

**Annual Information Form dated December 17, 2021**

**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 annual information form 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.

## NAME, FORMATION AND HISTORY OF THE FUNDS

Marquest Mutual Funds Inc. was incorporated under the name “MineralFields/EnergyFields Multi Series Fund Inc.” pursuant to articles of incorporation dated September 24, 2004 (the “**Articles**”) under the laws of the Province of Ontario. The Multi Series Fund filed Articles of Amendment on January 18, 2013 changing its name to its current name of “Marquest Mutual Funds Inc.”

Effective September 24, 2004, the Multi Series Fund created a class of shares called Mutual Fund Shares (the “**Mutual Fund Shares**”) and created a series of Mutual Fund Shares called Explorer Series Shares. Effective September 18, 2006, the Multi Series Fund filed Articles of Amendment and created a series of Mutual Fund Shares called the Energy Series Shares. The Multi Series Fund filed Articles of Amendment on July 27, 2007 changing its name to “Pathway Multi Series Fund Inc.” The Multi Series Fund filed Articles of Amendment on August 21, 2007 to create additional series of Mutual Fund Shares and operated to:

- re-designate the issued and outstanding Mutual Fund Shares, Explorer Series as an equal number of Mutual Fund Shares, Explorer Series, A/Rollover Series;
- re-designate the issued and outstanding Mutual Fund Shares, Energy Series as an equal number of Mutual Fund Shares, Energy Series, A/Rollover Series; and
- create new series of Mutual Fund Shares, including the following:
  - MARQUEST MUTUAL FUNDS INC. - Explorer Series Fund - Series A/Regular
  - MARQUEST MUTUAL FUNDS INC. - Explorer Series Fund – Series F
  - MARQUEST MUTUAL FUNDS INC. - Explorer Series Fund - Series I
  - MARQUEST MUTUAL FUNDS INC. - Energy Series Fund – Series A/Regular
  - MARQUEST MUTUAL FUNDS INC. - Energy Series Fund - Series F
  - MARQUEST MUTUAL FUNDS INC. - Energy Series Fund - Series I
  - MARQUEST MUTUAL FUNDS INC. - Canadian Flex <sup>TM</sup> Series Fund - Series A/Regular
  - MARQUEST MUTUAL FUNDS INC. - Canadian Flex <sup>TM</sup> Series Fund - Series Low Load/DSC
  - MARQUEST MUTUAL FUNDS INC. - Canadian Flex <sup>TM</sup> Series Fund - Series F
  - MARQUEST MUTUAL FUNDS INC. - Canadian Flex <sup>TM</sup> Series Fund - Series I
  - MARQUEST MUTUAL FUNDS INC. – Resource Flex <sup>TM</sup> Series Fund - Series A/Regular
  - MARQUEST MUTUAL FUNDS INC. – Resource Flex <sup>TM</sup> Series Fund - Series Low Load/DSC
  - MARQUEST MUTUAL FUNDS INC. – Resource Flex <sup>TM</sup> Series Fund - Series F
  - MARQUEST MUTUAL FUNDS INC. – Resource Flex <sup>TM</sup> Series Fund - Series I

The Multi Series Fund filed Articles of Amendment on August 27, 2008 to create additional series of Mutual Fund Shares and operated to:

- create new series of Mutual Fund Shares, including the following:
  - MARQUEST MUTUAL FUNDS INC. – Flex Dividend and Income Growth <sup>TM</sup> Series Fund, Series A/Regular
  - MARQUEST MUTUAL FUNDS INC. – Flex Dividend and Income Growth <sup>TM</sup> Series Fund - Series Low Load/DSC

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

The multiple series of Mutual Fund Shares (each a “**Series**”), which are in distribution, are broken down into two funds (collectively, the “**Multi Series Fund**”) as follows: MARQUEST MUTUAL FUNDS INC. - Explorer Series Fund (the “**Explorer Series Fund**”) and MARQUEST MUTUAL FUNDS INC. - Flex Dividend and Income Growth™ Series Fund (the “**Flex Dividend and Income Growth™ Series Fund**”).

The Multi Series Fund existed as a non-public mutual fund prior to filing its first simplified prospectus and annual information form dated December 1, 2005. The Multi Series Fund was initially established to enable resource flow-through limited partnerships formed by Pathway Group, MineralFields Group and EnergyFields Group (as described below) to complete tax-deferred rollover transactions into the Multi Series Fund. The Multi Series Fund has issued Explorer Series Shares and Energy Series Shares to Pathway, MineralFields and EnergyFields limited partnerships as part of these rollover transactions, which were then transferred to the limited partners of these flow-through limited partnerships. As of the date of this Annual Information Form, 140 rollovers into the Multi Series Fund have occurred. The Multi Series Fund also offers Mutual Fund Shares in Series among the two funds. As of the date of this Annual Information Form, only the Explorer Series Fund will also continue to participate in rollover transactions with limited partnerships administered by Marquest Asset Management Inc.

### **The Manager**

Marquest Asset Management Inc. (the “**Manager**”), manager of the Multi Series Fund is a corporation incorporated under the *Business Corporations Act* (Ontario). The Manager is an asset management company that provides a range of asset management services. The Manager has been the Manager of the Multi Series Fund since September 21, 2012. Prior to that time the Manager of the Multi Series Fund since its inception was MineralFields Fund Management Inc. (the “**Former Manager**”). The Manager became the Manager of the Multi Series Fund pursuant to an agreement among the Manager, the Former Manager, Limited Market Dealer Inc. and Pathway Investment Counsel Inc. dated September 14, 2012, under which the Manager purchased all the rights and obligations enjoyed by the Former Manager, Pathway Investment Counsel Inc. and Limited Market Dealer Inc. under management contracts and other agreements relating to the limited partnerships and funds of the Pathway Group, MineralFields Group and EnergyFields Group, including the purchase of the shares of the general partner corporations for all Pathway, MineralFields and EnergyFields-branded flow-through limited partnerships that have not been dissolved and rolled over into the Multi Series Fund prior to closing, and all of the common shares of the Multi Series Fund (the “**Transaction**”). The Transaction was subject to shareholder and regulatory approval. Shareholders approved the Transaction at a special meeting held on September 21, 2012 and the Ontario Securities Commission (“**OSC**”) granted approval, as required under National Instrument 81-102 *Investment Funds* (“**NI 81-102**”), on October 9, 2012. The Manager may be considered to be the “promoter” of the Multi Series Fund for the purposes of applicable securities laws. The head office and principal place of business of the Multi Series Fund is located at the office of the Manager of the Multi Series Fund at:

**Marquest Asset Management Inc.**  
**161 Bay Street, Suite 4010**  
**PO Box 204, Toronto, Ontario**  
**M5J 2S1**

**Telephone:** 1-888-964-3533  
**E-mail:** [clientservices@marquest.ca](mailto:clientservices@marquest.ca)

## **The Portfolio Manager**

The Manager, Marquest Asset Management Inc. (“**Marquest**”), is also the portfolio manager (the “**Portfolio Manager**”) for the Multi Series Fund and flow-through limited partnerships. The principal individual portfolio manager for Marquest is Gerald L. Brockelsby.

*Gerald L. Brockelsby, CFA, Portfolio Manager*

Gerald L. Brockelsby BA, CFA is the Chief Investment Officer and Director of Marquest. Mr. Brockelsby has over 40 years’ experience in managing investment funds for corporations, pension funds and individuals. Prior to establishing Marquest in 1985, Mr. Brockelsby was the Chief Investment Officer for the Inco Pension Plan for eight years. Mr. Brockelsby has managed multiple small cap equity and fixed income mandates, including all of Marquest’s resource focused funds. Further information about the individual portfolio manager is included under the heading “Responsibility for Mutual Fund Operations – The Portfolio Manager”.

## **Investment Objectives Changes**

The Multi Series Fund has not changed its investment objectives as they relate to the Explorer Series Fund and Flex Dividend and Income Growth™ Series Fund. Investors should refer to the Multi Series Fund’s simplified prospectus for more information about each of the Multi Series Fund’s investment objectives.

