

**Pro Forma Simplified Prospectus dated December 21, 2023**

**RESPECTING  
MUTUAL FUND SHARES OF**

**MARQUEST MUTUAL FUNDS INC. - Explorer Series Fund**  
(Series A/Rollover, 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 fund and the securities of the fund offered under this simplified prospectus are not registered with the United States Securities and Exchange Commission and such securities are sold in the United States only in reliance on exemptions from registration.**



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# MARQUEST MUTUAL FUNDS INC.

## PART A- INTRODUCTION

Marquest Mutual Funds Inc. is a corporate fund organized into a number of funds. In this simplified prospectus (“**Simplified Prospectus**”), “**Multi Series Fund**” or the “**Explorer Series Fund**” means the MARQUEST MUTUAL FUNDS INC. - Explorer Series Fund.

- This document contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor.
- This document contains information about the Multi Series Fund and the risks of investing in mutual funds generally, as well as the names of the firms responsible for the management of the Multi Series Fund.
- This document is divided into two parts. The first part (from pages 3 to 30) contains general information applicable to the Multi Series Fund. The second part (from pages 31 to 46) contains specific information about the fund constituting the Multi Series Fund described in this document.
- Additional information about the Multi Series Fund is available in the following documents:
  - the most recently filed Fund Facts;
  - the most recently filed annual financial statements;
  - any interim financial statements filed after those annual financial statements;
  - the most recently filed annual management report of fund performance; and
  - any interim management report of fund performance filed after that annual management report of fund performance.

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

- These documents are available on the Multi Series Fund’s designated website at [www.marquest.ca](http://www.marquest.ca), or by contacting the Multi Series Fund at [clientservices@marquest.ca](mailto:clientservices@marquest.ca).
- These documents and other information about the Multi Series Fund are also available on the Internet at [www.sedarplus.ca](http://www.sedarplus.ca).

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

## RESPONSIBILITY FOR FUND ADMINISTRATION

### The Manager

Marquest Asset Management Inc. (the “**Manager**”), manager of the Multi Series Fund, is a corporation incorporated under the *Business Corporations Act* (Ontario). Please refer to page 33 of this Simplified Prospectus for further information on the name, formation and history of the Manager.

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, the 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.

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

***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>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, Chief Compliance Officer and Director	Chief Financial Officer, Chief Compliance Officer and Head of Operations of Marquest, Manager, Corporate Accounting of CPP Investment Board, Controller of Starlight Investment Inc.

<b>Jeffrey Wareham</b> Rodney, Ontario	Director	Director and Shareholder of Catch Capital Partners Inc., Financial Strategy Advisor of Signature Resources Ltd.
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Biographies of each of the directors and officers of the Manager are set out below:

**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**, has over 26 years of diversified experience in the financial services industry in North America and Asia. Currently, Ms. Sun acts as the Chief Financial Officer and Chief Compliance 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 Chartered Professional Accountant in Canada and a Certified Public Accountant in the U.S.

**Jeffrey Wareham**, is a director of Marquest Mutual Fund Inc. Mr. Wareham is a graduate of the university of Western Ontario, with a degree in Economics and English. He has served in various sales and management positions in insurance and financial services. Mr. Wareham is the Director and Shareholder of Catch Capital Partners Inc. From 2018 to 2020, Mr. Wareham was Financial Strategy Advisor of Signature Resources Ltd.

### **Management Agreement**

The Multi Series Fund and a former manager were parties to a management agreement dated as of September 24, 2004, as amended (the “**Management Agreement**”). As part of a sale 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.

## **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 in the provinces of Ontario, Quebec, Alberta, British Columbia, Saskatchewan, New Brunswick and Newfoundland and Labrador. 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.

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 common shares of the Multi Series Fund. All of the officers of the Portfolio Manager are also directors and officers of the Multi Series Fund.

## ***Portfolio Management***

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

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

**Glenn Drodge**  
Toronto, Ontario

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

Senior Portfolio Manager

**Glenn Drodge**, Portfolio Manager – Advising Representative and Dealing Representative – Mr. Drodge joined the investment industry in 2003 and is now a key member of Marquest's asset management team. As a Senior Portfolio Manager, Mr. Drodge oversees both the firm's flow-through investments, the Explorer Series Fund, and other firm-wide mandates, where the objective is to seek long-term capital growth by investing in a diversified portfolio of equity securities of attractive Canadian mineral exploration and mining companies. Prior to joining Marquest in January of 2022, Mr. Drodge spent nearly five years at CI Global Asset Management where he was a registered portfolio manager covering retail, healthcare, infrastructure, energy, and metals & mining sectors in the investment grade bond space. Before that, Mr. Drodge spent 8 years at AGF Management Ltd. where he was the leader of the credit team, managing global high yield and investment grade bonds for the company's fixed income portfolios. During his tenure at AGF, Mr. Drodge's sector focus was mainly on energy and metals and mining credits. Mr. Drodge holds a B.Sc. degree (Chemistry/Mathematics) from Memorial University of Newfoundland, an MBA (Investment Finance) from York University, and is a CFA Charterholder.

