

MFi FUNDS

Simplified Prospectus in respect of the provinces of

Alberta, British Columbia, Saskatchewan,

Manitoba and Ontario dated August 28, 2009, relating to the offering of:

A series, F series and O series shares of:

MFi Canadian Equity Fund*

MFi Energy Equity Fund*

MFi Small Cap Fund*⁽¹⁾

- and -

A series, F series and O series units of:

MFi Balanced Fund



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

*Class of shares of MFi Funds Corp.

⁽¹⁾ MFi Canadian Equity Focused Growth Fund name changed to MFi Small Cap Fund during 2009.



Matco Financial Inc.

Table of Contents

PART A	1
INTRODUCTION	1
What information is available about the Fund?	1
WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?	1
What is a mutual fund?	1
What are the risks of investing in a mutual fund?	2
ORGANIZATION AND MANAGEMENT OF THE MFi FUND FAMILY	5
PURCHASES, SWITCHES AND REDEMPTIONS	7
How the shares and units are valued	7
How to buy, redeem and switch	8
Purchases	8
Minimum amount you can invest	9
Switches	10
Processing orders	10
Redemptions	11
When you may not be allowed to redeem your shares or units	12
SHORT-TERM TRADING	12
FEES AND EXPENSES	13
IMPACT OF SALES CHARGES	15
DEALER COMPENSATION	15
Referral fee	15
Switch fee	15
Sales commission	15
Service commission	15
Other forms of dealer support	16
DEALER COMPENSATION FROM MANAGEMENT FEES	16
INCOME TAX CONSIDERATIONS FOR INVESTORS	16
The Corporation	17
The Balanced Fund	21
Other considerations	23
WHAT ARE YOUR LEGAL RIGHTS?	23
ADDITIONAL INFORMATION	23

Table of Contents

PART B	25
SPECIFIC INFORMATION ABOUT EACH OF THE MUTUAL FUNDS DESCRIBED IN THIS DOCUMENT	25
MFi CANADIAN EQUITY FUND	25
Fund details	25
What does the Fund invest in?	26
Investment objectives	26
Investment strategies	26
What are the risks of investing in the Fund?	26
Who should invest in the MFi Canadian Equity Fund?	27
Distribution policy	27
Fund expenses indirectly borne by investors	27
MFi ENERGY EQUITY FUND	28
Fund details	28
What does the Fund invest in?	28
Investment objectives	28
Investment strategies	29
What are the risks of investing in the Fund?	29
Who should invest in the MFi Energy Equity Fund?	29
Distribution policy	30
Fund expenses indirectly borne by investors	30
MFi SMALL CAP FUND	31
Fund details	31
What does the Fund invest in?	31
Investment objectives	31
Investment strategies	32
What are the risks of investing in the Fund?	32
Who should invest in the MFi Small Cap Fund?	32
Distribution policy	32
Fund expenses indirectly borne by investors	32
MFi BALANCED FUND	33
Fund details	33
What does the Fund invest in?	33
Investment objectives	33
Investment strategies	34
What are the risks of investing in the Fund?	34
Who should invest in the MFi Balanced Fund?	34
Distribution policy	34
Fund expenses indirectly borne by investors	35

MFi Funds: Part A

Introduction

WHAT INFORMATION IS AVAILABLE ABOUT THE FUND?

This Simplified Prospectus (the “**Simplified Prospectus**”) contains select important information to help you make an informed investment decision and to help you understand your rights as an investor in the MFi family of funds.

This Simplified Prospectus is divided into two parts:

- Part A (from pages one to 23) contains general information about the MFi Canadian Equity Fund, MFi Energy Equity Fund, MFi Small Cap Fund, and MFi Balanced Fund (collectively, the “**Funds**” or “**MFi Fund Family**,” and each a “**Fund**”).
- Part B (from pages 25 to 35) contains specific information—a Fund profile—about each of the Funds described in this document.

Securities of the Funds are either separate “series” of units of a trust or separate “classes” of shares of MFi Funds Corp. (the “**Corporation**”). The MFi Balanced Fund (the “**Balanced Fund**”) is a separate trust and has its own separate portfolio of assets within the MFi Fund Family whereas each of the MFi Canadian Equity Fund, MFi Energy Equity Fund, and MFi Small Cap Fund (collectively, the “**Corporate Structured Funds**”) is a separate class of shares of the Corporation and has its own separate portfolio of assets within the Corporation. Matco Financial Inc. (“**Matco**,” the “**Manager**,” “**we**” or “**us**”) is the manager and promoter of the Funds. The Funds can issue an unlimited number of shares or units for each of the Funds.

Additional information about each Fund described herein is available in the Funds’ Annual Information Form (“**AIF**”) and the Funds’ most recently filed annual financial statements and accompanying auditors’ report, any interim financial statements of the Fund 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 the annual management report of fund performance. These documents are incorporated by reference into this document, which means they legally form part of this document just as if they had been printed as a part of this document. You can get a copy of the Funds’ AIF and the above-referenced financial statements, including a statement of portfolio transactions, at your request and at no cost by calling toll-free 1-877-539-5743, or from your dealer.

These documents are available on the Matco Financial Inc. website at www.matcofinancialinc.com, or by contacting Matco at matco@matcofinancial.ca.

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

What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?

WHAT IS A MUTUAL FUND?

A mutual fund is a pool of money contributed by people with similar investment objectives. Investors share the fund’s income, expenses, and the gains and losses the fund makes on its investments, in proportion to the shares they own.

Mutual funds own different types of investments, depending on the fund’s investment objectives. The values of these investments will change from day to day, reflecting changes in interest rates, economic conditions and market and company news. As a result, the value of a fund’s shares may go up and down and the value of your investment in a mutual fund may be more, or less, when you redeem it than when you purchased it.

In Canada, a mutual fund can be established either as a mutual fund trust or as a mutual fund corporation. The Corporation currently offers two different classes of Fund shares, each of which is offered under this Simplified Prospectus and the Corporation anticipates that it will begin to make available for purchase by the public shares of a third Fund, the MFi Small Cap Fund (previously named the MFi Canadian Equity Focused Growth Fund), under this Simplified Prospectus in late 2009 or early 2010. No shares of the MFi Small Cap Fund will be issued, other than with respect to investments of at least \$150,000.00 by a manager, portfolio adviser, promoter or sponsor of the Fund or a partner, director, officer or security holder of such entities, until subscriptions aggregating at least \$500,000.00 have been received from persons or companies other than those referred to above. Each of the MFi Canadian Equity Fund, the MFi Energy Equity Fund and the MFi Small Cap Fund constitutes a separate class of shares of the Corporation and is further divided into series of shares. The Balanced Fund is a mutual fund trust that is divided into different “classes” or “series” of units.

Please refer to the front cover of this Simplified Prospectus or to the specific information about each of the Funds in Part B, for the series that are available for each Fund pursuant to this document. The different series of shares and units are described on page 8 under “**Purchases, Switches and Redemptions – Purchases**” though not all series are available to all investors. We may offer additional series of shares or units of the Funds in the future. We may also offer additional funds under the MFi name either within the Corporation’s share structure or as separate mutual fund trusts in the future.