## **INVESTMENT RESTRICTIONS**

The Multi Series Fund is subject to investment restrictions and practices imposed by applicable securities laws and instruments of the Canadian Securities Administrators, including NI 81-102 and National Instrument 81-106 *Investment Fund Continuous Disclosure*. These restrictions and practices are designed in part to ensure that the Multi Series Fund’s investments are diversified and relatively liquid, the Multi Series Fund is properly administered, and that adequate disclosure is available to the public regarding the Multi Series Fund. Except as otherwise set out in this Annual Information Form, the Multi Series Fund adheres to these required investment restrictions and practices.

Any variation in the investment restrictions and practices prescribed by securities legislation, including NI 81-102, would require the prior approval of the Canadian securities regulatory authorities. We may in our discretion cause the Multi Series Fund to adopt investment restrictions and practices that are in addition to the prescribed standard investment restrictions and practices.

Although the investment restrictions and practices prescribed by the Canadian securities regulatory authorities allow mutual funds to use derivative instruments, the Multi Series Fund will generally not invest in or use derivatives, except conventional convertible securities and listed warrants.

The fundamental investment objectives of each of the funds are set out in the most recent simplified prospectus of the Multi Series Fund. Any change in the investment objectives of a Multi Series Fund requires the approval of a majority of the investors in the Multi Series Fund at a meeting called for that purpose.

The Multi Series Fund became a “public corporation” (as defined in the *Income Tax Act* (Canada) (the “**Tax Act**”)) retroactive to the date of incorporation upon filing an election to become a public corporation on December 5, 2005, with the result that the Mutual Fund Shares (as defined below) became qualified investments for registered plans.

## DESCRIPTION OF SECURITIES OFFERED BY THE MULTI SERIES FUND

The Multi Series Fund is authorized to issue an unlimited number of common shares (the “**Common Shares**”) and an unlimited number of special shares designated as Mutual Fund Shares. The Mutual Fund Shares are issuable in an unlimited number of Series. At the date of this Annual Information Form, the following 5 Series of Mutual Fund Shares are available for purchase:

- MARQUEST MUTUAL FUNDS INC. - Explorer Series Fund - Series A/Rollover
- MARQUEST MUTUAL FUNDS INC. - Explorer Series Fund - Series A/Regular
- MARQUEST MUTUAL FUNDS INC. - Explorer Series Fund – Series F
- MARQUEST MUTUAL FUNDS INC. – Flex Dividend and Income Growth™ Series Fund, Series A/Regular
- MARQUEST MUTUAL FUNDS INC. – Flex Dividend and Income Growth™ Series Fund - Series F

The MARQUEST MUTUAL FUNDS INC. - Explorer Series Fund - Series A/Rollover was created so that the Multi Series Fund could accept on a rollover basis assets from flow-through limited partnerships formed by Marquest Asset Management Inc., Pathway Group, MineralFields Group and EnergyFields Group and complete tax-deferred rollover transactions. The Multi Series Fund created the Flex Dividend and Income Growth™ (Series A/Regular and Series F) Series of Mutual Fund Shares on August 27, 2008 to be offered to the public.

### Common Shares

The Common Shares will not be offered to the public at any time. At the date of this Annual Information Form, all of the issued and outstanding Common Shares, being ten Common Shares, are registered in the name of Marquest Asset Management Inc.

### Mutual Fund Shares

Subject to the provisions of the *Business Corporations Act* (Ontario) and applicable securities legislation, holders of Mutual Fund Shares are not entitled to receive notice or to attend any meeting of shareholders of the Multi Series Fund or to vote at any such meeting, but will be entitled to receive notice of and to attend any meeting regarding all matters that require shareholder approval under the Articles or NI 81-102. These matters include the following:

- (a) the basis of the calculation of a fee or expense that is charged to the Multi Series Fund or directly to its shareholders by the Multi Series Fund or its manager in connection with the holding of securities of the Multi Series Fund is changed in a way that could result in an increase in charges to the Multi Series Fund or to its shareholders;
- (b) a fee or expense, to be charged to the Multi Series Fund or directly to its shareholder by the Multi Series Fund or its manager in connection with the holding of securities of the Multi Series Fund that could result in an increase in charges to the Multi Series Fund or to its shareholders, is introduced;
- (c) the manager of the Multi Series Fund is changed, unless the new manager is an affiliate of the current manager;
- (d) the fundamental investment objectives of the Multi Series Fund are changed;
- (e) the Multi Series Fund decreases the frequency of the calculation of its Net Asset Value (as defined below) per security;

- (f) the Multi Series Fund undertakes a reorganization with, or transfers its assets to, another issuer, if
  - (i) the Multi Series Fund ceases to continue after the reorganization or transfer of assets, and
  - (ii) the transaction results in the shareholders of the Multi Series Fund becoming shareholders in the other issuer;
- (g) the Multi Series Fund undertakes a reorganization with, or acquires assets from, another issuer, if
  - (i) the Multi Series Fund continues after the reorganization or acquisition of assets,
  - (ii) the transaction results in the shareholders of the other issuer becoming shareholders in the Multi Series Fund, and
  - (iii) the transaction would be a material change to the Multi Series Fund; or
- (h) the Multi-Series Fund implements a restructuring into a non-redeemable investment fund or a restructuring into an issuer that is not an investment fund.

Dividends or other distributions in respect of Mutual Fund Shares may be paid if, as and when declared by the board of directors of the Multi Series Fund in their discretion. Upon dissolution of the Multi Series Fund, holders of the Mutual Fund Shares will receive the Net Asset Value per Series of Mutual Fund Share that they hold. The holders of Mutual Fund Shares will not have the right to any further participation in the property of the Multi Series Fund on dissolution.

Mutual Fund Shares are redeemable at the Net Asset Value (as defined below) per share applicable to the particular Series. Fractions of Mutual Fund Shares will proportionately entitle holders to the foregoing rights with the exception that fractional Mutual Fund Shares will not entitle holders to vote at shareholder meetings.

The constating documents that govern the Multi Series Fund may be changed, without investor approval, to protect your tax position, to comply with any law or regulation or to overcome problems in administering the Multi Series Fund, subject to the matters noted above and compliance with the Multi Series Fund's constating documents and the *Business Corporations Act* (Ontario).

The Mutual Fund Shares are issuable in an unlimited number of Series. The Multi Series Fund currently offers the following two funds: Explorer Series Fund and Flex Dividend and Income Growth™ Series Fund, and within each Multi Series Fund, the Mutual Fund Shares are offered in additional Series, as noted above.

## **VALUATION OF PORTFOLIO SECURITIES AND CALCULATION OF NET ASSET VALUE**

### **How is the Fund valued?**

The Multi Series Fund consists of Mutual Fund Shares in multiple Series within the two funds: Explorer Series Fund and Flex Dividend and Income Growth™ Series Fund. Similar to a quotation for an individual share price, the net asset value (“**Net Asset Value**”) per security of a Series of securities of a Multi Series Fund is a calculation that reflects the current market value of its proportionate share of the fund's assets or portfolio holdings, less any liabilities of the Multi Series Fund allocated to that series of securities, divided by the number of securities of that Series outstanding in the Multi Series Fund.

The Manager will calculate the Net Asset Value of each Series of Mutual Fund Shares of each of the two funds at the close of business on each business day that the Toronto Stock Exchange (the “**TSX**”) is open for trading. We calculate Net Asset Value at 4:00 p.m. (Toronto time) every day that the TSX is open for trading, unless the TSX closes earlier and the Net Asset Value is available, at no cost to you, on our website at



[www.marquest.ca](http://www.marquest.ca). In some circumstances, we may calculate Net Asset Value at another time. We will calculate a separate Net Asset Value for each Series within a Multi Series Fund. Each Series within a Multi Series Fund has a different Net Asset Value because there are different fees that apply to different Series within a Multi Series Fund. All of the Series of Mutual Fund Shares within a single Multi Series 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 Multi Series Fund.