## 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 the 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.

Neither the Multi Series Fund nor Marquest Asset Management Inc. has contractual brokerage arrangements with any person or company in relation to the purchase or sale of the shares of the Multi Series Fund.

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).

### *Directors and Executive 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:

<b>Name and Municipality of Residence</b>	<b>Position with the Multi Series Fund</b>	<b>Principal Occupation During the Five Preceding Years</b>
<b>Andrew A. McKay</b> Toronto, Ontario	President and Director	President, Director and Ultimate Designated Person of Marquest
<b>Ellen Sun</b> Mississauga, Ontario	Chief Financial Officer, Chief Compliance Officer and Director	Chief Financial Officer, Chief Compliance Officer and Head of Operation of Marquest, Manager, Corporate Accounting of CPP Investment Board, Controller of Starlight Investment Inc.
<b>Jeffrey Wareham</b> Rodney, Ontario	Director	Director and Shareholder of Catch Capital Partners Inc., Financial Strategy Advisor of Signature Resources Ltd.

See above for the biographies of each of the directors and officers of the Multi Series Fund.

## Custodian

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 27, 2020, 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 depository authorized to operate a book-based system.

## Auditors

The auditor of the Multi Series Fund is RSM Canada LLP (the “**Successor Auditor**”) of Toronto, Ontario. The Successor Auditor has been appointed as the auditor of the Fund effective January 12, 2024 in respect of the financial year ending December 31, 2023.

The former auditor of the Multi Series Fund was PricewaterhouseCoopers LLP (the “**Former Auditors**”) of Toronto, Ontario. The Former Auditors resigned at its own initiative effective September 8, 2023 in respect of the financial year commencing January 1, 2023 and ending December 31, 2023. The Former auditor will be providing consent to the use of the latest audit report incorporated by reference to this Simplified Prospectus of which the Former Auditor opined on.

Please refer to the notices of change of auditor filed on SEDAR+ on September 22, 2023 and November 16, 2023 for further information on the change of auditors.

## 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.

## 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 10 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 has established written policies and procedures as required under NI 81-107 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. The IRC is composed of the following three members: John R. Anderson (Chair), Jeremy Zuker and Terence Liu.

**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, which was acquired by Spacer Technologies in 2022 where he is now CEO for North America. Jeremy 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 financial services executive and corporate lawyer with over 17 years of experience, and currently provides transactional, legal and compliance services to commercial entities, start-ups and asset management companies. Currently, Mr. Lui serves as the Chief Legal Officer and Chief Compliance Officer of Newton Crypto Ltd., a Canadian crypto asset trading platform. From May 2012 until July 2018, Mr. Lui served as the General Counsel and Chief Compliance Officer of Front Street Capital (FSC), a Canadian asset manager, which combined with Aston Hill Financial to create LOGiQ Asset Management (LOGiQ), a publicly-listed company, which completed a plan of arrangement with Grenville Strategic Royalty Corp. and is now known as Flow Capital Corp. Prior to joining the Front Street group, 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.

The independent review committee prepares, at least annually, a report of its activities for securityholders and makes such reports available on the Multi Series Fund's designated website at [www.marquest.ca](http://www.marquest.ca), or at the securityholder's request and at no cost, by contacting the Multi Series Fund at [clientservices@marquest.ca](mailto:clientservices@marquest.ca).

## **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 Ellen Sun.

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 the Multi Series Fund upon request at any time after August 31 of that year.

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

In general, shares of the fund are long-term investments. Some investors may seek to trade or switch frequently to try to take advantage of the difference between the 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 the 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".

### **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, 2022, the fees payable to the IRC in respect of the Multi Series Fund were \$33,000 (plus applicable taxes) in total (being \$13,000 to the Chair of the IRC and \$20,000 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 April 30, 2006, March 28, 2007, August 22, 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 – Manager";
3. the Custodian Agreement among the Manager and the Custodian dated October 1, 1997, as amended by Amending Agreement dated December 19, 2014, September 28, 2018 and October 27, 2020, disclosed under the heading "Responsibility for Mutual Fund Operations – Custodian".

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 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 Simplified Prospectus.

## Designated Website

The Multi Series Fund is required to post certain regulatory disclosure documents on a designated website. The designated website of the Multi Series Fund to which this document pertains can be found on the Multi Series Fund's website at [www.marquest.ca](http://www.marquest.ca).

