from the Series received upon the rollover.</p>
Other Fees and Expenses	<p>We charge \$25 if you request duplicate tax receipts.</p> <p>We charge \$35 plus HST for cheques that are not honoured.</p>

Impact of Sales Charges

The following table shows the impact of sales charges you would pay under the different purchase options available to you if you made an investment of \$1,000 in a Marquest Fund, and if you held that investment for one,

three, five or ten years and redeemed your investment immediately before the end of that period. This table assumes that you pay the maximum sales commission. See “Fees and Expenses” on page 16 for more information.

	Fee at time of purchase	1 year	3 years	5 years	10 years
Initial Sales Charge ⁽¹⁾ (Series A/Regular, all Marquest Funds)	\$50.00	N/A	N/A	N/A	N/A
Initial Sales Charge ⁽²⁾ (Series A/Rollover, Explorer Series Fund)	Nil	N/A	N/A	N/A	N/A
Initial Sales Charge ⁽³⁾ (Series F, all Marquest Funds)	\$20.00	N/A	N/A	N/A	N/A

- (1) The Multi Series Fund does not charge a fee or commission when you purchase Series A/Regular Mutual Fund Shares; however, your broker, dealer or advisor may charge a commission of up to 5% on the purchase, which will reduce the amount of money you invest in the Marquest Fund. This is a separate agreement between you and your broker, dealer or advisor and is negotiable. The chart assumes the maximum possible charge, although you may negotiate a lower charge with your broker, dealer or advisor.
- (2) There is no fee or commission when you initially receive a Series A/Rollover Share in the Explorer Series Fund upon the dissolution and rollover of the flow-through limited partnership in which you initially invested.
- (3) The Multi Series Fund does not charge a fee or commission when you purchase Series F Mutual Fund Shares; however, your broker, dealer or advisor may charge a commission of up to 2% on the purchase, which will reduce the amount of money you invest in the Marquest Fund. This is a separate agreement between you and your broker, dealer or advisor and is negotiable. The chart assumes the maximum possible charge, although you may negotiate a lower charge with your broker, dealer or advisor.

DEALER COMPENSATION

How are dealers paid for selling securities of the Fund?

Your broker or dealer may receive a sales commission negotiated and paid by you at the time you purchase Mutual Fund Shares. If you choose the initial sales charge, the range of sales commissions is generally from 0% to 5% of the purchase price in the case of Mutual Fund Shares designated as Series A/Regular (Explorer Series Fund and Flex Dividend and Income Growth™ Series Fund), and from 0% to 2% of the purchase price in the case of shares designated as Series F (Explorer Series Fund and Flex Dividend and Income Growth™ Series Fund), payable at the time of purchase.

Your broker or dealer may charge you a switch fee of 0% to 2% of the purchase price of the Mutual Fund Shares you acquire when you switch among Marquest Funds, or transfer between types of accounts in which you hold your Mutual Fund Shares, unless your Mutual Fund Shares were received as part of a rollover from a Marquest flow-through limited partnership, in which case there will be no fee in the case of the first switch.

The Manager may pay to advisors, dealers and brokers a share of its management fee, called a “trailing” commission, based on the aggregate Net Asset Value per Series share of a Marquest Fund held by clients of the dealer’s sales representatives. We also pay trailing commissions to discount brokers for securities you purchase through your discount brokerage account. The Manager may at its discretion negotiate, change the terms and conditions, or discontinue the trailing commission program.

Name of Marquest Fund	Name of Series	Fund Code	Annual Trailing Rate
Explorer Series Fund	Series A/Rollover	MAV7001	0.50%
	Series A/Regular	MAV7100	0.50%
	Series F	MAV7011	NIL
Flex Dividend and Income Growth™ Series Fund	Series A/Regular	MAV7005	1.00%
	Series F	MAV7055	NIL

The Manager will pay the trailing commission only until the Mutual Fund Shares are redeemed. The trailing commission is paid by the Manager, and not by the Multi Series Fund or you. The trailing commission is paid for the ongoing advice and service shareholders receive from their dealers relating to the particular Marquest Fund. The management fee that the Manager charges to the Multi Series Fund will not change with any change in the payment of trailing commissions.

Dealer Compensation from Management Fees

For the financial year ended December 31, 2018, the Manager paid cash trailing commissions to dealers whose clients held Mutual Fund Shares, representing approximately 35.97% of the total management fees received by the Manager.

INCOME TAX CONSIDERATIONS FOR INVESTORS

The following is a general summary of the principal Canadian federal income tax considerations with respect to acquiring, owning and disposing of Mutual Fund Shares (also referred to as “**Shares**” under this heading). It applies to an individual investor (other than a trust), who, for the purposes of the Tax Act is resident in Canada, deals at arm’s length with and is not affiliated with the Multi Series Fund and holds the Shares as capital property.