The Net Asset Value per share of any Series of Mutual Fund Share will be calculated by determining the total market value of each Series' proportionate share of the Multi Series Fund's assets and subtracting the liabilities of the Multi Series Fund allocated to that Series, then dividing by the number of outstanding shares of each Series.

The Net Asset Value per share of any Series of a Multi Series Fund will be calculated as follows:

$$\text{Assets referable to the particular Series of the Multi Series Fund} - \text{Accrued fees and expenses and other liabilities of the particular Series of the Multi Series Fund} = \text{Net Asset Value of the particular Series of the Multi Series Fund}$$

$$\text{Net Asset Value of the particular Series of the Multi Series Fund} \div \text{Total number of shares of the particular Series of the Multi Series Fund outstanding} = \text{Net Asset Value per share of the particular Series of the Multi Series Fund}$$

For the purpose of issuing and redeeming Mutual Fund Shares of any Multi Series Fund, the Net Asset Value per share of the particular Series will be the Net Asset Value next calculated after the Manager receives a purchase or redemption order for the share. The Multi Series Fund will be valued in Canadian dollars. The Manager may suspend the calculation of Net Asset Value in certain circumstances, as described below under "Suspension of the Calculation of Net Asset Value per Share and the Right to Redeem Shares."

### **How are the assets of the Fund valued?**

The following rules and considerations apply to the Manager's calculation of the value of assets held by the Multi Series Fund:

- (a) Cash on hand or on deposit, Government of Canada treasury bills, and short-term paper, certificates of deposit of Canadian chartered banks, cash dividends and interest declared or accrued and not yet received are valued at the full amount or some lesser amount that the Manager considers to be the fair value.
- (b) Securities that are listed on a securities exchange or traded in an over-the-counter market will be valued at their latest sale price on that day, if traded. If there are no trades on that day, these securities will be valued at a price determined by the Manager, which will not be higher than the closing asked price and will not be lower than the closing bid price. If securities are traded on more than one securities exchange, the Manager will determine which exchange will be considered the primary market for those securities and use such exchange's trading for valuation of those securities. If there are no bid or ask quotations, the Manager will make a realistic and fair valuation taking into account the last sale.
- (c) If the resale of any security held by the Multi Series Fund is restricted or limited by law (including by statutory holding period, or by investment letter, escrow provisions or other representation, undertaking or agreement), the value of that security will be the lesser of:

- (i) the value of that security based on reported quotations in common use; and
  - (ii) the percentage of the market value of securities of the same class, the trading of which is not subject to the same restrictions or limitations, multiplied by the percentage that the Multi Series Fund's acquisition cost of the securities was of the market value of the securities at the time of acquisition. Where the date on which the restrictions will be lifted is known, the actual value of the securities may be taken into account.
- (d) If a security was:
- (i) acquired by the Multi Series Fund through the exercise of (A) a conversion or exchange right attached to a security, or (B) a right, option or warrant; and
  - (ii) the resale of the security, right, option or warrant was restricted by statutory holding period, investment letter, escrow provisions or otherwise,

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

- (e) The value of bonds and debentures will be determined by:
- (i) taking the average of the bid and ask quotations as of the valuation date; or
  - (ii) a formula that determines the value of the bond or debenture by comparing the rate of investment return on the bond or debenture with the rate of investment return prevailing at that time for similar investments,

and the selection of the quotations or formula will be at the discretion of the Manager.

- (f) The Net Asset Value per Unit is the amount obtained by dividing the Net Asset Value as of a particular Valuation Date by the total number of Units outstanding on that date.

The Net Asset Value (Transactional NAV) per Unit determined in accordance with the principles set out above may differ from Net Asset Value per Unit determined under Canadian GAAP ("GAAP NAV"). The GAAP NAV will be used for financial statement reporting purposes and a reconciliation between GAAP NAV and Transaction NAV will be included in the financial statements.

For the purpose of determining Transactional NAV, investment positions are valued based on the last traded market price, and warrants are valued intrinsically. For GAAP NAV, the Multi Series Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value, as appropriate. For financial reporting purposes, the fair value of warrants is measured using the Black-Scholes model

- (g) Securities that the Multi Series Fund has agreed to purchase or sell will be included or excluded as if the agreements were in fact fully carried into effect.
- (h) Any item quoted or computed in a currency other than Canadian dollars will be valued at the equivalent in Canadian dollars at the exchange rate in effect on the date of valuation for the sale of that currency in Canada. If there are any forward currency contracts or currency futures contracts,

these will be valued at their current market value on the valuation date. Any difference resulting from revaluation will be treated as an unrealized gain or loss on investment.

- (i) If the Multi Series Fund writes:
  - (i) a covered clearing corporation option;
  - (ii) an option on futures; or
  - (iii) an over-the-counter option,

then the premium received by the Multi Series Fund will be reflected as a deferred credit, which will be valued at an amount equal to the current market value of the option that would have the effect of closing the position. Any difference resulting from revaluation will be treated as an unrealized gain or loss on investment. The deferred credit will be deducted in calculating the Net Asset Value of the Series of Mutual Fund Share within a Multi Series Fund. Any securities that are the subject of a written clearing corporation option or over-the-counter option will be valued at their current market value.

- (j) The value of a futures contract, or a forward contract, will be the gain or loss that would be realized if the position in the futures contract or the forward contract were to be closed out on the valuation date. However, if “daily limits” are in effect, fair value will be based on the current market value of the underlying interest. Margin paid or deposited in respect of futures contracts and forward contracts will be reflected as an account receivable. Margin consisting of assets other than cash will be noted as held as margin.
- (k) The issue or redemption of Mutual Fund Shares will be reflected in the next calculation of the Net Asset Value of Series of Mutual Fund Share made following the time that the Net Asset Value per Series share was determined for the purpose of the issue or redemption.
- (l) If there are any accrued management fees or other expenses that a Multi Series Fund is required to pay but has not yet paid, they will be deducted from the value of the Multi Series Fund.

The value of any security or property or other assets to which, in the opinion of the Manager, these principles cannot be applied (whether because no price or yield equivalent quotations are available, or for any other reason) will be as determined by an independent third party selected in good faith by the Manager.

The Net Asset Value per Mutual Fund Share will be calculated in accordance with the rules and policies of the Canadian Securities Administrators or in accordance with any exemption therefrom that the Multi Series Fund may obtain. The Net Asset Value per Mutual Fund Share determined in accordance with the principles set out above may differ from Net Asset Value per Mutual Fund Share determined under Canadian generally accepted accounting principles (Canadian GAAP). For investments that are traded in an active market where quoted prices are readily and regularly available, Canadian GAAP requires bid prices (for investments held) and ask prices (for investments sold short) to be used in the fair valuation of investments, rather than the use of closing sale prices for determining Net Asset Value, as described above in paragraph (b). For investments that are not traded in an active market, Canadian GAAP requires the use of recognized valuation techniques.

### **Suspension of the Calculation of Net Asset Value per Share and the Right to Redeem Shares**

The Manager may suspend the right to redeem Mutual Fund Shares in certain circumstances. The Manager, as the manager of the Multi Series Fund, may suspend the calculation of Net Asset Value per Series share of a Multi Series Fund and the right to redeem Mutual Fund Shares of that Multi Series 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 Multi Series 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 Fund; and
- (b) subject to the approval 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 Multi Series 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 Multi Series Fund, and the Multi Series Fund will not be permitted to issue any Mutual Fund Shares in respect of that Multi Series 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 OSC 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 Multi Series 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 Multi Series 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.

## **PURCHASES AND SWITCHES**

### **Purchases**

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 Marquest. The flow-through limited partnerships then distribute the Mutual Fund Shares to the limited partners who purchased units of the limited partnerships.

Your choice of purchase option is dictated by the Series of Mutual Fund Shares that you purchase. Your choice of purchase option affects the sale charges you, or we, will pay to your dealer.