## 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. Similar to a quotation for an individual share price, the net asset value (“**Net Asset Value**”) per security of a Series of securities of the 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 the fund 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 the Multi Series Fund. Each Series within the Multi Series Fund has a different Net Asset Value because there are different fees that apply to different Series within the Multi Series Fund. All of the Series of Mutual Fund Shares within the 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 Multi Series Fund.

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

<b>Assets referable to the particular Series of the Multi Series Fund</b>	<b>-</b>	<b>Accrued fees and expenses and other liabilities of the particular Series of the Multi Series Fund</b>	<b>=</b>	<b>Net Asset Value of the particular Series of the Multi Series Fund</b>
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<b>Net Asset Value of the particular Series of the Multi Series Fund</b>	<b>÷</b>	<b>Total number of shares of the particular Series of the Multi Series Fund outstanding</b>	<b>=</b>	<b>Net Asset Value per share of the particular Series of the Multi Series Fund</b>
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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 Multi Series 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 Mutual Fund Share is the amount obtained by dividing the Net Asset Value as of a particular valuation date by the total number of Mutual Fund Shares outstanding on that date.
- (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. 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.

For the purpose of determining Transactional NAV, warrants are valued intrinsically. For financial statements purposes (IFRS NAV), the fair value of warrants is measured using the Black-Scholes model.

The IFRS NAV will be used for financial statement reporting purposes and a reconciliation between IFRS NAV and Transactional NAV will be included in the financial statements.

## ***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 the Multi Series Fund and the right to redeem Mutual Fund Shares of the 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 the 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 Multi Series Fund, and the Multi Series Fund will not be permitted to issue any Mutual Fund Shares. 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 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 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 REDEMPTIONS**

### **Purchases**

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

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

The Explorer Series Fund will also continue to participate in rollover transactions with limited partnerships administered by the Manager and offer Mutual Fund Shares to limited partners who have purchased units of these flow-through limited partnerships.

#### ***How do we calculate share prices?***

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

We calculate a separate Net Asset Value for each Series of the Multi Series Fund, by taking the value of the assets in the relevant Series, subtracting the total of the liabilities allocated to the relevant Series, and dividing the balance by the number of shares held by investors in that Series. You will find more information about the calculation of Net Asset Value starting on page 13 of this Simplified Prospectus.



The Manager will calculate the Net Asset Value of each Series of Mutual Fund Shares at the end of each business day that the Toronto Stock Exchange (the “TSX”) is open for trading. We do this at 4:00 p.m. (Toronto time), unless the TSX closes earlier. In exceptional circumstances, we may have to suspend calculation of the share price for one or more funds. This may occur when trading is suspended on markets where more than 50 percent of the assets of the Multi Series Fund are listed or traded or when we receive permission from appropriate securities regulators. We will calculate a separate Net Asset Value for each Series within the Multi Series Fund. Each Series within the Multi Series Fund has a different Net Asset Value because there are different fees that apply to different Series. All of the Series of Mutual Fund Shares are referable to the same portfolio of assets, even though different fees may apply to different Series of Mutual Fund Shares.

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

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

The Multi Series Fund will also distribute Mutual Fund Shares to flow-through limited partnerships administered by the Manager. The flow-through limited partnership then distributes the Mutual Fund Shares to the limited partners who purchased units of the limited partnerships. If you purchase Mutual Fund Shares from your broker or dealer, you negotiate the sales commission you pay directly with your broker or dealer. Your broker or dealer will generally deduct the sales commission and forward the net amount of your order to be invested in the 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 4:00 p.m. (Toronto time) on a business day or on a day that is not a business day, the broker or dealer may send the order to the Toronto office of the Multi Series Fund’s registrar and transfer agent on the next business day. Whenever practicable, the dealer must send the order by courier or wire order to ensure that the Toronto office of the Multi Series Fund’s registrar and transfer agent receives it as quickly as possible. The broker or dealer must pay for the cost of sending the order. As a security measure, a purchase order placed by wire order directly by you will not be accepted.

If we receive your purchase order before 4:00 p.m. (Toronto time) on a business day, you will pay that day’s Net Asset Value per Series of Mutual Fund Shares. 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 Shares on the next business day. If the Manager calculates the Net Asset Value at a time other than as at the close of business of the TSX, the price you pay will be determined relative to that time. All orders are processed within two business days.

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

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

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

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

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

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

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

<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
	Series A/ Regular	MAV7100	\$500	\$25
	Series F	MAV7011	\$500	\$25

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 for Investors" on page 24 for more details.

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

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

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

The Manager may take such additional action as it considers appropriate to prevent further similar activity by the investor. These actions may include the delivery of a warning to the investor, placing the investor/account on a watch list to monitor his or her trading activity and the subsequent refusal of further trades by the investor if the investor continues to attempt such trading activity and/or closure of the investor's account.