This is a general summary and is not intended to be advice to any investor. You should seek independent advice about the income tax consequences of investing in Mutual Fund Shares, based on your own circumstances.

This summary is based on the current provisions of the Tax Act, the regulations thereunder (“**Regulations**”), specific proposals to amend the Tax Act and Regulations publicly announced by the Minister of Finance (Canada) prior to the date of this Simplified Prospectus and the published administrative practices and assessing policies of Canada Revenue Agency. This summary does not take into account or anticipate any other changes in law whether by legislative, regulatory, administrative or judicial action. Furthermore, this summary does not take into account provincial or foreign income tax legislation or considerations.

The Multi Series Fund currently qualifies, and is expected to continue to qualify at all material times, as a mutual fund corporation under the Tax Act. This summary assumes that the Multi Series Fund will, at all material times, qualify as a mutual fund corporation under the Tax Act.

This summary assumes that the Multi Series Fund has elected under subsection 39(4) of the Tax Act to have all gains and losses on disposition of “Canadian securities” taxed as capital gains and losses.

Taxation of the Multi Series Fund

The Multi Series Fund is a single legal entity for tax purposes. The Multi Series Fund is not taxed on a series by series or fund by fund basis. Consequently, all revenues, deductible expenses, capital gains and capital losses of

the Multi Series Fund with respect to its investment portfolio and other items relevant to the tax position of the Multi Series Fund (including the tax attributes of the Multi Series Fund's portfolio assets) will be taken into account to determine the income or loss of the Multi Series Fund and the applicable taxes payable by the Multi Series Fund as a whole (including refundable capital gains taxes payable). Deductible expenses common to all Marquest Funds and Series of Marquest Funds, and those attributable only to a particular Marquest Fund or Series will be taken into account in computing the income or loss of the Multi Series Fund as a whole for tax purposes. Similarly, capital losses of the Multi Series Fund's investment portfolio may be applied against the capital gains attributable to the Multi Series Fund as a whole irrespective of the Marquest Fund or Series from which the gains or losses arise. However, in certain circumstances capital losses realized in the Multi Series Fund's investment portfolio may be suspended and therefore be unavailable to shelter capital gains. Non-capital losses of the Multi Series Fund (whether from the current year or carried forward from prior years) attributable to any particular Marquest Fund or Series may be applied against income attributable to any Marquest Fund or Series. The Multi Series Fund has stated its intention that income taxes and refundable capital gains taxes payable by the Multi Series Fund (including such taxes that may arise where the Multi Series Fund disposes of portfolio assets as a result of shareholders of one Marquest Fund converting their Shares of that Marquest Fund into Shares of another Marquest Fund) will be borne by one or more Marquest Funds in a manner to be chosen by the board of directors of the Multi Series Fund, in its sole discretion, in order to obtain a refund of capital gains taxes payable by the Multi Series Fund as a whole.

The taxable portion of capital gains (net of the allowable portion of capital losses) realized by the Multi Series Fund will be taxable at corporate rates applicable to mutual fund corporations. The tax paid on taxable capital gains is refundable on a formula basis when the Shares of the Multi Series Fund are redeemed or when the Multi Series Fund pays capital gains dividends. Other income received by the Multi Series Fund (other than Canadian dividends, discussed below) will be subject to tax at the corporate level at corporate rates applicable to mutual fund corporations, subject to permitted deductions for expenses of the Multi Series Fund and applicable deductions or credits with respect to foreign taxes paid. The Multi Series Fund will generally be subject to a refundable tax (the "**refundable tax**") levied against taxable dividends received, or deemed received, by the Multi Series Fund from taxable Canadian corporations at a rate of 33⅓%. One dollar of the refundable tax is refunded for every three dollars the Multi Series Fund pays in taxable dividends.

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 Multi Series Fund 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 Multi Series Fund 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 Multi Series Fund. The Multi Series Fund 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.

Taxation of Shareholders

Switches

A switch of Shares of one Marquest Fund to Shares of another Marquest Fund will be considered to be a disposition of the switched Shares at fair market value for purposes of the Tax Act. As a result, a shareholder of such Shares may realize a capital gain or capital loss on such Shares. The cost of the Shares acquired on the switch will be equal to the fair market value of the Shares received on the switch. Generally, the rules do not apply to reclassification of shares where a shareholder exchanges a share of one class of Shares for another Share of the same class and both Shares derive their value from the same property or group of properties.