While the assets and liabilities of each Corporate Structured Fund are accounted for separately, the Corporation as a whole is legally responsible for all of the financial obligations of the Corporate Structured Funds combined. If the assets of a Corporate Structured Fund are insufficient to satisfy the Fund’s liabilities, then the remaining assets of the Corporation would be used to satisfy the shortfall. In such circumstances, the assets of the other Corporate Structured Funds would decline by the amount of their proportionate share of the shortfall. We use our best efforts to manage the Corporate Structured Funds to ensure that this does not happen.

The tax consequences of an investment in a Corporate Structured Fund will depend in part on the tax position of the Corporation as a whole and will differ from an investment in a mutual fund that does not utilize the multi-class structure, such as the Balanced Fund, as described under “**Income Tax Considerations for Investors**” on page 16.

Under exceptional circumstances, mutual funds may suspend redemptions. Please see “**Purchases, Switches and Redemptions – When you may not be allowed to redeem your shares or units**” on page 12.

Your investment in any Fund is not guaranteed. Unlike bank accounts or GICs, mutual fund shares and units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?

The value of a mutual fund can change from day to day because the value of the securities in which it invests can be affected by numerous factors, including but not limited to changes in interest rates, the economy and financial markets or company news. As a result, the value of a mutual fund’s securities may fluctuate and when you sell your mutual fund securities, they may be worth more, or less, than when you bought them.

Some of the specific risks that can affect the value of your investment in a fund are set out below. Refer also to the Fund profiles for the specific risks that apply to each Fund.

Stock Market Risk. The market value of a mutual fund’s investments will rise and fall based on specific company developments and stock market conditions. Value will also vary with changes in the general economic and financial conditions in countries where the investments are based. Some mutual funds will experience greater short-term fluctuations than others.

Interest Rate Risk. If a mutual fund invests in bonds and other fixed income securities, the biggest influence on the fund’s value will be changes in the general level of interest rates. The general level of interest rates is in part affected by the rate of inflation. If interest rates fall, the value of the fund’s fixed income securities will tend to rise. If interest rates rise, the value of the fund’s fixed income securities will tend to fall.

Foreign Investment and Currency Risk. Foreign investments are affected by world economic factors and, in many cases, by changes in the value of the Canadian dollar compared to foreign currencies. There is often less information available about foreign companies, and many countries have less stringent accounting, auditing and reporting standards than we do in Canada. It can be more difficult to trade investments in foreign markets. Different financial, political, and social factors could hurt the value of a fund's investment. As a result, funds that specialize in foreign investments may experience larger and more frequent price changes in the short term.

Credit Risk. Credit risk is the risk that the government, company or entity issuing a fixed income security will be unable to make interest payments or pay back the original investment. Securities that have a low credit rating have high credit risk. Securities issued by newly established companies often have higher credit risk, while securities issued by well-established companies or by governments of developed countries tend to have lower credit risk. Funds that invest in companies with high credit risk tend to be more volatile in the short term; however, they may offer the potential of higher returns over the long term.

Fixed Income Investment Risk. Certain general investment risks are applicable to fixed income investments in a manner similar to their effect on equity investments. In addition to the credit risk and interest rate risk referred to above, a number of factors may cause the price of a fixed income investment to fall. For investments in corporate fixed income instruments, this includes specific developments relating to the company and general financial, political, and economic (other than interest rate) conditions in the country in which the company operates. For government fixed income investments, this includes general economic, financial, and political conditions. As a Fund's security price is based on the value of its investments, an overall decline in the value of its fixed income investments will reduce the value of the Fund and therefore, the value of your investment. However, your investment will be worth more if the value of the fixed income investments in the portfolio increases.

Liquidity Risk. Liquidity risk is the possibility that a mutual fund will not be able to convert its investments to cash when it needs to. Generally, investments with lower liquidity tend to have more dramatic price changes.

Class Risk. Each of the Corporate Structured Funds described in this Simplified Prospectus is a class of shares of the Corporation. Each Corporate Structured Fund sells shares and the proceeds are used to invest in a portfolio of securities based on such Fund's investment objective. However, because each of these Corporate Structured Funds is part of a single corporation, the Corporation as a whole is liable for each Corporate Structured Fund's own expenses as well as the expenses of the other Corporate Structured Funds. If one Corporate Structured Fund cannot pay its expenses, the Corporation will be required to pay those expenses from the assets of the other Corporate Structured Funds. Having to pay any such liability or expense could cause the value of your investment to decline even though the value of your Corporate Structured Fund's investments might have increased. We use our best efforts to manage the Corporate Structured Funds to ensure that this does not happen.

Derivatives Risks. The Funds may use derivatives as permitted by Canadian securities regulatory authorities. A derivative is an instrument, the value of which is derived from the value of other securities or from the movement of interest rates, exchange rates, or market indices ("**Derivatives**"). Some examples of the most common derivatives are:

- An option (call or put) – this gives the buyer the right (not obligation) to buy or sell the underlying security, commodity or currency at an agreed price and within a certain period of time.
- Forward contract – an agreement to buy or sell the underlying security, commodity or currency at an agreed price for future delivery. Forward contracts are often used in the commodity and currency markets to reduce risk.

Derivatives in general are often used for hedging against the risk of potential losses, such as losses due to changes in interest or foreign exchange rates. Derivatives also allow mutual funds to realize the benefits of changes in the value of a security without having to invest directly in that security. This is especially useful since it is often less expensive to purchase a derivative instrument than the actual security. There are also certain instances where holding a derivative is less risky than holding the underlying security.

Derivatives have their own special risks. Some examples of the most common risks relating to derivatives are:

- using derivatives to hedge against risk may not always work and while the use of derivatives may reduce losses, they could also limit potential gains;
- the price of a derivative may not accurately reflect the value of the underlying currency or security;
- there is no guarantee that a mutual fund can close a derivative contract when it wants to. If an exchange imposes trading limits, it could also affect the ability of a mutual fund to close out its positions in derivatives. These events could prevent a mutual fund from making a profit or limiting its losses; and
- the other party to a derivative contract may not be able to live up to its agreement to complete the transaction.

Concentration Risk. Some mutual funds may concentrate their investments in a portfolio made up of only a small number of securities. Therefore, the securities in which they invest may not be diversified across many sectors. By investing in a relatively small number of securities, the mutual fund may have a significant portion of its investments invested in a single security. The value of the portfolio will vary considerably in response to changes in the market value of that individual security, which may result in higher volatility.