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

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

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

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

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

## **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 (defined in this Simplified Prospectus), the redemption amount will be paid to the trustee of the plan, because the necessary tax forms must be prepared.

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

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

### ***What fees are payable by an investor for a redemption?***

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

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

The amount of the redemption fee depends primarily on the sales charge option that was selected, the amount of your original investment and the length of time you own the Mutual Fund Shares. See "Fees and Expenses" on page 21 for more information about these fees.

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

The Multi Series Fund has the right to redeem your MARQUEST MUTUAL FUNDS INC. - Explorer Series Fund Shares (the "**Explorer Series Shares**") if the value of shares held by you in the Explorer Series Fund falls below \$500 due to redemption. The Manager may then redeem your Explorer 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 16 for more information.

Under extraordinary circumstances, the rights of investors to redeem Mutual Fund Shares may be suspended by the Multi Series Fund. The Manager, as the manager of the Multi Series Fund, may suspend the calculation of Net Asset Value per Series share and the right to redeem Mutual Fund Shares 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 Multi Series Fund; and

- (b) subject to the consent of the Canadian securities regulatory authorities, for any period during which the Manager determines that it is not reasonably practicable to sell the assets in a 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, and the Multi Series Fund will not be permitted to issue any Mutual Fund Shares. The calculation of the Net Asset Value per Series share will resume when trading resumes on the exchange referred to in (a) or when the Ontario Securities Commission or other Canadian securities regulatory authority declares the suspension in (b) ended.

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

## OPTIONAL SERVICES

We offer the following services:

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

**Pre-Authorized Payment Plan** – Under a pre-authorized payment plan, you can make automatic investments in the Multi Series Fund in pre-determined amounts (not less than \$100 monthly) made on a periodic basis. You may suspend or terminate such a plan on ten days' written notice. The minimum initial subscription amount is the same as described above under the sub-heading "Purchases and Redemptions – How can you buy Mutual Fund Shares?" on page 17.

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

## FEES AND EXPENSES

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

<b>Fees and Expenses Payable by the Multi Series Fund</b>		
<b>Management Fees</b>	<p>We charge the Multi Series Fund a management fee based on the net asset value of the Multi 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.</p> <p>The Manager manages the activities and operations of the Multi Series Fund and provides or arranges for the provision of investment management and administrative services to the Multi Series Fund.</p> <p>Specifically, on behalf of the Multi Series Fund, the Manager has the authority and responsibility to: determine the investment objectives and strategies of the Multi Series Fund; arrange, appoint and supervise service providers; determine subscription and redemption procedures; enter into contracts; ensure compliance with applicable law, including ensuring the proper and timely filing of continuous disclosure documents; and provide any other services necessary to ensure the continued functioning of the Multi Series Fund.</p>	
<b>Fund</b>	<b>Series</b>	<b>Management Fee</b>
<i>Explorer Series Shares</i>	Series A/Regular and Series A/Rollover	2.0%
	Series F	1.0%
<b>Performance/Incentive Fees</b>	There are no performance fees or incentive fees.	
<b>Operating Expenses</b>	<p>The Multi Series Fund pays all operating expenses, including HST. An expense item that can be specifically attributed to a Series will be borne only by that Series. Common expenses of the Multi Series Fund will be allocated among each Series.</p> <p>The main operating expenses include, but are not limited to, legal fees, audit fees, custodial fees, banking and other administrative fees, regulatory filing fees, fees and expenses payable in connection with the IRC, record keeping and shareholder communication expenses, brokerage fees, commission and other portfolio transaction expenses, and taxes payable by the Multi Series Fund.</p> <p>The fees payable to the IRC are currently set at \$33,000 (plus applicable taxes) per annum for the IRC members in total (being \$13,000 to the Chair of the IRC and \$10,000 to each of the other two IRC members). In addition to paying their proportionate share of IRC fees, the fund pays its proportionate share of expenses incurred by the IRC including insurance premiums for coverage required by the IRC, travel costs of IRC members in attending meetings of the IRC, and costs of outside advisers retained by the IRC (if any). These fees and expenses are allocated among the fund and the other investment funds managed by us in a manner that we consider to be fair and reasonable to all of the funds.</p>	
<b>Fees and Expenses Payable Directly by You</b>		
<b>Initial Sales Charges</b>	If you purchase Mutual Fund Shares through your broker or dealer, you will pay the initial sales commission that you negotiate with your broker	

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

## Impact of Sales Charges

The following table shows the impact of sales charges you would pay under the different purchase options available to you if you made an investment of \$1,000 in the Multi Series Fund, and if you held that investment for one, three, five or ten years and redeemed your investment immediately before the end of that period. This table assumes that you pay the maximum sales commission. See “Fees and Expenses” on page 21 for more information.