Taxation of Holders of Shares Generally

Taxable dividends paid by the Multi Series Fund, other than capital gains dividends, whether received in cash or reinvested in additional securities, will be included in computing the shareholder's income. The dividend gross-up and tax credit treatment normally applicable to taxable dividends paid by a taxable Canadian corporation will

apply to dividends paid by the Multi Series Fund. An enhanced gross-up and dividend tax credit is available for certain eligible dividends paid by the Multi Series Fund. Capital gains dividends paid by the Multi Series Fund will be treated as realized capital gains in the hands of shareholders and will be subject to the general rules relating to the taxation of capital gains, which are described below.

When a holder disposes of a Share of the Multi Series Fund, whether by redemption or otherwise (including a sale of Shares 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 in accordance with the provisions of the Tax Act.

Returns of capital are not included in income. Instead, a return of capital reduces the adjusted cost base of the shareholder's Shares. To the extent that the adjusted cost base of the Shares would otherwise be a negative amount, the shareholder will be considered to have realized a capital gain from the disposition of the Shares at that time equal to the negative amount, and the adjusted cost base of the Shares will be increased to nil.

For the purpose of determining the adjusted cost base to a shareholder of Shares when a Share of a particular Series is acquired, the cost of the Share is determined by averaging the cost of the newly-acquired Share with the adjusted cost base to the shareholder of all other Shares of that Series held by the shareholder immediately before that time.

Alternative Minimum Tax

The Tax Act contains alternative minimum tax provisions and a taxpayer is required to calculate his or her tax payable under these provisions. To the extent that the amount of tax calculated under these alternative provisions is greater than the amount of tax payable by a taxpayer under the normal rules in the Tax Act, the taxpayer will be required to pay tax in accordance with the alternative minimum tax calculation. Capital gains and dividends realized by a holder in respect of the Shares may increase the amount of tax payable under the alternative minimum tax provisions.

ELIGIBILITY FOR REGISTERED PLANS AND OTHER INVESTMENT ENTITIES

The Mutual Fund Shares are "qualified investments" under the Tax Act for Registered Plans. Investors who choose to purchase securities through a Registered Plan should consult with their own tax advisors as to whether Mutual Fund Shares would be prohibited investments under the Tax Act in their particular circumstances.

Investors who choose to purchase securities of the Multi Series Fund through a Registered Plan should consult their own professional advisors regarding the tax treatment of contributions to and acquisitions of property by such Registered Plan.

WHAT ARE YOUR LEGAL RIGHTS?

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual fund securities within two business days of receiving the Simplified Prospectus or to cancel your purchase within 48 hours of receiving confirmation of your order. However, for Mutual Fund Shares of the Explorer Series Fund that are issued to the flow-through limited partnerships administered by Marquest Asset Management Inc. as part of a rollover transaction, these withdrawal rights do not apply. See below under "Additional Information".

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

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

PART B

SPECIFIC INFORMATION ABOUT EACH OF THE MUTUAL FUNDS DESCRIBED IN THIS DOCUMENT

The remainder of this document contains specific information about each of the Funds. Rather than repeat certain information that applies to each Fund, this common information is set out below.

What are the risks of investing in the Marquest Fund?

Investment Risk Classification Methodology

The methodology used to determine each Marquest Fund's investment risk level for purposes of disclosure in this prospectus is based on the Investment Risk Classification Methodology in NI 81-102, as such methodology may be amended and updated from time to time (the "**Methodology**"). Pursuant to the Methodology, the most comprehensive, easily understood form of risk in this context is historical volatility risk as measured by the standard deviation of fund performance. However, the Manager recognizes that other types of risk, both measurable and non-measurable, may exist and we remind you that a Marquest Fund's historical performance may not be indicative of future returns and that a Marquest Fund's historical volatility may not be indicative of its future volatility. There may be times when the Methodology produces a result that the Manager believes is inappropriate in which case the Manager may re-classify a Marquest Fund to a higher risk level, if appropriate.

Based on the Methodology, each Marquest Fund's risk level as described in this document is determined in accordance with a standardized risk classification methodology that is based on the Marquest Fund's historical volatility as measured by the 10-year standard deviation of the returns of the Marquest Fund. If a Marquest Fund does not have at least ten years of performance history, a reference index that is expected to reasonably approximate the Marquest Fund's standard deviation is used as a proxy for the ten-year period.

Each Marquest Fund is assigned an investment risk level in one of the following categories:

Low – for Marquest Funds with a standard deviation range of 0 to less than 6;

Low-to-Medium – for Marquest Funds with a standard deviation range of 6 to less than 11;

Medium – for Marquest Funds with a standard deviation range of 11 to less than 16

Medium-to-High – for Marquest Funds with a standard deviation range of 16 to less than 20; and

High – for Marquest Funds with a standard deviation range of 20 or greater.