Income Fund and Royalty Trust Risk. On October 31, 2006, the Minister of Finance (Canada) (the “**Minister**”) announced proposed changes to the income tax treatment of “specified investment flow-throughs,” including income funds, royalty trusts, and certain publicly traded limited partnerships. These changes were enacted on June 22, 2007, and subject income trusts and royalty trusts to tax at corporate rates on their distributions. Further, unitholders are treated as if they had received a dividend equal to the taxable portion of their distributions, and are taxed accordingly. Analogous rules apply to certain publicly traded limited partnerships. These changes generally apply beginning in the 2007 taxation year for trusts and limited partnerships publicly traded after October 2006, but only apply beginning with the 2011 taxation year to those trusts and limited partnerships that were already publicly traded at the time of the announcement, provided such trusts and limited partnerships comply with certain guidelines that are meant to limit the extent to which such trusts and limited partnerships may grow. To the extent that a mutual fund invests in an income trust, royalty trust or limited partnership to which these new proposals apply, returns on such investments may be reduced.

Income Trust Risk. An income trust generally holds debt and/or equity securities of an underlying active business or is entitled to receive a royalty on revenues generated by such business. Distributions and returns on income trusts are neither fixed nor guaranteed. In addition, funds that invest in income trusts such as oil, gas and other commodity-based royalty trusts, real estate investment trusts, and pipeline and power trusts will have other varying degrees of risk depending on their sector and the underlying asset or business. 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, the cancellation by a major customer of its contract or significant litigation. There is also risk that, where claims against an income trust are not satisfied by that income trust, investors could be held liable for such outstanding claims. Certain jurisdictions have enacted legislation to protect investors in this regard.

Sector Risk. Some mutual funds, such as the MFi Energy Equity Fund, concentrate their investments in a certain sector or industry in the economy. This allows these mutual funds to focus on that sector’s potential, but it also means that they are riskier than mutual funds with broader diversification. Because securities in the same industry tend to be affected by the same factors, sector-specific mutual funds tend to experience greater fluctuations in price. These mutual funds must continue to follow their investment objectives by investing primarily in their particular sector, even during periods when that sector is performing poorly.

Substantial Securityholder Risk. The purchase or redemption of a substantial number of securities of a mutual fund may require the manager to change the composition of the mutual fund’s portfolio significantly or may force the manager to buy or sell investments at unfavourable prices, which can affect a mutual fund’s returns. Therefore, the purchase or redemption of securities by a substantial securityholder may adversely affect the performance of a mutual fund.

Securities Lending Risk. Securities lending involves lending, for a fee, portfolio securities held by a mutual fund for a set period of time to willing, qualified borrowers who have posted collateral. Some of the Funds intend to enter into securities lending arrangements to the extent permitted from time-to-time. In lending its securities, a mutual fund is subject to the

risk that the borrower may not fulfill its obligations, leaving the mutual fund holding collateral worth less than the securities it has lent, resulting in a loss to the Fund. To limit this risk, a mutual fund must hold collateral worth no less than 102% of the value of the loaned securities and the amount of collateral is adjusted daily to ensure this level is maintained, the collateral may only consist of cash, qualified securities or securities that can be immediately converted into identical securities to those that have been loaned, a Fund cannot lend more than 50% of the total value of its assets through securities lending or repurchase transactions and, a Fund's total exposure to any one borrower in securities, derivative transactions and securities lending must be less than 10% of the total value of the Fund's assets.

Small Company Risk. Investing in securities of smaller companies may be riskier than investing in larger, more established companies. Smaller companies may have limited financial resources, a less established market for their shares and fewer shares issued. This can cause the share prices of smaller companies to fluctuate more than those of larger companies. The market for the shares of small companies may be less liquid.

Commodity Risk. A Fund may invest in companies engaged in the energy or natural resource industries, or other commodity-focused industries. These companies, and therefore the value of such Fund, will be affected by changes in commodity prices, which can fluctuate significantly in short time periods.

Prepayment Risk. Certain fixed income securities, including mortgage-backed or other asset-backed securities, can be prepaid before maturity. If this happens unexpectedly or faster than predicted, the fixed income security could offer less income and/or potential for capital gains.

Portfolio Manager Risk. All Funds are dependent on their portfolio advisory team to select individual securities and, therefore, are subject to the risk that poor security selection will cause a Fund to underperform relative to other funds with similar investment objectives.

Organization and Management of the MFi Fund Family

The table below sets out information regarding the entities who are involved in managing or providing services to the Funds.

MANAGER AND INVESTMENT ADVISOR

Matco Financial Inc.
Suite 400, 407-8th Avenue S.W.
Calgary, Alberta T2P 1E5
Tel: 403-539-5740
Toll-free: 1-877-539-5743
Fax: 403-539-5244
website: www.matcofinancialinc.com
e-mail: matco@matcofinancial.ca

As Manager of the Funds, we provide, or arrange for, the Funds' day-to-day administration.

The Corporation has a board of directors. The Board of Directors supervises Matco in the management and administration of the Corporate Structured Funds. The Balanced Fund has been established as a trust by Matco, and has appointed a trustee pursuant to a trust agreement.

As investment advisor, Matco provides investment advice and portfolio management services for each of the Funds.

CUSTODIAN OF THE FUNDS AND TRUSTEE OF THE BALANCED FUND

RBC Dexia Investor Services Trust
Toronto, Ontario

RBC Dexia Investor Services Trust acts as custodian of the Funds and as trustee of the Balanced Fund (the "Custodian" or the "Trustee"). The Custodian is responsible for the safekeeping of the Funds' assets and may engage sub-custodians to assist it in performing this responsibility. RBC Dexia Investor Services Trust additionally provides recordkeeping services for the Funds pursuant to a valuation and recordkeeping agreement.

AUDITOR
KPMG LLP
Calgary, Alberta

The auditor is an independent firm of chartered accountants that audits each Fund annually and provides an opinion as to whether the annual financial statements of the Funds present fairly, in all material respects, the financial position of the Funds and their results of operations and changes in net assets in accordance with Canadian generally accepted accounting principles.

INDEPENDENT REVIEW COMMITTEE

In accordance with National Instrument 81-107 – *Independent Review Committee for Mutual Funds*, Matco has established an Independent Review Committee (“**IRC**”) to provide impartial judgment on conflicts of interest matters related to the operations of the Funds and their portfolios.

The IRC consists of Messrs. Alan Akers, Bob Wilkinson and Lorne Gartner. The IRC, at least annually, prepares a report of its activities for holders of securities of the Funds, which is available on the Matco website at www.matcofinancialinc.com or at no cost by contacting Matco at matco@matcofinancial.ca. Additional information about the IRC, including the names of its members is available in the Funds’ AIF.

RESEARCH PROVIDERS

The research providers vary among the Funds. Matco utilizes independent research from both external and internal sources.

The research providers are third party companies utilized by Matco specifically to help locate and advise on potential investments and assets, and to provide day-to-day analysis and investment advice without directly assisting in the management of the investment portfolio of a Fund.

Founded in 2006, Matco is a western-based investment management firm that provides investment management services to private clients, institutions, trusts, endowments and dealers/firms who distribute Matco investment products. Matco manages the Funds and their respective portfolios.

Matco offers Canadian investment management expertise to clients primarily through proprietary investment management. Matco has the ability to augment its Canadian investment management services with an overlay strategy of non-proprietary investment management services. An overlay strategy combines the talent of external manager(s) from around the world in an effort to offer investors better risk-adjusted returns and diversification.