	<b>Fee at time of purchase</b>	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
<b>Initial Sales Charge <sup>(1)</sup> (Series A/Regular)</b>	\$50.00	N/A	N/A	N/A	N/A
<b>Initial Sales Charge <sup>(2)</sup> (Series A/Rollover)</b>	Nil	N/A	N/A	N/A	N/A
<b>Initial Sales Charge <sup>(3)</sup> (Series F)</b>	\$20.00	N/A	N/A	N/A	N/A

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

## DEALER COMPENSATION

### How are dealers paid for selling securities of the Fund?

Your broker or dealer may receive a sales commission negotiated and paid by you at the time you purchase Mutual Fund Shares. If you choose the initial sales charge, the range of sales commissions is generally from 0% to 5%

of the purchase price in the case of Mutual Fund Shares designated as Series A/Regular and from 0% to 2% of the purchase price in the case of shares designated as Series F, payable at the time of purchase.

The Manager may pay to advisors, dealers and brokers a share of its management fee, called a “trailing” commission, based on the aggregate Net Asset Value per Series share of a Multi Series Fund held by clients of the dealer’s sales representatives.

Name of Multi Series Fund	Name of Series	Fund Code	Annual Trailing Rate
Explorer Series Fund	Series A/Rollover	MAV7001	0.50%
	Series A/Regular	MAV7100	0.50%
	Series F	MAV7011	NIL

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

#### Dealer Compensation from Management Fees

For the financial year ended December 31, 2022, the Manager paid cash trailing commissions to dealers whose clients held Mutual Fund Shares, representing approximately 20.25% of the total management fees received by the Manager.

### INCOME TAX CONSIDERATIONS FOR INVESTORS

The following is a general summary of the principal Canadian federal income tax considerations with respect to acquiring, owning and disposing of Mutual Fund Shares (also referred to as “**Shares**” under this heading). It applies to an individual investor (other than a trust), who, for the purposes of the Tax Act is 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 Simplified Prospectus 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 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 Series of the Multi Series Fund, and those attributable only to a particular 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 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 Series may be applied against income attributable to any Series. The Multi Series Fund has stated its intention that income taxes and refundable capital gains taxes payable by the 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 from capital gains resulting from a disposition of shares in the Multi Series Fund portfolio.

## **Taxation for Investors**

### ***Taxation of Holders of Shares Generally***

Taxable dividends paid by the Multi Series Fund, other than capital gains dividends, whether received in cash or reinvested in additional securities, will be included in computing the shareholder's income. The dividend gross-up and tax credit treatment normally applicable to taxable dividends paid by a taxable Canadian corporation will apply to dividends paid by the Multi Series Fund. An enhanced gross-up and dividend tax credit is available for certain "eligible dividends" paid by the Multi Series Fund. 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 Share of the Multi Series Fund, whether by redemption or otherwise (including a sale of Shares or deemed disposition at death), a capital gain or capital loss may arise. One-half of any capital gain (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 the Multi Series 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:

<b>Calculation of ACB</b>	
	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
=	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 the Multi Series 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***

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

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

If securities of the Multi Series Fund are held in a Registered Plan, dividends paid by the Multi Series Fund and capital gains from a disposition of the securities are generally not subject to tax under the Tax Act until withdrawals are made from the Registered Plan (withdrawals from a TFSA and certain withdrawals from a FHSA are not subject to tax, and RRSPs and RDSPs are subject to special rules). Annuitants of RRSPs and RRIFs, holders of TFSAs, FHSAs and RDSPs and subscribers of RESPs should consult their own tax advisors as to whether securities of the Multi Series Fund will be a “prohibited investment” under the Tax Act in their particular circumstances.

You are responsible for determining the income tax consequences to you of acquiring securities of the Multi Series Fund through Registered Plans and neither the Multi Series Fund nor the Manager assumes any liability to you as a result of making the securities of the Multi Series Fund available for investment. If you choose to purchase securities of the Multi Series Fund through a Registered Plan, you should consult your own professional advisor regarding the tax treatment of contributions to, withdrawals from and acquisitions of property by such Registered Plan.

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

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

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

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

## **ADDITIONAL INFORMATION**

Although the mandate of the Multi Series Fund now includes the sale of its shares to the general public, the Multi Series Fund was initially established to enable existing flow-through limited partnerships formed or acquired by the Manager to complete rollover transactions into the Multi Series Fund. The Multi Series Fund will enter into an asset transfer agreement with a limited partnership such that the assets of the partnership are transferred to the Multi Series Fund in exchange for Mutual Fund Shares. The assets of the limited partnerships consist of cash and an investment portfolio of securities of primarily resource companies listed on stock exchanges in Canada. See “Specific Information About Each of the Mutual Funds Described in this Document” beginning on page 31 for more information.