The risk ratings set forth in the tables below do not necessarily correspond to an individual investor's risk tolerance assessment. Investors are advised to consult their financial advisor for advice regarding an individual investor's personal circumstances.

The Marquest Funds set forth in the table below have more than ten years of performance history. The Manager has rated the volatility of each Marquest Fund using the Methodology and has assigned the rating set out below to each such Marquest Fund:

Mutual Fund	Risk Rating
MARQUEST MUTUAL FUNDS INC. - Explorer Series Fund	High

MARQUEST MUTUAL FUNDS INC. - Flex Dividend and Income Growth™ Series Fund	Low-to-Medium
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As of the date of the simplified prospectus, there are no Marquest Funds with less than ten years of performance history.

Although monitored on a semi-annual basis, we review the investment risk level of each Fund on an annual basis and each time a material change is made to the Marquest Fund's investment strategies and/or investment objective.

Information about the Methodology is available on request at no cost by contacting us at 1-888-964-3533 or clientservices@marquest.ca or by writing to us at the address on the back cover of this simplified prospectus.

Who should invest in this Fund?

In this section we identify the kind of investor or portfolio the Marquest Fund is suitable for. You should seek the advice of your financial advisor to ensure that any Marquest Fund you choose is suitable for you given your risk tolerance and investment goals.

Distribution Policy

In this section, we tell you the distribution policy of the Marquest Fund. The history of distributions paid is no indication of future distribution payments and the composition of distributions may vary. There is no guarantee of the amount of distributions that will be paid on any Series of a Marquest Fund and the distribution policy for a Series of a Marquest Fund can be changed by us at any time, including a reduction in the future, without notice to shareholders.

Fund Expenses Indirectly Borne by Investors

Mutual funds pay some expenses out of fund assets. That means that you and other investors in a Marquest Fund indirectly pay for these expenses through lower returns. In this section we offer a hypothetical example showing the indirect costs associated with investing in a Marquest Fund. This information is intended to help you compare the cumulative cost of investing in a Fund with the cost of investing in other mutual funds.

Although your actual cost may be higher or lower, the information in this section shows what your costs would be based on the following assumptions:

- you invest \$1,000 in the Series of the Marquest Fund shown for the periods shown and then sell all of your shares at the end of those periods
- your investment has a 5% return each year
- the Marquest Fund's management expense ratio during the 10-year period remained the same as it was in its last financial year.

Information is shown only for series of securities of a Fund that were outstanding at the end of the last completed financial year. See "Fees and Expenses" on page 16 for more information about the cost of investing in the Marquest Funds.

MARQUEST MUTUAL FUNDS INC. - EXPLORER SERIES FUND: FUND DETAILS

Type of Fund	Canadian equity fund
Date the Explorer Series Fund Started	December 2, 2005 (date A/Rollover Series offered to the public) November 27, 2007 (date all other series offered to the public) (previously a closed-end fund via rollovers from flow-through limited partnerships)
Mutual Fund Shares Offered	Series A/Rollover Series A/Regular Series F
Eligible for Registered Plans	Yes

The MARQUEST MUTUAL FUNDS INC. - Explorer Series Fund (the “**Explorer Series Fund**”) was initially established to enable flow-through limited partnerships formed or acquired by Marquest Asset Management Inc. to complete tax-deferred rollover transactions into the Multi Series Fund. To date, 140 rollovers have occurred in the Explorer Series Fund. The Explorer Series Fund will enter into an asset transfer agreement with a limited partnership such that the assets of the partnership are transferred to the Explorer Series Fund in exchange for Explorer Series Shares. The assets of the limited partnership consist of cash and an investment portfolio of securities of primarily resource and energy companies listed on stock exchanges in Canada.

These limited partnerships are established to invest primarily in flow-through shares of resource and energy companies involved in exploration and development in the mining and oil and gas industries.

The rollover transaction enables the limited partners of the partnership to receive Mutual Fund Shares without triggering a capital gain at the time of the transfer. This results in the Explorer Series Fund acquiring property which has a cost for tax purposes that is generally lower than market value. **When the Explorer Series Fund disposes of securities acquired from a limited partnership under a rollover transaction, whether during normal portfolio activity or to allow switching of investors from one Series to another Series of the Explorer Series Fund or another Marquest Fund, the disposition may result in the recognition of larger capital gains than would be the case if the partnership rollover transaction had not occurred. Accordingly, shareholders of the Explorer Series Fund may receive capital gain dividends in excess of what would have been received by them without a rollover transaction. See also “Income Tax Considerations for Investors” on page 21 for more information.**

What does the Explorer Series Fund Invest in?