From an investment management perspective, Matco utilizes both qualitative and quantitative investment techniques. Matco believes in investing in businesses (either by way of equity or debt) with proven management, sound business models, financial strength, and growth prospects.

Each of the Funds either currently holds or may hold shares or units of another mutual fund, including funds that are managed by Matco, or an affiliate or associate of Matco in accordance with Section 2.5 of National Instrument 81-102 – *Mutual Funds*. The shares or units of any other such mutual fund will not be voted by the Fund holding such shares or units and, if applicable, Matco may arrange for the shares or units of such other mutual fund to be voted by the beneficial shareholders or unitholders of the Fund.

Purchases, Switches and Redemptions

HOW THE SHARES AND UNITS ARE VALUED

When you buy shares or units of a Fund, you pay the price or net asset value (“NAV”) per share or unit of the series being acquired, plus any applicable sales charges rather than a fixed issue price. Likewise, when you redeem (sell) shares or units, you receive the NAV per share or unit of the series being redeemed.

All transactions are based on the NAV of the particular series of a Fund's shares or units. The calculation of a Fund's NAV has been delegated to the Custodian pursuant to the terms of a valuation and recordkeeping agreement; however, the Manager remains ultimately responsible for such calculation.

NAV is generally calculated for each series of shares or units of a Fund after the close of the Toronto Stock Exchange (the “TSX”) on each day the TSX is open for business. In some circumstances, NAV may be calculated at another time set by the Manager of the Corporation or of the Balanced Fund, as applicable. This would generally occur where other markets are open but the TSX is closed or, with respect to foreign securities, where the trading hours for such securities end at a time other than the closing time of the TSX. To date, the time at which NAV is calculated has never occurred at a time other than the closing time for the applicable stock exchange and it is not anticipated that such valuation time will change in the future. In this Simplified Prospectus, “**Valuation Date**” means the date on which the NAV per share or unit of a Fund is calculated.

We calculate the NAV per share or unit of a series of a Fund by adding up the market value of the Fund's assets and determining the proportionate share of a series, subtracting the series' proportionate share of liabilities that are common to all series of that Fund, and further subtracting the liabilities of the Fund that are specific to the series and dividing the resulting amount by the total number of shares of that particular series outstanding.

The NAV per share or unit is the price for all sales of shares or units (including sales made on the reinvestment of dividends) and for redemptions. The initial offering of the MFi Small Cap Fund will be set at a value of \$10.00 per share, and thereafter, once a portfolio of investments attributable to such Fund has been established, at such Fund's NAV per share. The issue or redemption of shares or units of a Fund are reflected in the next calculation of the NAV of the Fund following the time at which the NAV is determined for the purpose of the issue or redemption of shares or units, as applicable.

Common expenses of the Corporation are shared by all Corporate Structured Funds and are allocated on an equitable basis among the classes and series of Corporate Structured Fund shares. These expenses include the Funds' marketing expenses, income taxes, and refundable capital gains taxes. We have the right, however, to allocate expenses to a particular class (i.e., Corporate Structured Fund) or series where it is reasonable to do so.

Common expenses of the Balanced Fund and the Corporate Structured Funds are shared by all such Funds and are allocated on an equitable basis among all series of shares or units of each Fund. All expenses that are specific to the Balanced Fund will be borne by the Balanced Fund and will be allocated to a particular series of units where it is reasonable to do so.

Subject to prior receipt of any necessary regulatory approvals, Matco may declare a suspension of the determination of the NAV per share or unit of a Fund for the whole or part of any period:

- (a) during which normal trading is suspended on a stock exchange, options exchange or futures exchange within or outside Canada on which securities are listed and traded, or on which specified derivatives are traded, which represent more than 50% by value, or underlying market exposure, of the total assets attributable to the Fund, without allowance for liabilities, and only if those securities or specified derivatives are not traded on any other exchange that represents a reasonably practical alternative; or

- (b) with the approval of the relevant securities regulatory authorities if required, or as otherwise required or permitted under applicable securities laws.

Provided that the determination of the NAV per share or unit of a Fund has not been suspended, there will be a valuation of the assets of the Fund as at the market close on each Valuation Date or, in the event that the TSX is not open for business on any such day, on the first day thereafter that the TSX is open for business.

HOW TO BUY, REDEEM AND SWITCH

You may require the Fund to redeem your shares or units at the NAV by instructing your dealer. Alternatively, you may request a redemption by delivering to Matco a request in writing that a specified number of shares or units be redeemed and, if a share certificate has been issued representing the shares to be redeemed, the certificate duly endorsed by the registered shareholder with his or her signature guaranteed by a Canadian chartered bank, a trust company or an investment dealer acceptable to Matco.

If the Manager of a Corporate Structured Fund or the Balanced Fund determines that NAV will be calculated at a time other than after the usual closing time of the TSX on a Valuation Date, the price paid or received will be determined relative to that time.

You will find more information about buying, redeeming and switching shares or units of the Funds in the Funds' AIF.

Under extraordinary circumstances, the rights of investors to redeem or convert shares or units may be suspended by a Fund. The circumstances under which such redemption may occur are set out below under the heading "**When you may not be allowed to redeem your shares or units**" on page 12.

Listed below are the rules for buying mutual fund shares or units. These rules were established by Canadian securities regulatory authorities:

- We must receive payment for the shares or units within three business days of receiving your order for all Funds.
- If we do not receive payment within three business days, we are required to sell your shares or units. If the proceeds are greater than the payment you owe, the Fund keeps the difference. If the proceeds are less than the payment you owe, we must pay the Fund the difference, and we will collect this amount from your dealer, who may have the right to collect it from you.
- We have the right to reject any order to buy shares or units within one business day of receiving it. If we reject your order, we will return your money immediately without interest.

PURCHASES

When you buy shares or units, you may be charged a sales charge, based on the series of shares or units being acquired and whether such shares or units are acquired directly from Matco, if applicable, or an alternate dealer, as follows:

Front-end sales charge option – series A shares and units. Series A shares or units are available to all investors, subject to certain minimum investment requirements and are acquired through a dealer. Under this option, investors negotiate the sales commission and pay this directly to their dealer. Your dealer will generally deduct the sales commission and forward us the net amount of the order to be invested in the Fund or Funds selected.

Direct purchase option – series F shares and units. Series F shares or units of a Fund are available to investors, who qualify as series F investors as determined at the discretion of Matco, including:

- investors who participate in dealer-sponsored “fee-for-service” or wrap programs and who pay their advisor an hourly fee or annual asset-based fee rather than commissions on each transaction and whose broker or dealer has entered into an agreement with Matco to sell series F shares or units of a Fund; and
- any other groups of investors for whom we do not incur distribution costs.

Investors wishing to purchase series F units or shares must also meet the minimum investment requirements.

Series F shares and units are designed for investors participating in programs that already charge a fee for the advice they are receiving or who purchase such shares and units directly from Matco, where possible, and do not require us to incur distribution costs in the form of trailer fees or commissions to dealers. As no serving commissions are payable to a dealer on a purchase of series F shares and units, a lower management fee is applicable to series F shares or units, as Matco's cost to distribute these shares or units is lower and investors eligible to purchase these shares or units have generally already entered into an agreement to pay fees directly to their dealers.