You may have to pay an initial sales charge (i.e. a selling commission), as more particularly described in the most recent simplified prospectus of the Multi Series Fund. This initial sales charge is negotiated with your broker or dealer and must be paid when you purchase Mutual Fund Shares. Your broker or dealer will generally deduct the initial sales charge or commission and forward the net amount of your order to be invested in the particular Multi Series 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 the close of business (4:00 p.m. Toronto time) 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 from your dealer, 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, quarterly from your dealer. Similar information, together with the amount of any redemption or switch charges, is confirmed for switches and redemptions.

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

- The Multi Series Fund's registrar and transfer agent must receive payment and all necessary documents for the securities 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 is required to 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.

The Explorer Series Fund will also distribute Mutual Fund Shares to flow-through limited partnerships administered by Marquest. The flow-through limited partnership then distributes the shares to the limited partners who purchased units of the limited partnership.

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:

<b>Name of Multi Series Fund</b>	<b>Name of Series of Multi Series Fund</b>	<b>Fund Code</b>	<b>Minimum Initial Purchase</b>	<b>Minimum Subsequent Purchase</b>
Explorer Series Fund	Series A/ Rollover	MAV7001	Rollover	\$25
	SeriesA/ Regular	MAV7100	\$500	\$25
	Series F	MAV7011	\$500	\$25

Name of Multi Series Fund	Name of Series of Multi Series Fund	Fund Code	Minimum Initial Purchase	Minimum Subsequent Purchase
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 category 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 or dealer 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” on page 27 for more details.

### Switches

You can switch Mutual Fund Shares from one Multi Series Fund to another or from one Series of a Multi Series Fund to another Series of the same Multi Series Fund through your broker or dealer. The switch of Mutual Fund Shares of one Multi Series Fund for Mutual Fund Shares of another Multi Series Fund will be a taxable disposition for purposes of 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. **We encourage investors to speak to their investment advisor and/or tax advisor about switching and their options.** 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 Multi Series Fund, as you instruct us.

Except as described 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 “Fees and Expenses” on page 26 below for more information.

A short term switch fee of 2% of the original cost of the shares 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 Multi Series Fund’s performance by forcing the portfolio manager to keep more cash in a Multi Series 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 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; or
- to redemptions initiated by the Multi Series Fund.

## **REDEMPTION OF SECURITIES**

### **How can you redeem Mutual Fund Shares?**

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 described 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 security calculated at that day's Net Asset Value per 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 Multi Series 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.

Your dealer 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. They will send this confirmation to you at the address you have given to them.

### **When can the Multi Series Fund redeem your securities?**

The Multi Series Fund has the right to redeem your Explorer Series Shares or Flex Dividend and Income Growth™ Series Shares, if the value of shares held by you in a single Multi Series Fund falls below \$500 due to redemption. Your shareholdings 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**

Your right to redeem Mutual Fund Shares may be suspended in certain circumstances. Please see the sub-heading "Valuation of Portfolio Securities and Calculation of Net Asset Value – Suspension of the Calculation of Net Asset Value per Share and the Right to Redeem Shares" above starting on page 11 for more information.

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

In order to deter certain trading activities that can be detrimental to a Multi Series Fund and its investors, a redemption of securities of a Multi Series Fund may also trigger the imposition of a short-term trading fee under certain specified circumstances.

A short term switch fee of 2% of the original cost of the shares 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 Multi Series Fund's performance by forcing the portfolio manager to keep more cash in a Multi Series 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 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.



## RESPONSIBILITY FOR MUTUAL FUND OPERATIONS

### Directors and Officers of the Multi Series Fund

The following individuals, whose names, municipalities of residence and principal occupations are described below, are the directors and officers of the Multi Series Fund:

Name and Municipality of Residence	Position with the Multi Series Fund	Principal Occupation During the Five Preceding Years
<b>Gerald L. Brockelsby</b> Caledon, Ontario	Chief Investment Officer and Director	Chief Investment Officer, Director and Chief Compliance Officer of Marquest
<b>Andrew A. McKay</b> Toronto, Ontario	President, Director and Ultimate Designated Person	President, Director and Ultimate Designated Person of Marquest
<b>Ellen Sun</b> Mississauga, Ontario	Chief Financial Officer, Head of Operations and Director	Chief Financial Officer and Head of Operation of Marquest, Manager, Corporate Accounting of CPP Investment Board, Controller of Starlight Investment Inc.
<b>Karen Laredo</b> Toronto, Ontario	Chief Compliance Officer	Chief Compliance Officer of Marquest, prior to joining Marquest was Chief Compliance Officer of Lorica Investment Counsel Inc.

Biographies of each of the directors and officers of the Multi Series Fund are set out below:

**Gerald L. Brockelsby**, BA, CFA, is the Chief Investment Officer and a director of Marquest. Mr. Brockelsby has over 40 years' experience in managing investment funds for corporations, pension funds and individuals. Prior to establishing Marquest in 1985, Mr. Brockelsby was the Chief Investment Officer for the Inco Pension Plan for eight years. Mr. Brockelsby has managed multiple small cap equity and fixed income mandates, including Marquest's flagship Resource Fund which has been one of the top performing funds in its sector since inception in 2003. In addition, Mr. Brockelsby has also managed flow-through LP's and the Mutual Fund since early 2009.

Mr. Brockelsby is the principal Portfolio Manager to the Marquest Advised Funds.

**Andrew A. McKay**, the President, director and Ultimate Designated Person of Marquest. Prior to Marquest, Mr. McKay was the Chief Executive Officer of Tailwind Financial Inc., a U.S.-based special purpose acquisition company. Prior to co-founding Tailwind, Mr. McKay was Chief Executive Officer of Legend Investment Partners Inc. Prior to that, Mr. McKay was the Chief Executive Officer of Fairway Capital Corp., a Canadian asset management firm. Prior to co-founding Fairway Capital, Mr. McKay was the Chief Operating Officer, a director and co-founder of Skylon Capital Corp., an investment management holding company. Prior to such time, he was a director of Altamira International Bank (Barbados) Inc., the offshore asset management subsidiary of Altamira Management Ltd. and an officer of Ivory & Sime plc, a leading UK investment management firm. Mr. McKay is a Fellow of both the Institute of Chartered Management Accountants and the Institute of Chartered Secretaries and Administrators.

**Ellen Sun** Ms. Sun has over 20 years of diversified experience in the financial services industry in North America and Asia. Currently, Ms. Sun acts as the Chief Financial Officer of Marquest Asset Management Inc. (Marquest). Prior to rejoining Marquest in 2021, Ms. Sun was, from 2019, Manager, Corporate Accounting at CPP Investment Board, Canada's largest pension fund. Previously, from 2017, Ms. Sun was Financial Controller at Starlight Investment Inc., a leading Canadian real estate manager. Prior to that, from 2013 to 2016, Ms. Sun was the Financial Controller and then Acting Chief Financial Officer at Marquest. Prior to that, Ms. Sun was Financial Controller of the Technology Infrastructure Division of Citibank N.A.

Ms. Sun holds Master of Professional Accounting from University of Texas and is a Certified Professional Accountant in Canada and a Certified Public Accountant in the U.S.

**Karen Laredo**, Chief Compliance Officer of Marquest. Mrs. Laredo is responsible for the management, implementation and supervision of Marquests compliance policies, process and framework. She has over 15 years compliance experience having worked in compliance at a variety of environments within various firms, having developed a keen understanding of compliance, risk management and operations. She graduated in 1996 from York University with a BA and has completed various industry courses. Prior to joining Marquest, Mrs. Laredo was the Chief Compliance Officer of Lorica Investment Counsel Inc. a Toronto based specialty bond manager.

### **The Manager**

Marquest Asset Management Inc. is the Manager of the Multi Series Fund and is a corporation incorporated pursuant to the *Business Corporations Act* (Ontario). The head office and principal place of business of the Multi Series Fund is located at the office of the Manager at 161 Bay Street, Suite 4010, Toronto, Ontario, M5J 2S1. The Manager is an asset management company that provides a range of asset management services. The Manager is responsible for managing the day-to-day operations of the Multi Series Fund under a management agreement described below. The Manager is registered as an “investment fund manager” under National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. The Manager may be considered to be the “promoter” of the Fund for the purposes of applicable securities laws.