Investment Objectives

The fundamental investment objective of the **Explorer Series Fund** is to seek long-term capital growth by investing in a diversified portfolio of primarily equity securities of attractive Canadian mineral exploration and mining companies. Any change in the Explorer Series Fund’s fundamental investment objectives (that do not require a change to the Multi Series Fund constating documents) must be approved by a majority of the votes cast by holders of Explorer Series Shares at a meeting to consider the change.

Investment Strategies

In order to achieve the above investment objectives, the Manager, as manager of the Explorer Series Fund, may employ some or all of the following investment strategies:

- analyze financial information of each potential investment to identify under-valued companies with improving fundamentals and high potential for price appreciation;

Marquest Mutual Funds Inc. – Explorer Series Fund

- review economic data, market trends, stock valuations, interest rate levels, monetary policy and other factors to identify business cycle and commodity sector trends;
- apply qualitative analysis and interview company management to select those investments with the best risk adjusted potential for price appreciation; and
- invest in foreign securities (including units of other funds).

We expect that the portfolio turnover rate for the Explorer Series Shares may be significant because after a limited partnership rolls over its assets to the Explorer Series Fund, we may sell many of the securities contained in that limited partnership's portfolio. For the year ended December 31, 2018, the portfolio turnover rate was 243.96%. The portfolio turnover rate indicates how actively the Explorer Series Fund's portfolio manager manages its portfolio investments. This could result in a higher proportion of realized (rather than unrealized) capital gains or losses on the securities in the portfolio of the Explorer Series Fund and higher brokerage fees than might be found in other mutual funds. A portfolio turnover rate of 100% is equivalent to the Explorer Series Fund buying and selling all of the securities in its portfolio once in the course of the year. There is not necessarily a relationship between a high turnover rate and the performance of a mutual fund.

The higher the Explorer Series Fund's portfolio turnover rate:

- the greater the chance that you may receive a distribution from the Explorer Series Fund that must be included in determining a taxable securityholder's income for tax purposes; and
- the higher the trading costs of the Explorer Series Fund. These costs are an expense of the Explorer Series Fund and are paid out of the Explorer Series Fund's assets, which may reduce your returns.

The Explorer Series Fund will be permitted to invest in securities of any mutual fund to the extent the investment is consistent with the investment objectives of the Explorer Series Fund. To the extent that such investments are made, the Explorer Series Fund will not pay duplicate management fees and will avoid such investments if duplication of management fees would be the result. The Explorer Series Fund may also invest in or use debt-like securities and listed warrants for hedging and non-hedging purposes, provided that investing in or using them is consistent with the investment objective of the Explorer Series Fund. No percentage of net assets is dedicated to such investments.

The Explorer Series Fund will be managed in accordance with the investment restrictions and practices imposed by applicable securities laws and instruments of the Canadian Securities Administrators, including National Instrument 81-102 *Investment Funds* ("NI 81-102") and National Instrument 81-106 *Investment Fund Continuous Disclosure* ("NI 81-106"). These restrictions and practices are designed in part to ensure that the Explorer Series Fund's investments are diversified and relatively liquid, the Explorer Series Fund is properly administered, and that adequate disclosure is available to the public regarding the Explorer Series Fund. You may obtain a copy of the investment restrictions and practices by contacting the Manager at 1-888-964-3533 or clientservices@marquest.ca.

What are the Risks of Investing in the Explorer Series Fund?

The value of the Explorer Series Shares will fluctuate with economic conditions. Specifically, the Explorer Series Fund's portfolio will be affected by the risks below:

- **Concentration Risk**
- **Fund Series Risk**
- **Liquidity Risk**
- **Resource Investment Risk**

- **Rollover Liquidity Risk**
- **Small Company Risk**

During the 12 month period ending November 30, 2019 Cash and Galway Metals Inc. represented greater than 10% of the Net Asset Value of the Explorer Series Fund, reaching a maximum percentage of 24.24% and 10.65% respectively.

The Explorer Series Fund’s portfolio will also be affected by all of the risks described under “What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?” above on page 4.

Who should Invest in the Explorer Series Fund?

We believe that a financial advisor is a critical component to assist an investor in achieving financial objectives. It is our position that the investor, in consultation with a financial advisor, is accountable for determining the suitability of the Explorer Series Fund as part of a portfolio. We do not provide advice to investors. However, we have provided a general description here to be reviewed with your financial advisor. The Explorer Series Fund is suitable for investors seeking exposure to the resource sector within their portfolio. The Explorer Series Fund invests in equities and is acceptable for investors with medium to long term investment horizons who are comfortable with high risk. Investors could invest a portion of their portfolio in the Explorer Series Fund to provide portfolio diversification and exposure to the resource sector.

The Manager’s risk classification methodology is described under “Investment Risk Classification Methodology” on page 25.