Participation in series F shares or units is only available with Matco's prior consent and the consent of any applicable dealer organization.

Direct large purchase option – series O shares and units. Series O shares or units of a Fund are available to certain investors at our discretion, including:

- certain institutional investors who invest at least \$1,000,000.00 in one or more Funds;
- other specific classes of investors who meet any series O guidelines established by Matco; and
- any related funds and certain other third party mutual funds that use a fund-of-fund structure and who meet any series O guidelines established by Matco.

No sales charges are generally payable on the acquisition of series O shares or units and investors individually negotiate any such management fees relating to series O shares or units directly with Matco. Certain other additional fees and expenses are payable as set out below.

Your choice of purchase option will require you to pay different fees and expenses and will affect the amount of compensation paid to your dealer. See “**Fees and Expenses**” on page 13 and “**Dealer Compensation From Management Fees**” on page 16.

Unless requested by a shareholder in writing, Matco will not issue a certificate when you buy shares of a Corporate Structured Fund and no certificates evidencing ownership of units will be issued of a Balanced Fund, but your dealer will send you a confirmation that is proof of your purchase. As set out in the Funds' AIF, RBC Dexia Investor Services Trust, who serves as Custodian and recordkeeper, will also send confirmation of holdings and transactions on a regular reporting basis. A record of the number of shares or units you own and their value will appear on your next account statement. Matco generally advises against requesting delivery of a physical certificate when shares of a Fund are acquired, as the possession of such a certificate can significantly delay the execution of orders to transfer, redeem or switch shares of a Fund.

The issue price for shares or units of a Fund shall generally be equal to such Fund's NAV per share or unit. The initial offering of the MFi Small Cap Fund is expected to be at a price of \$10.00 per share, and thereafter, once a portfolio of investments attributable to such Fund has been established, at such Fund's NAV per share.

MINIMUM AMOUNT YOU CAN INVEST

Your first purchase of shares or units of series A or F of any Fund must be at least \$1,000.00. Each purchase of series A or F shares or units of such Fund thereafter must be at least \$100.00. Your first purchase of series O shares or units of any Fund(s) must be at least \$1,000,000.00. Each successive purchase of series O shares or units of such Fund must be at least \$1,000.00.

SWITCHES

Except as otherwise described herein, you can switch shares from one series of shares or units of a Fund to another series of that same Fund or of the same or a different series of another Fund being offered by the Corporation or the Balanced Fund. A switch is usually a transfer of your investment money from one Fund to another. You must maintain a minimum account balance of \$1,000.00, and you must switch at least \$1,000.00 worth of shares or units. Another restriction is that securities purchased under the front-end sales charge option cannot be switched for shares or units purchased under the above-described direct purchase or direct large purchase option, or vice-versa.

The process and tax consequences of a switch between series or classes of a Fund will depend upon whether the Fund being sold and acquired is structured as a class of shares of the Corporation (such as the MFi Energy Equity Fund, MFi Canadian Equity Fund and MFi Small Cap Fund) or as a separate trust (such as the Balanced Fund). The Funds consist of mutual funds that are structured as a trust along with mutual funds that are structured as a separate class of mutual fund shares of the Corporation.

Certain switches of Funds are considered a sale for tax purposes. If you hold your mutual fund securities in a non-registered account, you may realize a capital gain or loss on such a sale. Examples of switches that are sales or redemptions for tax purposes leading to the realization of a gain or loss include: (i) switches from a series of units of the Balanced Fund to the same or another series of units of any other fund established as a mutual fund trust or Corporate Structured Fund; and (ii) switches from a Corporate Structured Fund into the Balanced Fund. For switches that are considered a sale or redemption for tax purposes, such a switch will generally be treated as a redemption of the shares or units being sold and an acquisition of new shares or units using such redemption proceeds. On any such switch, the value of your investment will not change (except for any fees you pay to redeem), but the number of shares or units you hold will change. This is because each series of shares or units has a different share or unit price.

For switches from a Corporate Structured Fund into the same or a different series or class of shares of a Corporate Structured Fund, when we receive your order to switch, we will exchange shares of the current Corporate Structured Fund for shares of the new Corporate Structured Fund. The movement of your investment money from one class or series to another class or series within the Corporation, as described above, will not result in a capital gain or loss. In certain circumstances, the switch may accelerate the time at which the Corporation realizes gains and pays capital gains dividends.

If you switch your shares or units of a Fund to shares or units of another Fund, or if you switch the type of account in which you hold your shares or units, your dealer may charge you an additional fee.

PROCESSING ORDERS

All orders for mutual fund shares or units are forwarded to the principal office of the Funds for acceptance or rejection and each Fund reserves the right to reject any order in whole or in part. Dealers must transmit an order for shares or units to the principal office of the Fund without charge to the investor. They must make such transmittal wherever practical by same day courier, priority post or telecommunications facility. The decision to accept or reject any order for mutual fund shares or units will be made within one business day of receipt of the order by the Fund. In the event that any purchase order is rejected, all monies received with the order are returned immediately to the subscriber. Payment for all orders of mutual fund shares or units must be received at a Fund's principal office on or before the settlement date—currently the third business day from (but not including) the day the subscription price for the mutual fund shares or units so ordered is determined.

All orders placed are settled within the time periods described above. Where payment of the subscription price is not received on a timely basis, Matco, on behalf of the Fund, redeems the mutual fund shares or units ordered by the cut-off time on the first business day following such period. The redemption proceeds reduce the amount owing to the Fund in respect of the failed purchase transaction. If the difference is favourable to the Fund, the Fund keeps the difference. If there is a shortfall, the dealer making the order for mutual fund shares or units pays to the Fund the amount of the shortfall. The dealer may then be able to

collect such amount, together with its costs and interest from the investor on whose behalf the application was placed, depending on its arrangements with the investor. Where no dealers have been involved in processing a purchase order, Matco is entitled to collect the amounts described above from the investor who has failed to remit payment.

While the Funds encourage and expect the vast majority of transactions to be recorded and registered solely in book-based form, investors in a Corporate Structured Fund are entitled upon request to a physical certificate in respect of any Corporate Structured Fund's shares owned by them. On any conversion or redemption of shares of a series of a Fund, if such shares are in certificated form, the certificate representing the shares being converted or redeemed must be surrendered prior to the processing of any such redemption or conversion request. On any such conversion of shares of a series, where such shares being converted are in certificated form, the certificate or certificates representing the shares of the other series resulting from the conversion may be issued at the expense of the Corporation, as applicable, in the name of the shareholder converting such shares upon the surrender of the certificate representing such shares being converted.

REDEMPTIONS

You may redeem (sell) your shares or units of a Fund on any Valuation Date. You or your dealer must forward your redemption order to Matco. Unless your redemption order is received by us before 4:00 p.m. (EST) on a Valuation Date, it will be processed for redemption on the next Valuation Date.

