



This document contains key information you should know about XYZ Canadian Equity Fund. You can find more details in the fund’s simplified prospectus. Ask your dealer representative for a copy, contact XYZ Mutual Funds at 1-800-555-5556 or investing@xyzfunds.com, or visit www.xyzfunds.com.

### Quick facts

<b>Date series started:</b>	March, 31, 2000	<b>Fund manager:</b>	XYZ Mutual Funds
<b>Date fund started:</b>	January 1, 1996	<b>Portfolio manager:</b>	Capital Asset Management Ltd.
<b>Total value of series on June 1, 20XX:</b>	\$350 million	<b>Distributions:</b>	Annually, on December 15
<b>Total value of fund on June 1, 20XX:</b>	\$1 billion	<b>Minimum investment:</b>	\$500 initial, \$50 additional
<b>Management expense ratio (MER):</b>	2.25%		

### What does this fund invest in?

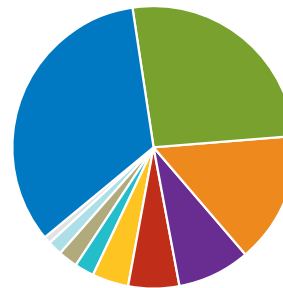
The fund invests in Canadian companies. They can be of any size and from any industry. The charts below give you a snapshot of the fund’s investments on June 1, 20XX. The fund’s investments will change.

#### Top 10 investments (June 1, 20XX)

1. Royal Bank of Canada	7.5%
2. Toronto-Dominion Bank	7.1%
3. Canadian Natural Resources	5.8%
4. The Bank of Nova Scotia	4.1%
5. Cenovus Energy Inc.	3.7%
6. Suncor Energy Inc.	3.2%
7. Enbridge Inc.	3.1%
8. Canadian Imperial Bank of Commerce	2.9%
9. Manulife Financial Corporation	2.7%
10. Canadian National Railway Company	1.9%

**The top 10 investments make up 42% of the fund.**  
**Total number of investments** 93

#### Investment mix (June 1, 20XX)



#### Industry

Financial services	34.0%
Energy	26.6%
Industrial goods	16.5%
Business services	6.4%
Telecommunication	5.9%
Hardware	3.7%
Healthcare services	2.3%
Consumer services	2.1%
Media	1.9%
Consumer goods	0.6%

### ! What are the risks of this fund?

All investments involve risks. Understanding those risks can help you choose the right fund for you.

**Investment risk.** When you invest in a fund, the value of your investment can go down as well as up. In some cases, you may see large changes in value. These changes can happen quickly.

XYZ Mutual Funds is required to rate the level of risk of its funds. The scale ranges from Low to High based on how the fund is invested and the level of risk and return involved. In most cases, a lower rating means lower risk and lower returns, with a lower chance of losses. A higher rating generally means higher risk and higher returns, with a greater chance of losing money.



Typically lower returns and less chance of losses      Typically higher returns and greater chance of losses

**The risk category shown is not fixed and may change over time.**  
**The lowest category does not mean there is no risk. A fund that is rated on the low end of the risk scale can still lose money.**

**Other specific risks.** To understand risk better, you may also want to look at the specific risks for this fund and how they could affect its value. XYZ Mutual Funds has identified these top risk factors for the fund:

- **Active Management Risk**
- **Equity Risk**
- **Specialization Risk**

For a full list of this fund’s risk factors and details about them, see the Risk section of the fund’s simplified prospectus.

## How has the fund performed?

This chart shows you:

- how the fund has performed over the past 10 years
- how the fund’s return compares to the return of a one-year Guaranteed Investment Certificate (GIC). GIC data is from the Bank of Canada.



### Notes:

- This chart does not tell you how the fund or GIC will perform in the future.
- Since the fund holds investments that are riskier than a GIC, it may have a higher return in some years and lose money in others.
- The fund’s returns are after expenses have been deducted.
- Your actual after-tax return will depend on your personal tax situation.

### Things you should know:

#### a) Worst return

The fund dropped in value in 3 of the last 10 years.

The worst quarterly return (3 months) of the fund since its start date was a drop in value of -24.7% in the 3-month period ending November 30, 2008. If you had invested \$1,000 in the fund at the start of this period, your investment would have dropped to \$753 after 3 months.

#### b) Average return

In the last 10 years, the fund generated an annual compounded return of 6.8%. This means if you had invested \$1,000 in the fund 10 years ago, your investment would now be worth \$1,930.

In comparison, the annual compounded return of a GIC, for the same period, was 1.6%. If you had invested \$1,000 in a one-year GIC 10 years ago and kept reinvesting the maturity amount from one year to the next, you would now have \$1,172.

## Are there any guarantees?

Like most mutual funds, this fund doesn’t have any guarantees. You may not get back the amount of money you invest.

## Who is this fund for?

### Investors who:

- are looking for a long-term investment
- want to invest in a broad range of Canadian companies
- can handle the ups and downs of the stock market.