Distribution Policy

The board of directors of the Multi Series Fund may declare dividends on the Explorer Series Shares at its discretion. The directors of the Multi Series Fund may declare income dividends and, to the extent possible, sufficient capital gains dividends from time to time to offset capital gains tax that would otherwise be payable in respect of the Explorer Series Shares and the directors of the Multi Series Fund may declare capital gains dividends in excess of this amount. Dividends may be automatically reinvested in additional Mutual Fund Shares of the same Series at the Net Asset Value per share as of the payable date. Each year the Explorer Series Fund will provide shareholders with income tax information necessary to complete their income tax returns. Individual shareholders should keep records of the original cost of their Explorer Series Shares.

Explorer Series Fund Expenses Indirectly Borne by Investors

The following information is intended to help you compare the cost of investing in the Explorer Series Fund with the cost of investing in other mutual funds. To date, the Explorer Series Fund has primarily offered (on a rollover basis) Explorer Series Shares, Series A/Rollover to limited partners who have purchased units of flow-through limited partnerships administered by Marquest Asset Management Inc. Series A/Regular and Series F Shares have also been issued.

The Explorer Series Fund pays its expenses (including the management fees) out of Explorer Series Fund assets. This means investors in the Explorer Series Fund indirectly pay these expenses through lower returns. See “Fund Expenses Indirectly Borne by Investors” on page 26 for the assumptions we are required to use in this table. See the heading “Fees and Expenses” on page 16 for further details.

Marquest Mutual Funds Inc. – Explorer Series Fund

Expenses Payable Over	One Year	Three Years	Five Years	Ten Years
Series A/Rollover	\$43.47	\$134.81	\$235.52	\$534.78
Series A/Regular	\$44.31	\$137.42	\$240.07	\$545.11
Series F	\$32.24	\$99.97	\$174.65	\$396.56

The chart does not account for fees directly borne by you. See the heading “Fees and Expenses” on page 16 for details.

**MARQUEST MUTUAL FUNDS INC. - FLEX DIVIDEND AND INCOME GROWTH™
SERIES FUND: FUND DETAILS**

Type of Fund	Dividend and income equity fund
Date the Fund Started	December 1, 2008
Mutual Fund Shares Offered	Series A/Regular Series F
Eligible for Registered Plans	Yes

What does the Flex Dividend and Income Growth™ Series Fund Invest in?

Investment Objectives

The fundamental investment objective of the MARQUEST MUTUAL FUNDS INC. - Flex Dividend and Income Growth™ Series Fund (the “**Flex Dividend and Income Growth™ Series Fund**”) is to provide holders of the Flex Dividend and Income Growth™ Series Shares with a stable monthly stream of cash distributions, which shall be determined on an annual basis by the Manager, and the potential for long term capital appreciation by investing primarily in large capitalization higher yielding securities but also some exposure to small and mid-capitalization high yield securities. A majority of this Fund’s portfolio will be comprised of investments in dividend-paying and/or income paying entities and whom the Manager believes intend to pay dividends and/or income in the near future. The Manager expects that not less than 75% of this Fund’s portfolio will be invested in dividend-paying and/or income bearing investments. A portion of the portfolio may consist of all types of equity and debt obligations of issuers in Canada and the United States that may or may not be listed for trading upon the facilities of stock exchanges or other organized and regulated trading facilities. Assets of the Flex Dividend and Income Growth™ Series Fund may also be invested in debt obligations or held in cash to the extent that economic, market or other conditions make it appropriate.

No material change in the investment objectives, policies or restrictions of the Flex Dividend and Income Growth™ Series Fund may be made without the approval of a majority of the votes cast at a meeting of the Flex Dividend and Income Growth™ Series Fund duly called for that purpose.

Investment Strategies

The Flex Dividend and Income Growth™ Series Fund uses a value approach to high yield investments as a primary method to securities selection. This means searching for organizations that are able to maintain and grow their distributions. In addition the Flex Dividend and Income Growth™ Series Fund will look for organizations offering superior long-term earnings and cash flow per share growth, organizations exhibiting a strong position in the market in which it operates, quality management and balance sheet strength.

Pending the selection and purchase of suitable investments, the payment of expenses or other anticipated distributions, a portion of the assets of the Flex Dividend and Income Growth™ Series Fund may be held in cash. In addition, during periods in which the Portfolio Manager believes that market conditions make it advisable, the Portfolio Manager may reduce the Flex Dividend and Income Growth™ Series Fund’s holdings of investments and hold a portion of the Flex Dividend and Income Growth™ Series Fund’s assets in cash. Such cash balances will be held on deposit in cash accounts at any Canadian bank or trust company or may be invested in short term investment funds, guaranteed investment certificates or government treasury bills. There may be temporary occasions when the Portfolio Manager suggests holding most or all of the assets of the Flex Dividend and Income Growth™ Series Fund in cash or near-cash instruments (including term deposits, government treasury bills, commercial paper, bonds and debentures of corporate and government issuers)

Marquest Mutual Funds Inc. – Flex Dividend and Income Growth™ Series Fund

pending an anticipated or ongoing general decline in equity markets. In order to minimize risk, shorting (short selling) will not be permitted.