### **Management Agreement**

The Multi Series Fund and the Former Manager are parties to a management agreement dated as of September 24, 2004, as amended (the “**Management Agreement**”). As part of the Transaction, the rights under the Management Agreement were transferred to the Manager. Under the Management Agreement the Manager has full power and authority to manage, supervise and administer the Multi Series Fund, including valuation services, fund accounting and securityholder records. Under the Management Agreement, the Manager’s responsibilities as manager include:

- (a) making investment decisions;
- (b) purchasing and selling investments and brokerage arrangements relating thereto;
- (c) providing administrative services and facilities to the Multi Series Fund; and
- (d) paying certain expenses of the Multi Series Fund.

The Management Agreement had an initial term of one year, subject to automatic renewal for additional one year terms, unless terminated by either party on at least 60 days prior written notice. The Management Agreement may be terminated by either party if the other party is in material default of the performance of any of its duties under the Management Agreement and such default has not been remedied, or if the other party goes into liquidation, bankruptcy or ceases to hold appropriate regulatory approvals. Additionally, under the Management Agreement and NI 81-102, the Multi Series Fund must seek shareholder approval if the Manager is changed, unless the new manager is an affiliate of the current manager.

### **Directors and Officers of the Manager**

The following individuals, whose names, municipalities of residence and principal occupations are described below, are the directors and officers of the Manager.

<b><u>Name and Municipality of Residence</u></b>	<b><u>Position with the Manager</u></b>	<b><u>Principal Occupation During the Five Preceding Years</u></b>
<b>Gerald L. Brockelsby</b> Caledon, Ontario	Chief Investment Officer and Director	Chief Investment Officer, Director and Chief Compliance Officer of Marquest
<b>Andrew McKay</b> Toronto, Ontario	President, Director and Ultimate Designated Person	President, Director and Ultimate Designated Person of Marquest
<b>Ellen Sun,</b> Mississauga, Ontario	Chief Financial Officer, Head of Operations and Director	Chief Financial Officer and Head of Operations of Marquest, Controller of Marquest, Manager, Corporate Accounting of CPP Investment Board, Controller of Starlight Investment Inc.
<b>Karen Laredo</b> Toronto, Ontario	Chief Compliance Officer	Chief Compliance Officer of Marquest, prior to joining Marquest was Chief Compliance Officer of Lorica Investment Counsel Inc.

See above for the biographies of each of the directors and officers of the Manager.

### **The Portfolio Manager**

The Manager also acts as the Portfolio Manager for the Multi Series Fund to provide advice on and manage the Multi Series Fund's investment portfolio. Marquest Asset Management Inc., as the Manager and Portfolio Manager is affiliated with the Multi Series Fund as Marquest Asset Management Inc. owns all of the common shares of the Multi Series Fund.

The Portfolio Manager is registered as an investment fund manager, portfolio manager and exempt market dealer with the OSC. The Portfolio Manager was established primarily to provide portfolio management and investment counsel services to the numerous current and future flow-through and hard dollar limited partnerships created by Marquest, as well as the Multi Series Fund.

### ***Portfolio Management***

The principal individual portfolio manager for Marquest Asset Management Inc. is Gerald L. Brockelsby. Brief biographies of the portfolio management team follow after the table below which details the registration categories for Mr. Brockelsby.

#### **Name and Municipality of Residence**

**Gerald L. Brockelsby**  
Caledon, Ontario

#### **Position with the Portfolio Manager**

Chief Investment Officer and Director

*Gerald L. Brockelsby, Portfolio Manager - See biography above*

### **Brokerage Arrangements**

Marquest is responsible for allocating brokerage business to, among other entities, persons and companies engaged in the distribution of Mutual Fund Shares.

Marquest will control the brokerage arrangements for Multi Series Fund's buying and selling of portfolio securities. The Portfolio Manager will make decisions as to the purchase and sale of portfolio securities and decisions on the execution of portfolio transactions, including selection of market, dealer or broker and the

negotiation where applicable, of commissions. Trades are generally allocated to brokers and dealers based on a number of factors, including execution capability, commission rates and responsiveness. The Portfolio Manager may, in its discretion, choose to effect portfolio transactions with dealers and brokers who provide research, statistical, commission recapture and other similar services to the Fund and the Manager.

The Manager must ensure that in selecting a registered dealer and in using commissions it achieves a fair and reasonable result for the Multi Series Fund and is acting in the best interests of the Multi Series Fund. The Manager will use a good faith determination as to whether any Multi Series Fund receives a reasonable benefit considering both the services provided and the amount of the commission payable, using best execution as the primary factor.

None of the funds constituting the Multi Series Fund or Marquest Asset Management Inc. has contractual brokerage arrangements with any person or company in relation to the purchase or sale of Mutual Fund Shares.

The name of any dealer or third party that provides research and/or goods or services through a brokerage arrangement to the Manager on behalf of the Multi Series Fund will be provided upon request by contacting us toll-free at 1-888-964-3533 or at [clientservices@marquest.ca](mailto:clientservices@marquest.ca).

### **Custodian of Portfolio Securities**

RBC Investor Services Trust (“**RBC Investor Services**”) is the custodian of the cash and securities of the Fund pursuant to a Custodian Agreement dated October 1, 1997, as amended. All securities, other than foreign securities, are held at RBC Investor Services’ principal office in Toronto. Foreign securities are held by a sub-custodian appointed in the country where the principal trading market is located. RBC Investor Services and any sub-custodian may use a domestic or foreign depositary authorized to operate a book-based system.

### **Registrar and Transfer Agent**

The Multi Series Fund’s registrar and transfer agent is Marquest Asset Management Inc. at its head office in Toronto, Ontario. The Manager is located at 161 Bay Street, Suite 4010, Toronto, Ontario, M5J 2S1.

### **Auditors**

The auditors of the Multi Series Fund are PricewaterhouseCoopers LLP of Toronto, Ontario.

### **Securities Lending Agent**

RBC Investor Services, in Toronto, Ontario, will act as the agent for the Multi Series Fund in administering the securities lending transactions of the Multi Series Fund. RBC Investor Services is not an affiliate of the Manager. See “Policies Regarding Securities Lending Transactions” on page 24 for more details.

### **Independent Review Committee**

The Multi Series Fund has established an independent review committee (the “**IRC**”) to which conflict of interest matters relating to the Multi Series Fund will be referred by the Manager for review or approval in accordance with National Instrument 81-107 *Independent Review Committee for Investment Funds* (“**NI 81-107**”). The mandate of the IRC will be to review all conflict of interest matters relating to any Multi Series Fund referred to it by the Manager and to approve or withhold its approval from such matters in accordance with its written charter, NI 81-107 and applicable securities laws.

The Manager will establish written policies and procedures for dealing with conflict of interest matters, maintain records in respect of these matters and provide assistance to the IRC in carrying out its functions.

In 2020, Jennifer Boyle was appointed as a member of the IRC, As such, the IRC has been reconstituted with the following three members: John R. Anderson (Chair), Jeremy Zuker and Jennifer Boyle.