**!** Don’t buy this fund if you need a steady source of income from your investment.

**Before you invest in any fund, you should consider how it would work with your other investments and your tolerance for risk.**

## A word about tax

In general, you’ll have to pay income tax on any money you make on a fund. How much you pay depends on the tax laws where you live and whether or not you hold the fund in a registered plan, such as a Registered Retirement Savings Plan or a Tax-Free Savings Account.

Keep in mind that if you hold your fund in a non-registered account, fund distributions are included in your taxable income, whether you get them in cash or have them reinvested.

## How much does it cost?

The following tables show the fees and expenses you could pay to buy, own and sell Series B units of the fund. The fees and expenses are different for each series. Ask about other series that may be suitable for you.

### 1. Sales charges

You have to choose a sales charge option when you buy the fund. Ask about the pros and cons of each option.

Sales charge option	What you pay		How it works														
	in per cent (%)	in dollars (\$)															
<b>Initial sales charge</b>	0% to 4% of the amount you buy	\$0 to \$40 on every \$1,000 you buy	<ul style="list-style-type: none"> <li>You and your dealer representative decide on the rate.</li> <li>The initial sales charge is deducted from the amount you buy. It goes to your dealer as a commission.</li> </ul>														
<b>Deferred sales charge</b>	<b>If you sell within:</b> <table border="1"> <tr> <td>1 year of buying</td> <td>6.0%</td> </tr> <tr> <td>2 years of buying</td> <td>5.0%</td> </tr> <tr> <td>3 years of buying</td> <td>4.0%</td> </tr> <tr> <td>4 years of buying</td> <td>3.0%</td> </tr> <tr> <td>5 years of buying</td> <td>2.0%</td> </tr> <tr> <td>6 years of buying</td> <td>1.0%</td> </tr> <tr> <td>After 6 years</td> <td>nothing</td> </tr> </table>	1 year of buying	6.0%	2 years of buying	5.0%	3 years of buying	4.0%	4 years of buying	3.0%	5 years of buying	2.0%	6 years of buying	1.0%	After 6 years	nothing	\$0 to \$60 on every \$1,000 you sell	<ul style="list-style-type: none"> <li>The deferred sales charge is a set rate. It is deducted from the amount you sell.</li> <li>When you buy the fund, XYZ Mutual Funds pays your dealer a commission of 4.9%. Any deferred sales charge you pay goes to XYZ Mutual Funds.</li> <li>You can sell up to 10% of your units each year without paying a deferred sales charge.</li> <li>You can switch to Series B units of other XYZ Mutual Funds at any time without paying a deferred sales charge. The deferred sales charge schedule will be based on the date you bought the first fund.</li> </ul>
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### 2. Fund expenses

You don't pay these expenses directly. They affect you because they reduce the fund's returns.

As of March 31, 20XX, the fund's expenses were 2.30% of its value. This equals \$23 for every \$1,000 invested.

#### Annual rate (as a % of the fund's value)

#### Management expense ratio (MER)

This is the total of the fund's management fee and operating expenses.

XYZ Mutual Funds waived some of the fund's expenses.

If it had not done so, the MER would have been higher.

2.25%

#### Trading expense ratio (TER)

These are the fund's trading costs.

0.05%

#### Fund expenses

**2.30%**

#### Trailing commission

XYZ Mutual Funds pays your dealer a trailing commission for as long as you own the fund. The trailing commission is paid out of the management fee. It is for the services and advice that your dealer provides to you. The rate depends on the sales charge option you choose:

- **Initial sales charge** – up to 1.0% of the value of your investment each year. This equals \$10 each year for every \$1,000 invested.
- **Deferred sales charge** – up to 0.50% of the value of your investment each year. This equals \$5 each year for \$1,000 invested.

These trailing commission payments may create a conflict of interest by influencing the dealer or its representatives to recommend the fund over another investment. Ask your dealer representative for more information.

## How much does it cost? cont'd

### 3. Other fees

You may have to pay other fees when you buy, hold, sell or switch units of the fund.

Fees	What you pay
Short-term trading fee	1% of the value of units you sell or switch within 90 days of buying them. This fee goes to the fund.
Switch fee	Your dealer may charge you up to 2% of the value of units you switch to another XYZ Mutual Fund.
Change fee	Your dealer may charge you up to 2% of the value of units you switch to another series of the fund.

### What if I change my mind?

Under securities law in some provinces and territories, you have the right to:

- withdraw from an agreement to buy mutual fund units within two business days after you receive a fund facts document or
- cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, annual information form, fund facts document or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

### For more information

Contact XYZ Mutual Funds or your dealer representative for a copy of the fund's simplified prospectus and other disclosure documents. These documents and the fund facts make up the fund's legal documents.

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To learn more about investing in mutual funds please see the brochure **Understanding mutual funds** which is available on the website of the Canadian Securities Administrators at [www.securities-administrators.ca](http://www.securities-administrators.ca)