If we do not receive all the documents needed to process your redemption request within three business days, we are required to notify you that your redemption order is incomplete. If, within 10 business days, we still have not received all the documentation, we are required to repurchase your shares or units. If the repurchase amount is less than the redemption proceeds, the Fund will keep the difference. If the repurchase amount is greater than the redemption proceeds, we must pay the Fund the difference, and we will collect this amount from your dealer. Your dealer may have the right to collect it from you.

We will pay the redemption proceeds to you within three business days after the Valuation Date on which your redemption request is processed.

The Funds may redeem all of the shares or units of a particular series owned by a shareholder or unitholder at the series NAV per share or unit, less any applicable redemption charge: (i) if the shareholder or unitholder no longer satisfies the eligibility requirements with respect to such shares or units; (ii) to the extent necessary to pay any outstanding fees, charges and expenses applicable to such shareholder or unitholder; (iii) if the redemption of the shares or units is considered necessary by the Board of Directors of the Corporation or Trustee of the Balanced Fund, as applicable, to ensure that the Fund complies with the provisions of the Tax Act governing mutual fund corporations and mutual fund trusts or other legislation or regulatory requirements applicable to the Fund; (iv) to ensure that the Fund does not become subject to the legislation of a foreign jurisdiction; or (v) at any other time provided that the shareholder or unitholder has been given not less than 60 days prior notice. Shareholders or unitholders shall be notified when the Fund becomes aware that the shareholder or unitholder no longer satisfies eligibility requirements and allowed at least 30 days from the date such notice is sent by the Fund to subscribe for additional shares or units of the relevant series or to otherwise satisfy the relevant eligibility requirements before such redemption is effected. In the event that a shareholder or unitholder does not satisfy the eligibility requirements within such period, the Fund may, at any time thereafter, on such pricing date as may be fixed by the Fund, at its option, redeem all of the shares or units of the series held by such shareholder or unitholder, including by an exchange of all such shares or units for shares or units of another series of the same Fund that the shareholder or unitholder is eligible to acquire.

WHEN YOU MAY NOT BE ALLOWED TO REDEEM YOUR SHARES OR UNITS

Under exceptional circumstances, we may be unable to process your redemption order. With respect to a Corporate Structured Fund, this would occur if Canadian securities regulators allow us to suspend your right to redeem, for example:

- if normal trading is suspended in any market where securities are traded that represent more than 50% of a Fund's total asset value if those securities are not traded on another market or exchange that represents a reasonable and practical alternative; or
- in other circumstances with the consent of the Canadian securities regulators.

As permitted by Canadian securities regulators, Matco may suspend the right of shareholders or unitholders to require a Fund to redeem shares or units and the concurrent payment for shares or units of that Fund tendered for redemption during any period in which Matco determines that conditions exist, which render impractical the sale of any of the property of that Fund or impair the ability to determine the value of any property of that Fund. Matco has established certain policies and procedures such as a "large unitholder/shareholder policy and procedure" to enable Matco to make prudent decisions on behalf of all shareholders or unitholders.

If we suspend redemption rights before the redemption proceeds have been determined, you may either withdraw your redemption request or redeem your shares or units, as applicable, at the NAV per share or unit next determined after the suspension has been lifted.

Where a suspension occurs, you may either withdraw your redemption request by notice in writing to Matco or by so instructing your dealer, or receive payment based on the NAV per share or unit, as determined on the next Valuation Date following the termination of the suspension.

Short-Term Trading

Short-term trading can hurt a Fund's performance by forcing the portfolio manager to keep more cash in the Fund than would otherwise be required or to sell investments at an inappropriate time. To deter short-term trading, Matco has implemented a 90-day redemption and switch fee (see "**Fees and Expenses**" on page 13). The fees may not apply to shareholders or unitholders of series O shares or units if they are held on a discretionary basis and managed by Matco. No formal or informal arrangements have been made to allow for short-term trading in any of the Funds.

Fees and Expenses

This table lists the fees and expenses you may have to pay if you invest in a Fund. You may have to pay some of these fees and expenses directly. The Fund may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in the Fund.

FEES AND EXPENSES PAYABLE BY THE FUNDS

MANAGEMENT FEES The management fee differs among Funds as outlined in the table below. Each Fund pays Matco an annual management fee calculated and payable monthly based on the NAV of the Fund.

	<u>Series A⁽¹⁾</u>	<u>Series F</u>	<u>Series O</u>
Balanced Fund	2.00%	1.00%	Negotiable
MFi Canadian Equity Fund	2.00%	1.00%	Negotiable
MFi Energy Equity Fund	2.25%	1.25%	Negotiable
MFi Small Cap Fund	2.25%	1.25%	Negotiable

Matco charges a management fee of 0.75% in respect of series A shares or units of the Balanced Fund and MFi Canadian Equity Fund and a fee of 1.00% in respect of series A shares or units of the MFi Energy Equity Fund and the MFi Small Cap Fund. In addition, a serving commission of 1.25% is payable by Matco to the applicable dealer in respect of all sales of series A shares or units of a Fund acquired through a dealer. This 1.25% serving commission payable by Matco is added to, and included in the above-listed management fee charged by Matco to shareholders and unitholders. The maximum percentage that could be paid by investors in the series O units or shares of the Funds is 2%.

Note:

⁽¹⁾ Fees listed include both Matco management fees and a serving commission payable to applicable dealers.

OPERATING EXPENSES Each Fund pays its own operating expenses. These include administration and operating expenses, audit and legal fees, recordkeeping, registrar and transfer fees, filing fees, printing and mailing expenses, brokerage fees, taxes payable by the Fund and interest on borrowings, if any, of each Fund and expenses relating to the IRC. GST is payable on most operating expenses. No expenses are charged directly to shareholders or unitholders. From time-to-time, we may reduce management fees or pay some operating expenses directly, at our discretion. Each IRC member receives an annual retainer of \$7,000.00 as compensation for their services and they are also reimbursed for all reasonable expenses incurred.

PERFORMANCE FEES Designated classes of shares within the Corporation (the MFi Energy Equity Fund and the MFi Small Cap Fund) accrue a performance fee in respect of each series of shares calculated in the manner described below. The performance fee is in addition to the basic management fee and is only paid to the Manager if the following three criteria are met:

- The series performance must exceed the applicable market index performance (being the S&P/TSX Energy Index in respect of the MFi Energy Equity Fund and the Nesbitt Burns Small Cap TRI in respect of the MFi Small Cap Fund) over the measurement period (a calendar quarter). Where this condition, along with those outlined below, is met; then 20% of this excess multiplied by the average NAV during the performance measurement period will be payable as a performance fee.
- The cumulative return of the series of shares must be greater than nil since the last time the performance fee was paid to the Manager.
- The cumulative return for the series of shares must have outperformed the applicable market index since the last time the performance fee was paid to the Manager.