John R. Anderson has over 30 years of financial and corporate governance experience including 14 years as a partner at Ernst & Young from 1979 to 1992. Mr. Anderson has been the chief financial officer of LPBP Inc., a company which formerly invested in health science focused partnerships since May 2004. Mr. Anderson was the Chief Financial Officer of TriNorth Capital Inc. from June 2009 to December 2009; the Chief Financial Officer of Impax Energy Services Income Trust, an income trust from June 2006 to May 2009, and the Chief Financial Officer of Tailwind Financial Inc. a special acquisition company, from April 2007 to April 2009. From 2005 to June 2006, Mr. Anderson was self-employed. Previously, he was the Chief Financial Officer of The T. Eaton Company Limited. Mr. Anderson currently serves as a director and chair of the Audit Committee of Pivot Technology Solutions Inc. (CVE: PTG) and an independent director and chair of the Audit Committee of Marret Resources Corp. (TSX: MAR). Mr. Anderson was formerly lead director and chair of the Audit Committee of NeuLion Inc. (TSX: NLN), a director of Canadian Medical Discoveries Fund and Chairman of the Board of Directors of Ridley College. Mr. Anderson holds a Bachelor of Arts degree from the University of Toronto and is a chartered accountant in Canada. In 2006, Mr. Anderson obtained the ICD.D designation by graduating from the Rotman Institute of Corporate Directors at the University of Toronto.

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

Terence Lui is a seasoned executive and corporate lawyer with over 16 years of experience, and currently provides transactional, legal and compliance services to commercial entities, start-ups and asset management companies. From May 2012 until July 2018, Mr. Lui served as the General Counsel and Chief Compliance Officer of Front Street Capital, a Canadian asset manager, which combined with Aston Hill Financial to create LOGiQ Asset Management (LOGiQ), a publicly-listed company, which then completed a plan of arrangement with Grenville Strategic Royalty Corp. and is now known as Flow Capital Corp. During his time with LOGiQ, Mr. Lui was also the Chief Executive Officer and Ultimate Designated person for Tuscarora Capital Inc., an investment dealer registered with the Investment Industry Regulatory Organization of Canada (IIROC). Prior to joining Front Street Capital, Mr. Lui was a partner in the Securities & Capital Markets Group at Borden Ladner Gervais LLP, specializing in corporate-commercial and securities law, and was also an adjunct professor at Osgoode Hall Law School. Mr. Lui holds a Juris Doctor from the University of Toronto Faculty of Law and a Bachelor of Commerce from the Rotman School of Management at the University of Toronto. Mr. Lui is also a CFA Charterholder.

The Manager will report to the IRC regularly on the operation of the Multi Series Fund and periodically on: (i) compliance with their policies and procedures for dealing with conflict of interest matters; (ii) appropriate resolution of potential or perceived conflicts of interest; (iii) the accuracy of Net Asset Value calculations; and (iv) compliance with regulatory requirements.

## CONFLICTS OF INTEREST

### Principal Holders of Securities

#### *The Fund*

As of November 30, 2021, to the knowledge of the directors & officers of the Manager, no person owns of record or beneficially, directly or indirectly, more than 10% of the shares of one series of the Multi Series Fund.

#### *Independent Review Committee*

As of November 30, 2021, the directors, senior officers, trustees and members of the IRC did not own beneficially, directly or indirectly, in the aggregate, more than 10% of the outstanding units of any class or series of the any Mutual Fund Shares. Additionally, directors, senior officers, trustees and members of the IRC do not own directly or indirectly more than 1% of any class or series of voting or equity securities in any person or company that provides services to the Multi Series Fund or the Manager.

#### *The Manager*

As of November 30, 2021, Marquest Asset Management Inc. is the registered owner of 10 Common Shares of the Multi Series Fund, being the only issued and outstanding Common Shares of the Multi Series Fund.

As of November 30, 2021, the outstanding shares of the Manager are owned as follows:

Name of Holder <sup>(1)</sup>	Number of Issued and Outstanding Shares of the Manager	Type of Ownership	Percentage of Issued and Outstanding Shares
Individual Investor A	2,422.01 common shares	Direct	40.60%
Individual Investor B	321.57 common shares	Indirect	22.15%
Individual Investor C	822.99 common shares	Direct and Indirect	13.80%

Notes:

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

The services of the Portfolio Manager and the senior officers of the Portfolio Manager are not exclusive to the Multi Series Fund. The Portfolio Manager is also the portfolio manager to the limited partnerships, certain investment funds offered by prospectus exemptions. As the clients of the Portfolio Manager (other than the Multi Series Fund) may hold securities in one or more of the same issuers, conflicts may arise from time to time in allocating investment opportunities, timing investment decisions and exercising rights in respect of and otherwise dealing with such securities and issuers. The Portfolio Manager will address such conflicts of interest with regard to the investment objectives of each of the parties involved and will act in accordance with its duty of care to each of them.

The Portfolio Manager and the Manager are both Marquest Asset Management Inc., which owns all of the issued and outstanding shares of the Multi Series Fund. All of the officers of the Portfolio Manager are also directors and officers of the Multi Series Fund.

The Manager, its directors and officers, and their affiliates may, and probably will, engage in other business ventures (the “**Conflicting Ventures**”), including, without limitation, acting as general partners, or directors or officers of general partners, of other limited partnerships or entities that invest in flow-through shares of resource companies or other tax-advantaged investment vehicles, as well as other resource-based funds.

Neither the Multi Series Fund nor any of its shareholders will have any right, title or interest in or to the Conflicting Ventures.

The Manager, may from time to time receive brokerage commission or selling concessions (which may include cash, securities and/or rights to purchase securities of Resource Companies) in connection with certain private placements made by the Multi Series Fund. Such brokerage commission or selling concessions will be paid by the Resource Companies from funds other than the funds invested in the Multi Series Fund. The disclosure of such brokerage commission or selling concessions in respect of private placements made by the Multi Series Fund is, or will be, contained in the audited financial statements of the Multi Series Fund.

Affiliates of the Multi Series Fund may, and probably will, engage in selling of securities of issuers other than the Multi Series Fund, some or all of which may be competing with the Multi Series Fund for investors as well as investment opportunities.

The Manager may also make decisions to sell investments held by a Multi Series Fund in the same companies in which Conflicting Ventures may wish to buy investments. Conversely, a Multi Series Fund may wish to buy investments in the same companies in which Conflicting Ventures already hold securities, and which securities the Conflicting Ventures wish to sell.

The services of the directors and officers of the Manager are not exclusive to the Multi Series Fund, and the directors and officers of the Multi Series Fund may, from time to time, engage in the promotion, management or investment management of other funds.

## **FUND GOVERNANCE**

The Multi Series Fund's board of directors is responsible for the fund governance of the Multi Series Fund. The board receives regular detailed reports from the Manager and meets several times throughout the year to review management and compliance matters. All of the directors and officers of the Multi Series Fund are not independent in that each of them are also directors and officers of the Manager.

The board of directors of the Multi Series Fund has appointed an Audit Committee that is responsible for conducting the financial review and inquiry of management and the auditors for establishing that the Multi Series Fund is applying appropriate systems of internal controls consistent with applicable legal and regulatory requirements. The Audit Committee is comprised of Andrew McKay and Gerald L. Brockelsby.

The Multi Series Fund has implemented policies relating to business practices, sales practices and conflicts of interest. The Manager follows National Instrument 81-105 *Mutual Fund Sales Practices* regarding sales practices and the code of conduct prescribed by The Investment Funds Institute of Canada for internal conflicts of interest and other business practices. Our principals meet regularly to review the investment policies of the Multi Series Fund regarding regulatory issues, risk management controls, and internal conflicts of interest.

### **Policies and Procedures**

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

## **Use of Derivatives**

The Multi Series Fund does not use derivatives to carry out its investment objectives and strategies.

## **Policies Regarding Securities Lending Transactions**

The Multi Series Fund is permitted to enter into securities lending transactions. The Multi Series Fund may enter into securities lending transactions only as permitted under applicable securities laws.

The custodian of the Multi Series Fund, will act as the agent for the Multi Series Fund in administering the securities lending transactions of the Multi Series Fund. The custodian is not an affiliate or associate of the Manager. The Manager will manage the risks associated with these transactions by requiring the agent to:

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

Under the provisions of the securities lending agency agreement, the agent will be required to provide the Manager with regular reports summarizing the securities lending transactions to facilitate monitoring of these transactions by the Manager. Pursuant to the securities lending agency agreement, the Manager may direct the agent to terminate the loan of securities upon giving the agent five business days' prior written notice of such termination. The securities lending agency agreement may be terminated by either the Manager or the agent by giving the other party prior written notice. Any agreements, policies and procedures that are applicable to the Fund relating to securities lending will be reviewed by senior management of the Manager. The Manager and the agent will review at least annually the policies and procedures described above to ensure that the risks associated with securities lending transactions are being properly managed.