# CERTIFICATE OF THE FUND, MANAGER AND THE PROMOTER

## MARQUEST MUTUAL FUNDS INC.

Date: December 21, 2023

This 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 each of the provinces and territories of Canada and do not contain any misrepresentations.

ON BEHALF OF:  
MARQUEST MUTUAL FUNDS INC. – Explorer 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

“Jeffrey Wareham” (Signed)  
Jeffrey Wareham  
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.

"Andrew A. McKay" (Signed)

Andrew A. McKay  
Director

"Ellen Sun" (Signed)

Ellen Sun  
Director

"Jeffrey Wareham" (Signed)

Jeffrey Wareham  
Director

## **PART B- SPECIFIC INFORMATION ABOUT THE MUTUAL FUND DESCRIBED IN THIS DOCUMENT**

This document provides specific information about the Multi Series Fund. It should be read in conjunction with the rest of the simplified prospectus dated December 21, 2023. Part A and Part B together constitute the simplified prospectus.

The remainder of this document contains specific information about the Multi Series Fund.

### **Introduction**

#### *What is a mutual fund?*

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

When you invest in a mutual fund, you receive units of the mutual fund or shares of the mutual fund corporation. The Multi Series Fund is a mutual fund corporation. The value of your investment is realized by selling your shares back to the Multi Series Fund. This is commonly referred to as a redemption. In exceptional circumstances, we may suspend your right to redeem shares. See “How do we calculate share price?” on page 16 for more information.

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

### **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 Simplified Prospectus, the following 3 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

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.

#### *Common Shares*

The Common Shares will not be offered to the public at any time. At the date of this Simplified Prospectus, 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 those set out in the section below under the heading, “***Matters Requiring Securityholder Approval under NI 81-102.***”

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 Explorer Series Fund, and within the Explorer Series Fund, the Mutual Fund Shares are offered in additional Series, as noted above.

### ***Matters Requiring Securityholder Approval under NI 81-102***

A meeting of the holders of Mutual Fund Shares must be convened to consider and approve by a majority vote certain matters as required by NI 81-102. If only one series of shares is affected by the amendment, only investors holding securities of that series are entitled to vote. If more than series is affected, all investors holding securities of the affected series are entitled to vote together if they are affected in the same way and to vote separately as a series, as applicable, if affected in materially different ways by the proposed amendment. NI 81-102 currently provides that such approvals must be obtained before:

- (a) the basis of the calculation of a fee or expense that is charged to the Multi Series Fund, directly to the holders of the Mutual Fund Shares or the 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 the holders of the Mutual Fund Shares;
- (b) a fee or expense, to be charged to the Multi Series Fund, directly to the holders of the Mutual Fund Shares by the Multi Series Fund or the 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 the holders of the Mutual Fund Shares, 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 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 securityholders of the Multi Series Fund becoming securityholders 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 securityholders of the other issuer becoming securityholders in the Multi Series Fund, and
  - (iii) the transaction would be a material change to the Multi Series Fund;
- (h) the Multi Series Fund implements any of the following:
  - (i) in the case of a non-redeemable investment fund, a restructuring into a mutual fund;
  - (ii) in the case of a mutual fund, a restructuring into a non-redeemable investment fund;
  - (iii) a restructuring into an issuer that is not an investment fund.

Subject to the approval of the IRC, no securityholder approval will be required for a change of auditors of a Multi Series Fund if securityholders of the Multi Series Fund are sent a written notice at least 60 days before the effective date of the change.

With respect to the matters noted above as they relate to the mutual fund corporation, in some circumstances only a particular Multi Series Fund or series will vote on a particular matter and in other circumstances all of the Multi Series Funds will vote on such matter.

### **Name, Formation and History of the Manager and the Multi Series Fund**

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.

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 the MARQUEST MUTUAL FUNDS INC. - Explorer Series Fund (the “**Explorer 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 Simplified Prospectus, 149 rollovers into the Multi Series Fund have occurred.

The Series of the Fund were created on the dates set out below:

Name of Fund	Date the Fund Started
Explorer Series Fund	December 2, 2005 (date A/Rollover Series offered to the public) November 27, 2007 (date all other series offered to the public) (previously a closed-end fund via rollovers from flow-through limited partnerships)

## Risks

### *What are the risks of investing in a mutual fund?*

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

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

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

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

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

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

**Credit risk** – Mutual funds that invest in bonds and other fixed income securities (including asset-backed securities, which are debt obligations that are backed by pools of consumer or business loans) are subject to credit risk. This means that the value of these securities depends, in part, upon the ability of borrowers to pay all amounts owed to their lenders. Companies, governments and special purpose vehicles (such as vehicles that issue asset-backed securities) that borrow money, and the debt securities they issue, are rated by specialized rating agencies. A downgrade in an issuer’s credit rating or other adverse news regarding an issuer can influence a debt security’s market value. Other factors can also influence a debt security’s market value such as a change in the market perception of the creditworthiness of the security, the parties involved in structuring the security and the underlying assets, if any. Lower rated and unrated debt instruments generally offer a better return than higher grade debt instruments but have the potential for substantial loss. Funds that invest in companies or markets with higher credit risk tend to be more volatile in the short term. However, they may offer the potential of higher returns over the long term.