FEES AND EXPENSES PAYABLE DIRECTLY BY YOU

SALES CHARGES – SERIES A SHARES	Your dealer may charge a commission of up to 6% at the time of purchase of series A shares or units, which will reduce the amount of money you invest in the Funds. This is an agreement between you and your dealer.
REDEMPTION FEES	A fee of 2% is charged on the redemption of any shares or units of a Fund made within 90 days of the date of purchase. This fee is designed to deter short-term trading and/or market timing as they can adversely affect the existing shareholders and unitholders. The redemption fee will be deducted from the proceeds of the redemption.
SWITCHING FEES	A fee of 2% of the purchase price is charged by the Funds in respect of series F and series O shares and units when you switch between Funds or series within 90 days of first having acquired the shares or units to be exchanged. In addition, your dealer may charge you a fee of 0% to 2% of the purchase price of the shares or units you acquire when you switch from, or between series A shares or units of a Fund or transfer between types of accounts. This fee is designed to deter excessive trading and to protect shareholders and unitholders from other investors moving frequently in and out of the Funds. Frequent trading can hurt a fund's performance by forcing the portfolio manager to keep more cash in the fund than would otherwise be required or to sell investments at an inappropriate time. The switch fee will be deducted from the proceeds of the switch.
OTHER FEES AND EXPENSES	Wire Transfers. We charge the equivalent fees charged by the applicable bank in respect of any wire transfers. Systematic Investment/Withdrawal. No fee is chargeable for the establishment of any systematic investment or withdrawal program.

The prior approval of the shareholders and unitholders of the Funds will not be obtained before changing the basis of the calculation of a fee or expense that is charged to a Fund or its shareholders and unitholders where the Fund is at arm's length to the person or company charging the fee or expense that results in the change; however, where such a change could result in an increase in charges to the Fund or its shareholders and unitholders, a written notice will be sent to shareholders and unitholders at least 60 days prior to the effective date of such change.

Additionally, the Funds hold, or may hold, shares or units of other mutual funds. There may be fees and expenses payable by such other mutual fund in addition to the fees and expenses payable by a Fund. No management fees, incentive fees, sales fees or redemption fees are payable by a Fund that, to a reasonable person, would duplicate a fee payable by any such other mutual fund for the same service. Where any such other mutual fund is managed by Matco or an affiliate or associate of Matco, no sales fees or redemption fees shall be payable by a Fund in relation to its redemption or purchase of the shares or units of such other mutual fund.

Impact of Sales Charges

The following table shows the amount of fees that you would have to pay under the different purchase options available to you if you: made an investment of \$1,000.00 in a Fund; held that investment for one, three, five, or 10 years and redeemed your investment immediately before the end of that period. This table assumes, in the case of the front-end sales charge option, that you pay the maximum sales commission.

	AT TIME OF PURCHASE	1 YEAR	3 YEARS	5 YEARS	10 YEARS
Front-End Sales Charge – series A	\$60.00	Nil	Nil	Nil	Nil
Direct Purchase Option – series F	Nil	Nil	Nil	Nil	Nil
Direct Large Purchase Option – series O	Nil	Nil	Nil	Nil	Nil

Dealer Compensation

REFERRAL FEE

Your dealer may receive a referral fee at the time you purchase shares or units. This referral fee arises and is payable at the time an investor opens a discretionary investment account with Matco and is not directly associated with the purchase of a Fund, however, it is possible that the Funds would be acquired through such a discretionary account. The amount of such fee is payable directly by Matco and is dependent upon individual referral agreements that may be in place between Matco, the Fund and the dealer/referrer.

SWITCH FEE

Your dealer may charge you a switch fee of 0% to 2% of the purchase price of the shares, or units you acquire when you switch from one Fund to another or transfer between types of accounts in which you hold your shares or units.

SALES COMMISSION

Your dealer may receive a sales commission when you invest in series A shares or units. If you choose the front-end sales charge option, your dealer receives a commission equal to the amount you negotiate with your advisor. The maximum commission under this option is 6% of the amount of your investment.

SERVICE COMMISSION

A fee of 1.25% is payable by Matco to the applicable dealer in respect of all sales of series A shares or units of a Fund and in certain circumstances a similar fee of up to 1.25% is payable by Matco to the applicable dealer in respect of the sale of series O shares or units of a Fund. None of such service commissions are borne directly by the subscriber for Fund shares; however, the management fee charged by Matco reflects the amount of such service commissions payable. This service commission is determined by Matco and its dealers and may change from time-to-time.

OTHER FORMS OF DEALER SUPPORT

We provide a broad range of marketing and educational support programs to dealers and their financial advisors. These include providing financial support of investor seminars and conferences and providing financial advisors with research and marketing materials on the Funds and the benefits of mutual fund investing. The cost of supporting such activities and providing such materials is determined on a case-by-case basis.

We may execute brokerage transactions through dealers who have provided other services to the Funds, such as investment research, order execution or distribution of Fund shares or units.

Dealer Compensation from Management Fees

As at the end of the full fiscal period June 30, 2009, the Manager paid less than 1% of the total management fees earned to dealers. This amount includes sales commission and trailer fees as well as our support of their promotional activities. The MFi Small Cap Fund has not previously been offered for sale and as such no service or sales commissions have been paid as at the date hereof in respect of this Fund.

Income Tax Consideration for Investors

This section provides a general summary of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) (“**Tax Act**”), as of the date hereof, for the Funds and for holders of shares or units issued by the Funds who, for purposes of the Tax Act, are resident in Canada, hold such shares or units as capital property and deal with the Funds at arm's length. The tax treatment of an investment in a Fund will vary depending upon whether the shares or units held by an investor are shares of a Corporate Structured Fund or the Balanced Fund. The Funds contain funds structured both as classes of shares of the Corporation and as separate trusts. The Funds have been structured in this way in an effort to minimize the tax impact of ownership of shares or units of the Funds and to allow shareholders or unitholders of Funds to switch between Funds in a tax-effective manner. This summary is based on the current provisions of the Tax Act and the regulations thereunder, all specific proposals to amend the Tax Act and such regulations publicly announced by the Minister prior to the date hereof (the “**Tax Proposals**”).

This summary is not exhaustive of all possible federal income tax considerations and other than the Tax Proposals, does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action. This summary does not deal with foreign or provincial income tax considerations, which might differ from federal considerations. This summary does not constitute legal or tax advice to any particular investor. Investors are advised to consult their tax advisors with respect to their individual circumstances.

THE CORPORATION

Status

As of the date hereof, the Corporation is not a mutual fund corporation for purposes of the Tax Act. In order to be a mutual fund corporation within the meaning of the Tax Act, it will have to meet a number of specified requirements including:

1. it must be a Canadian corporation;
2. it must be a “public corporation” within the meaning of the Tax Act;
3. its only undertaking must be:
 - (a) the investing of its funds in property (other than real property or an interest in real property);
 - (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) that is capital property; or
 - (c) any combination of the activities described in (a) and (b) above;
4. the issued shares of the Corporation must include conditions requiring the Corporation to accept, at the demand of the holder of the shares issued by the Corporation and at prices determined and payable in accordance with the share conditions, the surrender of the shares (or fractions or part thereof) that are fully paid; and
5. at least 95% of the fair market value of all of the issued shares of the capital stock of the Corporation must be attributable to the shares of the Corporation referred to in item 4 above.