## **Policies on Proxy Voting**

The Multi Series Fund has established policies and procedures for determining whether, and how, the Multi Series Fund should vote on any matter for which the Multi Series Fund receives, in its capacity as securityholder, proxy materials for a meeting of securityholders of an issuer. These policies prescribe that voting rights should be exercised with a view to the best interests of the Multi Series Fund and its securityholders. The Multi Series Fund and the Manager consider the "best interests" of securityholders to mean their best long-term economic interests. The policies and procedures include:

- (a) a standing policy for dealing with routine matters on which the Multi Series Fund may vote;
- (b) the circumstances under which the Multi Series Fund will deviate from the standing policy for routine matters;
- (c) the policies under which, and the procedures by which, the Multi Series Fund will determine how to vote or refrain from voting on non-routine matters; and
- (d) the procedures to ensure that portfolio securities held by the Multi Series Fund are voted in accordance with the policies and procedures.



The Portfolio Manager, and any third parties that may be consulted in determining how to vote proxies relating to securities in a Multi Series Fund's portfolio, are required to acknowledge and undertake to observe these policies and procedures. These policies and procedures are designed to be guidelines; however, each vote is ultimately cast on a case-by-case basis, taking into consideration the relevant facts and circumstances, at the time of the vote.

The Multi Series Fund's proxy voting policies and procedures set out various considerations that the Multi Series Fund or its Portfolio Manager will address when voting, or refraining from voting, proxies, including that:

- (a) the Multi Series Fund will generally vote with management on routine matters related to the operation of an issuer that are not expected to have a significant economic impact on the issuer and/or its securityholders, such as, among other things, electing and fixing the number of directors, appointing auditors and approving private placements exceeding certain stock exchange rules;
- (b) the Multi Series Fund and the Portfolio Manager will review and analyze on a case-by-case basis, non-routine proposals and issues that may be potentially contentious, or that are more likely to affect the structure and operation of the applicable issuer or have an impact on the value of the investment;
- (c) as part of the Multi Series Fund's obligations to its securityholders and in support of strong corporate governance, the Multi Series Fund exercises voting rights in the best interests of securityholders. However, in certain cases, proxy votes may not be cast when the Multi Series Fund determines that it is not in the best interests of its securityholders to vote such proxies; and
- (d) any material conflicts that may arise will be resolved in the best interests of the securityholders of the Multi Series Fund and potential procedures to deal with any conflict will be identified.

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

A conflict of interest may exist where the Multi Series Fund, the Manager or the Portfolio Manager, maintains a relationship (that is or may be perceived as significant) with the issuer soliciting the proxy and the Multi Series Fund or Portfolio Manager has a material (real or perceived) interest in the outcome of the proxy vote. In the unlikely event that a matter on which the Multi Series Fund may vote presents a conflict between the interests of holders of Mutual Fund Shares and those of the Manager, Portfolio Manager, or any affiliate or associate of the Multi Series Fund, its Manager or its Portfolio Manager, the policies and procedures require that the matter be referred to an appropriate independent third party, which may be the IRC, legal counsel or auditor of the Multi Series Fund. The Multi Series Fund will be required to vote in a manner consistent with the recommendation of the independent third party, or refrain from voting on such matter. The Multi Series Fund confirms that the Portfolio Manager maintains a code of ethics that identifies the conflicts of interest described above, and requires, at all times, the best interests of the Multi Series Fund to be placed ahead of the conflicting interest. The Portfolio Manager will bring any such conflict of interest

to the Manager and the matter may be referred to an independent third party or to an independent proxy voting and research service for its recommendations.

A copy of the Multi Series Fund's policies and procedures on proxy voting is available on request and at no cost by contacting the Multi Series Fund, directly toll-free at 1-888-964-3533 or at [clientservices@marquest.ca](mailto:clientservices@marquest.ca), or by writing to 161 Bay Street, Suite 4010, Toronto, Ontario M5J 2S1. The Multi Series Fund's proxy voting record for the most recent period ended June 30 will be available on our website at [www.marquest.ca](http://www.marquest.ca) and will be available at no cost to any shareholder of a Multi Series Fund upon request at any time after August 31 of that year.

### **Policies Related to Short-Term Trading**

In general, the funds are long-term investments. Some investors may seek to trade or switch frequently to try to take advantage of the difference between a Multi Series Fund's Net Asset Value and the value of the Multi Series Fund's portfolio holdings. This activity is sometimes referred to as market timing. Frequent trading or switching in order to time the market can hurt a Multi Series Fund's performance, affecting all investors in the Multi Series Fund by forcing the Multi Series Fund to keep cash or sell investments to meet redemptions. The Manager has adopted policies and procedures that include a policy for dealing with excessive short-term trading. The Manager's policies and procedures are designed to detect and deter market timing activity, including monitoring trading activity in client accounts and, through this monitoring, imposing short term trading fees. See the sub-heading "Redemption of Securities - Short-Term Trading Fees".

### **Independent Review Committee**

The mandate of the IRC will be to review all conflict of interest matters relating to any Multi Series Fund referred to it by the Manager and to approve or withhold its approval from such matters in accordance with its written charter, NI 81-107 and applicable securities laws. The IRC is responsible for conducting regular assessments of the Manager and the Multi Series Fund and providing the Manager and shareholders a report at least annually.

## **FEES AND EXPENSES**

The Multi Series Fund pays the management fees associated with each Series of Mutual Fund Shares, as more particularly described in the most recent simplified prospectus of the Multi Series Fund.

The Multi Series Fund intends to pay the Manager a management fee of 2.0% per annum of net assets of the Multi Series Fund related to the Series A/Regular and Series A/Rollover in the Explorer Series Fund, as well as the Series A/Regular in the Flex Dividend and Income Growth™ Series Fund; 1.0% per annum of net assets of the Multi Series Fund related to the Series F in each of the Explorer Series Fund and Flex Dividend and Income Growth™ Series Fund. The Multi Series Fund is also required to pay HST on the fees paid to the Manager. The Manager, as manager of the Multi Series Fund, may in certain circumstances reduce management fees.

There are no performance fees or incentive fees in the case of the Explorer Series Fund.

In the case of the Flex Dividend and Income Growth™ Series Fund, in addition to the basic management fees, the Multi Series Fund will pay to the Manager in respect of each calendar quarter of the Multi Series Fund a performance incentive fee (a "**Performance Fee**") if the percentage gain in the Net Asset Value of each Series of the Multi Series 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 Multi Series Fund over the same period. Performance Fees are paid on a per Series basis for this Multi Series Fund.

The **Benchmark for the Flex Dividend and Income Growth™ Series Fund** is a blended average consisting of the following:

<b>Benchmark Component Index Reference</b>	<b>Percentage Weighting Within Benchmark</b>
60 Day Canadian Treasury Bill rate	5%
BMO Nesbitt Burns Preferred Share Index	10%
S&P TSX Utilities Index	10%
S&P TSX Canadian Income Trust Index	15%
S&P TSX Capped Financials Index	20%
S&P TSX 60 Index	40%

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 Multi Series 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.

The Manager will not be paid the Performance Fee unless:

1. the Benchmark is positive in the Performance Measurement Period;
2. the cumulative return of the Series of the Flex Dividend & Income Growth™ Series 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 Multi Series 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**”).

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 the Multi Series Fund in calculating the Series Net Asset Value.

## **INCOME TAX CONSIDERATIONS**

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 or is deemed to be 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, all within the meaning of the Tax Act.