In order to hedge against foreign currency exchange rate risks involved in such investments, the Flex Dividend and Income Growth™ Series Fund may enter into forward currency exchange contracts and currency future contracts and options on such future contracts, as well as purchase put or call options on currencies whenever a viable market for these transactions exists.

The Flex Dividend and Income Growth™ Series Fund invests in a combination of securities including, but not limited to, common and preferred shares, government and corporate bonds, short term debt instruments, convertible securities (including convertible bonds and warrants), and income trust units and similar entities. These securities are primarily Canadian, but may also, as market opportunities dictate, include American securities as well. The proportions of the different securities in the Flex Dividend and Income Growth™ Series Fund's portfolio will vary from time to time based upon the Portfolio Manager's assessment of market conditions.

The Manager may use covered call writing to enhance the return on an existing security or to protect the Flex Dividend and Income Growth™ Series Fund from any perceived short term erosion in market value. Also, a put option may be purchased on an existing position when considered appropriate to protect the Flex Dividend and Income Growth™ Series Fund from any erosion in market value.

The portfolio turnover rate for the Flex Dividend and Income Growth™ Series Shares may be significant because there may be frequent rotation; however, it is expected to be lower than the Explorer Series Fund, because no rollovers are expected to be made into the Flex Dividend and Income Growth™ Series Fund. For the year ended December 31, 2018, the portfolio turnover rate was 202.11%. The portfolio turnover rate indicates how actively the Flex Dividend and Income Growth™ Series Fund's portfolio manager manages its portfolio investments. This could result in a higher proportion of realized (rather than unrealized) capital gains or losses on the securities in the portfolio of the Flex Dividend and Income Growth™ Series Fund and higher brokerage fees than might be found in other mutual funds. A portfolio turnover rate of 100% is equivalent to the Flex Dividend and Income Growth™ Series Fund buying and selling all of the securities in its portfolio once in the course of the year. There is not necessarily a relationship between a high turnover rate and the performance of a mutual fund.

The higher the Flex Dividend and Income Growth™ Series Fund's portfolio turnover rate:

- the greater the chance that you may receive a distribution from the Flex Dividend and Income Growth™ Series Fund that must be included in determining a taxable securityholder's income for tax purposes; and
- the higher the trading costs of the Flex Dividend and Income Growth™ Series Fund. These costs are an expense of the Flex Dividend and Income Growth™ Series Fund and are paid out of the Flex Dividend and Income Growth™ Series Fund's assets, which may reduce your returns.

The Flex Dividend and Income Growth™ Series Fund will be permitted to invest in securities of any mutual fund to the extent the investment is consistent with the investment objectives of the Flex Dividend and Income Growth™ Series Fund. To the extent that such investments are made, the Flex Dividend and Income Growth™ Series Fund will not pay duplicate management fees. The Flex Dividend and Income Growth™ Series Fund may also invest in or use debt-like securities and listed warrants for hedging and non-hedging purposes, provided that investing in or using them is consistent with the investment objective of the Flex Dividend and Income Growth™ Series Fund. No percentage of net assets is dedicated to such investments.

Marquest Mutual Funds Inc. – Flex Dividend and Income Growth™ Series Fund

The Flex Dividend and Income Growth™ Series Fund will be managed in accordance with the investment restrictions and practices imposed by applicable securities laws and instruments of the Canadian Securities Administrators, including NI 81-102 and NI 81-106. These restrictions and practices are designed in part to ensure that the Flex Dividend and Income Growth™ Series Fund's investments are diversified and relatively liquid, the Flex Dividend and Income Growth™ Series Fund is properly administered, and that adequate disclosure is available to the public regarding the Flex Dividend and Income Growth™ Series Fund. You may obtain a copy of the investment restrictions and practices by contacting the Manager at 1-888-964-3533 or clientservices@marquest.ca.

What are the Risks of Investing in the Flex Dividend and Income Growth™ Series Fund?

The value of the Flex Dividend and Income Growth™ Series Shares will fluctuate with economic conditions. Specifically, the Flex Dividend and Income Growth™ Series Fund's portfolio will be affected by the risks below:

- **Credit risk**
- **Fund Series Risk**
- **Income Trust Risk**
- **Interest Rate Risk**
- **Liquidity Risk**

The Flex Dividend and Income Growth™ Series Fund's portfolio will also be affected by all of the risks described under “What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?” above on page 4.