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

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

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

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

**Income trust risk** – Income trusts generally hold debt and/or equity securities of an underlying active business or are entitled to receive a royalty on revenues generated by such businesses. Income trust funds typically invest in oil, gas and other commodity-based royalty trusts, real estate investment trusts and pipeline and power trusts. There are many risks involved in income trusts. These may include business developments such as a decision to expand into a new type of business, the entering into of a favourable

supply contract, and the cancellation by a major customer of its contract or significant litigation. Returns on income trusts are neither fixed nor guaranteed. Typically, trust units are more volatile than bonds and preferred shares.

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

**Issuer Risk** - When more than 10% of the assets of a mutual fund are invested in any one issuer, that mutual fund is exposed to greater liquidity risk. Liquidity risk increases because, if the securities of an issuer stop being tradable, the portion of the mutual fund's portfolio that is invested in or exposed to that issuer, will become illiquid. If securities in its portfolio become illiquid, the mutual fund will have to sell a greater proportion of its investments in securities of other issuers in order to satisfy redemption requests. By decreasing its holdings in any one issuer, a mutual fund increases the diversification of the mutual fund's portfolio and reduces its exposure to liquidity risks.

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

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

**Market risk** – Mutual funds that invest in equity securities, such as common stock, and equity-related securities, such as convertible securities and warrants, are subject to market risk. This means that the value of these securities will fluctuate with changes in general economic and stock market conditions, political, regulatory, economic or other developments, such as war and occupation, terrorism and related geopolitical risks, natural disasters and public health emergencies, including an epidemic or pandemic such as the coronavirus (COVID-19) and specific company developments. Changes in the price of individual equity securities held by the Multi Series Fund will affect the Multi Series Fund's price.

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

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

**Rollover Liquidity Risk** - With respect to the Explorer Series Fund, the liquidity of the securities comprising the portfolios may be limited and, in order to fund redemptions, the Explorer Series Fund may have to liquidate its shareholdings in more liquid large and medium-sized companies. Higher levels of redemptions than are traditionally encountered by the Explorer Series Fund may occur in particular

following Marquest-sponsored flow-through limited partnerships completing tax-deferred rollover transactions with the Explorer Series Fund. Given the possible limited liquidity of the Explorer Series Fund's respective portfolio, the Explorer Series Fund's capacity to redeem shares may be limited from time to time. There is no assurance as to the amount of return an investor will receive on redemption of the shares of the Explorer Series Fund, as the Net Asset Value per share may be more or less than the amount invested.

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

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

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

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

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

To minimize the risks:

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

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

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

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

We do not guarantee that the full amount of your original investment in the Multi Series Fund will be returned to you when you redeem shares. Unlike bank accounts or guaranteed investment certificates (GICs), mutual fund securities are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer. In exceptional circumstances, we may have to suspend your right to redeem shares. See the sub-heading “Purchases and Redemptions - Suspension of Redemptions” on page 20 for more information.

### **Investment Risk Classification Methodology**

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

Based on the Methodology, the Multi Series Fund’s risk level as described in this document is determined in accordance with a standardized risk classification methodology that is based on the Multi Series Fund’s historical volatility as measured by the 10-year standard deviation of the returns of the Multi Series Fund. The Multi Series Fund is assigned an investment risk level in one of the following categories:

**Low** – for a standard deviation range of 0 to less than 6;

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

**Medium** – for a standard deviation range of 11 to less than 16

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

**High** – for a standard deviation range of 20 or greater.

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

The Explorer Series Fund has more than ten years of performance history. The Manager has rated the volatility of the Explorer Series Fund using the Methodology and has assigned the rating as “High.”