**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 Annual Information Form and the published administrative practices and assessing policies of the 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 funds and Series of funds, and those attributable only to a particular Multi Series 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 Multi Series 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 Multi Series Fund or Series may be applied against income attributable to any Multi Series 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 Multi Series Fund converting their Shares of that Multi Series Fund into Shares of another Multi Series Fund) will be borne by one or more 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 to be received, by the Multi Series Fund from taxable Canadian corporations. This refundable tax is refunded when the Multi Series Fund pays taxable dividends to its shareholders.

An investor who purchases shares may be taxed on 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 Multi Series Fund’s portfolio.

## Taxation of Shareholders

### *Switches*

A switch of Shares of one Multi Series Fund to Shares of another Multi Series 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. **We encourage investors to speak to their investment advisor and/or tax advisor about switching and their options.**

### *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 such dividends. An enhanced gross-up and dividend tax credit is available for certain "eligible dividends" paid by the Multi Series Fund. There may be limitations on the Multi Series Fund's ability to designate dividends as "eligible dividends". 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 Mutual Fund Share, 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 (a "**taxable capital gain**") will be included in the holder's income and one-half of any capital loss must be deducted against taxable capital gains realized in a particular taxation year, 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.

### *Adjusted Cost Base*

The adjusted cost base ("ACB") of your shares of a Fund is an important concept for income tax considerations. This term will be used throughout the summary and in most situations, can be calculated according to the following formula:

### Calculation of ACB

	The amount of your initial investment
+	additional investments
+	reinvested dividends
+	the ACB of any shares of another Fund that were previously converted into the shares of the Fund on a tax deferred basis
-	the ACB of any previous redemptions
-	the ACB of any shares of the Fund converted to another Fund
<hr/>	
=	aggregate ACB of your shares

The ACB to you of a share of a series of shares of a Fund will generally be determined by reference to the average ACB of all shares of the series held by you at the time of disposition.

If you acquire shares of a Fund from a limited partnership on a tax-deferred basis, or as a consequence of a tax-deferred roll-over of assets to the Corporation, the ACB of those shares will be determined under specific provisions of the Tax Act. Generally, the ACB of those shares will be lower than their fair market value as a result of tax credits previously received when you were a partner in the applicable limited partnership. You should consult your tax advisor in that regard.

### ***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 realized and dividends received by a holder in respect of the Shares may increase the amount of tax payable under the alternative minimum tax provisions.

### ***Tax Information Reporting***

The Funds have due diligence and reporting obligations under the Foreign Account Tax Compliance Act (as implemented in Canada by the Canada-United States Enhanced Tax Information Exchange Agreement and Part XVIII of the Tax Act, collectively referred to as “FATCA”) and the OECD’s Common Reporting Standard (as implemented in Canada by Part XIX of the Tax Act, “CRS”). Generally, shareholders (or in the case of certain shareholders that are entities, the “controlling persons” thereof) will be required by law to provide their advisor or dealer with information related to their citizenship or tax residence and, if applicable, their foreign tax identification number. If a shareholder (or, if applicable, any of its controlling persons), (i) is identified as a U.S. Person (including a U.S. resident or a U.S. citizen); (ii) is identified as a tax resident of a country other than Canada or the U.S.; or (iii) does not provide the required information and indicia of U.S. or non-Canadian status is present, information about the shareholder (or, if applicable, its controlling persons) and their investment in the Fund will generally be reported to the Canada Revenue Agency (“CRA”) unless the shares of the Funds are held within a registered plan. The CRA will provide that information to, in the case of FATCA, the U.S. Internal Revenue Service and in the case of CRS, the relevant tax authority of any country that is a signatory of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information or that has otherwise agreed to a bilateral information exchange with Canada under CRS.

## **ELIGIBILITY FOR REGISTERED PLANS AND OTHER INVESTMENT ENTITIES**

The Mutual Fund Shares are “qualified investments” under the Tax Act for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts (collectively, “**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.

## **REMUNERATION OF DIRECTORS AND OFFICERS**

Since the inception of the Multi Series Fund, no remuneration was paid or is payable by the Multi Series Fund to any officers or directors of the Multi Series Fund. The Multi Series Fund currently has no employees. The Multi Series Fund’s directors and officers are the same as Marquest Asset Management Inc. and accordingly are remunerated by the Manager or other entities of Marquest Asset Management Inc.

Members of the IRC are compensated by the Multi Series Fund. For the year ended December 31, 2020, the fees payable to the IRC in respect of the Multi Series Fund were \$30,500 (plus applicable taxes) in total (being \$13,000 to the Chair of the IRC and \$17,500 to the remaining IRC members). These costs were in the form of retainers, meeting costs and, in certain cases, travel expenses.

## **MATERIAL CONTRACTS**

The material contracts of the Multi Series Fund include:

1. the Articles of Incorporation, dated September 24, 2004, as amended by Articles of Amendment dated August 27, 2008, August 21, 2007, September 18, 2006, August 27, 2008 and January 18, 2013;
2. the Management Agreement between the Former Manager and the Multi Series Fund dated effective September 24, 2004, as amended September 14, 2007 and November 14, 2008, disclosed under the heading “Responsibility for Mutual Fund Operations – The Manager”;
3. the Custodian Agreement among the Manager and the Custodian dated October 1, 1997, as amended by Amending Agreement dated December 19, 2014 and September 28, 2018, disclosed under the heading “Responsibility for Mutual Fund Operations – Custodian of Portfolio Securities”.

These material contracts may be inspected by shareholders and prospective shareholders of the Multi Series Fund by contacting the Manager at 1-888-964-3533 and are available for inspection at the Toronto office of the Manager during normal business hours.

## **LEGAL AND ADMINISTRATIVE PROCEEDINGS**

Other than as set forth above, there are no legal or administrative proceedings material to the Multi Series Fund, nor are there any such proceedings known to be contemplated, as of the date of this Annual Information Form.

**CERTIFICATE OF THE FUND, MANAGER AND THE PROMOTER**

**MARQUEST MUTUAL FUNDS INC.**

Date: December 17, 2021

This annual information form together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, Prince Edward Island, New Brunswick, Newfoundland and Labrador, Northwest Territories, Yukon and Nunavut, and do not contain any misrepresentations.

ON BEHALF OF:

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

“Andrew A. McKay” (Signed)

Andrew A. McKay  
President, in the capacity of Chief Executive  
Officer

“Ellen Sun” (Signed)

Ellen Sun  
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS OF:

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

“Gerald L. Brockelsby” (Signed)

Gerald L. Brockelsby  
Director

“Ellen Sun” (Signed)

Ellen Sun  
Director

“Andrew A. McKay” (Signed)

Andrew A. McKay  
Director

ON BEHALF OF THE MANAGER AND THE PROMOTER:  
MARQUEST ASSET MANAGEMENT INC.

“Andrew A. McKay” (Signed)

Andrew A. McKay  
President, Acting in the capacity of Chief  
Executive Officer

“Ellen Sun” (Signed)

Ellen Sun  
Chief Financial Officer



ON BEHALF OF THE BOARD OF DIRECTORS OF THE MANAGER AND PROMOTER:  
MARQUEST ASSET MANAGEMENT INC.

"Gerald L. Brockelsby" (Signed)

Gerald L. Brockelsby  
Director

"Ellen Sun" (Signed)

Ellen Sun  
Director

"Andrew A. McKay" (Signed)

Andrew A. McKay  
Director

**MARQUEST MUTUAL FUNDS INC. - Explorer Series Fund**

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

Additional information about the Multi Series Fund is available in the Multi Series Fund's management reports of fund performance, Fund Facts and financial statements.

You can get a copy of these documents, including a statement of portfolio transactions, at your request and at no cost by contacting us toll-free at 1-888-964-3533, or by e-mail to [clientservices@marquest.ca](mailto:clientservices@marquest.ca).

These documents and other information about the Multi Series Fund, such as information circulars and material contracts, are also available at [www.sedar.com](http://www.sedar.com) and at [www.marquest.ca](http://www.marquest.ca).

**Marquest Asset Management Inc.  
161 Bay Street, Suite 4010  
Toronto, Ontario  
M5J 2S1**

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[www.marquest.ca](http://www.marquest.ca)**