Who should Invest in the Flex Dividend and Income Growth™ Series Fund?

We believe that a financial advisor is a critical component to assist an investor in achieving financial objectives. It is our position that the investor, in consultation with a financial advisor, is accountable for determining the suitability of the Flex Dividend and Income Growth™ Series Fund as part of a portfolio. We do not provide advice to investors. However, we have provided a general description here to be reviewed with your financial advisor. The Flex Dividend and Income Growth™ Series Fund is suitable for investors seeking tax effective (or advantaged) income through exposure to the Canadian debt equity sector (including across small, medium and large cap stocks) within their portfolio. The Flex Dividend and Income Growth™ Series Fund invests in debt and equities and is acceptable for investors with medium to long term investment horizons who are comfortable with low to medium risk.

The Manager's risk classification methodology is described under “Investment Risk Classification Methodology” on page 25.

Marquest Mutual Funds Inc. – Flex Dividend and Income Growth™ Series Fund

Distribution Policy

The board of directors of the Multi Series Fund may declare dividends on the Flex Dividend and Income Growth™ Series Shares at its discretion. The directors of the Multi Series Fund may declare income dividends and, to the extent possible, sufficient capital gains dividends from time to time to offset capital gains tax that would otherwise be payable in respect of the Flex Dividend and Income Growth™ Series Shares, and the directors of the Flex Dividend and Income Growth™ Series Fund may declare capital gains dividends in excess of this amount. Dividends may be automatically reinvested in additional Mutual Fund Shares of the same Series at the Net Asset Value per share as of the payable date. Each year the Flex Dividend and Income Growth™ Series Fund will provide shareholders with income tax information necessary to complete their income tax returns. Individual shareholders should keep records of the original cost of their Flex Dividend and Income Growth™ Series Shares.

Flex Dividend and Income Growth™ Series Fund Expenses Indirectly Borne by Investors

The following information is intended to help you compare the cost of investing in the Flex Dividend and Income Growth™ Series Fund with the cost of investing in other mutual funds. To date, the Flex Dividend and Income Growth™ Series Fund has sold Flex Dividend and Income Growth™ Series Shares, A/Regular Series and Series F.

The Flex Dividend and Income Growth™ Series Fund pays its expenses (including the management fees) out of Flex Dividend and Income Growth™ Series Fund assets. This means investors in the Flex Dividend and Income Growth™ Series Fund indirectly pay these expenses through lower returns. See “Fund Expenses Indirectly Borne by Investors” on page 26 for the assumptions we are required to use in this table. See the heading “Fees and Expenses” on page 16 for further details.

Expenses Payable Over	One Year	Three Years	Five Years	Ten Years
Series A/Regular	\$40.22	\$124.72	\$217.88	\$494.73
Series F	\$28.46	\$88.25	\$154.17	\$350.06

The chart does not account for fees directly borne by you. See the heading “Fees and Expenses” on page 16 for further details.

ADDITIONAL INFORMATION

Although the mandate of the Marquest Funds now includes the sale of its securities to the general public, the Marquest Funds was initially established to enable existing flow-through limited partnerships formed or acquired by Marquest Asset Management Inc. to complete rollover transactions into the Marquest Funds. To date, 140 rollovers have occurred. The particular Marquest Fund will enter into an asset transfer agreement with a limited partnership such that the assets of the partnership are transferred to the Marquest Fund in exchange for Mutual Fund Shares. The assets of the limited partnerships consist of cash and an investment portfolio of securities of primarily resource and energy companies listed on stock exchanges in Canada. See “Specific Information About Each of the Mutual Funds Described in this Document” beginning on page 25 for more information about each of the Marquest Funds.

MARQUEST MUTUAL FUNDS INC. - Explorer Series Fund

MARQUEST MUTUAL FUNDS INC. - Flex Dividend and Income Growth™ Series Fund

Additional information about the Marquest Funds is available in the Multi Series Fund's Annual Information Form, Fund Facts, annual management report of fund performance, any interim management report of fund performance of the Multi Series Fund filed after the date of the annual management report of fund performance, and the financial statements of the Multi Series Fund. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.

You can get a copy of the Multi Series Fund's Annual Information Form, Fund Facts, annual management report of fund performance, interim management report of fund performance, audited financial statements and interim financial statements, including a statement of portfolio transactions, at your request and at no cost by calling toll-free 1-888-964-3533, or by e-mail to clientservices@marquest.ca.

These documents and other information about the Marquest Funds, such as information circulars and material contracts, are also available at www.sedar.com.

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