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

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

***Who should invest in this Fund?***

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

***Distribution Policy***

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



## MARQUEST MUTUAL FUNDS INC. - EXPLORER SERIES FUND

### *Fund Details:*

<b>Type of Fund</b>	Canadian equity fund
<b>Mutual Fund Shares Offered</b>	Series A/Rollover Series A/Regular Series F
<b>Eligible for Registered Plans</b>	Yes

### *Name, Formation and History of the Explorer Series Fund*

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

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

The rollover transaction enables the limited partners of the partnership to receive Explorer Series Fund Shares without triggering a capital gain at the time of the transfer. This results in the Explorer Series Fund acquiring property which has a cost for tax purposes that is generally lower than market value. **When the Explorer Series Fund disposes of securities acquired from a limited partnership under a rollover transaction, whether during normal portfolio activity or to allow switching of investors from one Series to another Series of the Explorer Series Fund, the disposition may result in the recognition of larger capital gains than would be the case if the partnership rollover transaction had not occurred. Accordingly, shareholders of the Explorer Series Fund may receive capital gain dividends in excess of what would have been received by them without a rollover transaction. See also “Income Tax Considerations for Investors” on page 24 for more information.**

For more details relating to the name, formation and history of the Explorer Series Fund, please refer to pages 41 to 43 of this Simplified Prospectus.

### *Description of Securities Offered by the Explorer Series Fund*

For a description of the securities offered by the Explorer Series Fund, please refer to pages 31 to 35 of this Simplified Prospectus.

### *What does the Explorer Series Fund Invest in?*

### *Investment Objectives*

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

***Investment Strategies***

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

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

We expect that the portfolio turnover rate for the Explorer Series Shares may be significant because after a limited partnership rolls over its assets to the Explorer Series Fund, we may sell many of the securities contained in that limited partnership's portfolio. For the year ended December 31, 2022, the portfolio turnover rate was 103.75%. The portfolio turnover rate indicates how actively the Explorer Series Fund's portfolio manager manages its portfolio investments. This could result in a higher proportion of realized (rather than unrealized) capital gains or losses on the securities in the portfolio of the Explorer Series Fund and higher brokerage fees than might be found in other mutual funds. A portfolio turnover rate of 103.75% is equivalent to the Explorer Series Fund buying and selling all of the securities in its portfolio once in the course of the year. There is not necessarily a relationship between a high turnover rate and the performance of a mutual fund.

The higher the Explorer Series Fund's portfolio turnover rate, the higher the trading costs of the Explorer Series Fund. These costs are an expense of the Explorer Series Fund and are paid out of the Explorer Series Fund's assets, which may reduce your returns.

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

***Investment Restrictions***

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

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

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

- **Concentration Risk**
- **Fund Series Risk**
- **Liquidity Risk**
- **Resource Investment Risk**
- **Rollover Liquidity Risk**
- **Small Company Risk**

During the 12-month period immediately preceding the date that is 30 days before the date of the simplified prospectus, more than 10 percent of the net asset value of a mutual fund were invested in the securities of an issuer, other than a government security or a security issued by a clearing corporation, as shown below:

<b>The Name of the Issuer and Security</b>	<b>Maximum Percentage Owned in Period</b>	<b>Type of Securities Owned</b>
American Eagle Gold Corp	11.06%	Common Shares
Cameco Corp.	12.75%	Common Shares
Denison Mines Corp.	10.80%	Common Shares
Orford Mining Corp.	24.66%	Common Shares & Warrants
Vortex Energy Corp.	22.87%	Common Shares & Warrants
X-Terra Resources Inc.	22.41%	Common Shares & Warrants

The market appreciation of these securities during this period temporarily increased the volatility and reduced diversification within the portfolio. Certain of these securities were subsequently sold to both manage diversification and create liquidity within the portfolio. At no time was the Explorer Series Fund's ability to meet redemptions impacted.

The Explorer Series Fund's portfolio will also be affected by all of the risks described under "What is a Mutual Fund on page 31 and What are the Risks of Investing in a Mutual Fund?" above on pages 35 to 39.

#### ***Who should Invest in the Explorer Series Fund?***

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

The Manager's risk classification methodology is described under "Investment Risk Classification Methodology" on pages 39 to 40.

#### ***Distribution Policy***

The board of directors of the Multi Series Fund may declare dividends on the Explorer Series Shares at its discretion. The directors of the Multi Series Fund may declare taxable dividends and sufficient capital gains dividends from time to time to offset capital gains tax that would otherwise be payable in respect of the Explorer Series Shares and the directors of the Multi Series Fund may declare capital gains dividends in excess of this amount. Dividends may be automatically reinvested in additional Mutual Fund Shares of

the same Series at the Net Asset Value per share as of the payable date. Each year the Explorer Series Fund will provide shareholders with income tax information necessary to complete their income tax returns. Individual shareholders should keep records of the original cost of their Explorer Series Shares.

## **ADDITIONAL INFORMATION**

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

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

You can get a copy of these documents, at your request and at no cost by calling toll-free 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 on the Multi Series Fund designated website at [www.marquest.ca](http://www.marquest.ca) or at [www.sedarplus.ca](http://www.sedarplus.ca).

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