Currently, the Corporation meets each of the requirements set out above, with the exception that it does not yet qualify as a public corporation within the meaning of the Tax Act. To become a public corporation within the meaning of the Tax Act, the Corporation will have to meet certain requirements set out in the Tax Act and the Regulations thereunder, including:

1. it must file an election with the Canada Revenue Agency (the “CRA”), electing to be a public corporation;
2. at the time of the election, it must comply with each of the following:
 - (a) a class of shares of the capital stock of the Corporation designated by the Corporation in its election must be qualified for distribution to the public; and
 - (b) there must be no fewer than 150 shareholders, other than insiders of the Corporation, each of whom holds not less than one “block” of shares having a fair market value of not less than \$500.00 (a “**block of shares**” means 100 shares, if the fair market value of one share of the class is less than \$25.00; 25 shares if the fair market value of one share of the class is \$25.00 or more but less than \$100; and 10 shares if the fair market value of one share of the class is \$100.00 or more).

While the Corporation is not currently a public corporation within the meaning of the Tax Act, it is expected that the Corporation will become a public corporation for tax purposes, in the near future. Matco anticipates the shares of the Corporation will be qualified investments for registered plans under the Tax Act in the future. In the summary set out below, we have indicated where there will be differences in the taxation of the Corporation or the investors, based upon whether or not the Corporation, at a particular time, is a mutual fund corporation within the meaning of the Tax Act.

Taxation of the Corporation

The Corporation must compute its earnings for tax purposes as a single entity without regard to whether such earnings are derived from the MFi Canadian Equity Fund, the MFi Energy Equity Fund or the MFi Small Cap Fund. As a result, dividends paid to an investor in the Corporate Structured Funds will differ from the dividends or distributions that would be paid to an investor if the investor had invested in a fund that made the same investments but did not have a multi-class corporate structure. All of the Corporation's revenues, deductible expenses, capital gains, and capital losses in connection with all of the Corporation's investment portfolios, and other items relevant to the tax position of the Corporation (including the tax attributes of all of the Corporation's assets), will be taken into account in determining the income or loss of the Corporation and applicable taxes payable by the Corporation as a whole, including capital gains taxes payable. For example, all deductible expenses of the Corporation, both expenses common to all classes of shares of the

Corporation and expenses attributable to particular classes or series, will be taken into account in computing the income or loss of the Corporation as a whole. Similarly, capital losses of the Corporation in respect of any segment of the Corporation's investment portfolio referable to a particular class of shares may be applied against capital gains of the Corporation in respect of any segment of the Corporation's investment portfolio referable to another class or classes in determining any capital gains taxes payable by the Corporation as a whole. In addition, any ordinary operating losses of the Corporation (whether from the current year or carried forward from prior years) attributable to any particular class may be applied against income or taxable income of the Corporation attributable to any other class or classes of shares.

All income of the Corporation, including taxable capital gains net of allowable capital losses, will be subject to tax at normal corporate rates. Generally, dividends received by the Corporation from taxable Canadian corporations will be subject to a 33-1/3% tax on the amount of such dividends, which tax will be refundable on the basis of \$1.00 for each \$3.00 of taxable dividends paid by the Corporation to its investors. In addition, if the Corporation does not become a mutual fund corporation, it will be subject to Part VI.I tax under the Tax Act in respect of certain of the taxable dividends it pays.

After the Corporation becomes a mutual fund corporation, taxes payable on net realized capital gains realized from dispositions of property at a time when the Corporation is a mutual fund corporation are refundable on a formula basis when the shares of the Corporation are redeemed or the Corporation elects to pay capital gains dividends. Taxes payable on capital gains arising from the dispositions of property prior to the time the Corporation becomes a mutual fund corporation are not refundable (however, the non-taxable portion of such capital gains may be added to the Corporation's "capital dividend account" as discussed further below). The amount of capital gains dividends paid by the Corporation will be affected by the level of redemptions from the MFi Canadian Equity Fund, the MFi Energy Equity Fund and the MFi Small Cap Fund as well as accrued gains and losses of the Corporation as a whole. A Corporate Structured Fund may have to dispose of some of its investments because of investors switching to another Corporate Structured Fund. As a result, more of its accrued gains and losses may be recognized at an earlier time compared with a mutual fund that does not allow for tax-deferred switching. In certain circumstances, this could accelerate the recognition of gains by investors as a consequence of the earlier payment of capital gains dividends.

The higher a Fund's portfolio turnover rate in a year, the greater the chance it will generate gains and losses in the year.

The earnings and tax liability, if any, of the Corporation will be allocated among the MFi Canadian Equity Fund, the MFi Energy Equity Fund and the MFi Small Cap Fund in the sole discretion of the Corporation, acting reasonably.

Taxation of Shareholders of the Corporation

A shareholder of the Corporation, who is an individual, will include in such shareholder's income the amount of all taxable dividends and/or "eligible dividends" paid by the Corporation. Shareholders who are individuals will, upon the receipt of a taxable dividend and/or an eligible dividend (not including a capital gains dividend or a capital dividend), be subject to the gross-up and dividend tax credit rules applicable to all dividends received by individuals from corporations resident in Canada. An "eligible dividend" (as defined in subsection 89(1) of the Tax Act) will be entitled to an enhanced gross-up and dividend tax credit. To the extent available under the Tax Act and CRA's administrative practice, the Corporation will pass onto shareholders in respect of eligible dividends the benefit of the enhanced gross-up and dividend tax credit. The Corporation will designate, to the extent permitted, its taxable dividends as eligible dividends.

In the case of a shareholder that is a corporation, taxable dividends will be included in computing such shareholder's income but generally will also be deductible in computing its taxable income. A private corporation or a subject corporation (as defined in the Tax Act) that is entitled to deduct such dividends in computing its taxable income will normally be subject to Part IV tax under the Tax Act, potentially refundable upon payment of taxable dividends. Corporations, other than private corporations and certain financial intermediary corporations, should consult their own tax advisors as to the possible application of tax under Part IV.I of the Tax Act on taxable dividends received by them from the Corporation.

If the Corporation realizes a capital gain on the disposition of property at a time when it is a private corporation within the meaning of the Tax Act, and therefore not yet a mutual fund corporation, then provided at the time that the Corporation declares a dividend it remains a private corporation within the meaning of the Tax Act, it may elect to pay a dividend out of its "capital dividend account" to the extent of its capital dividend account at the time the dividend is paid. In general,

the Corporation may add the non-taxable portion of any capital gain that it realizes on the disposition of property, or one-half of such gain, prior to the time that it is a mutual fund corporation, to its capital dividend account. No part of a dividend paid out of a capital dividend account is included in computing Part I income of a receiving shareholder resident in Canada. A mutual fund corporation is not eligible to make an election to pay a dividend out of its capital dividend account. However, as described above, a mutual fund corporation is entitled to a refund of any capital gains tax that it pays as a result of realizing a capital gain on the disposition of property.

Moreover, after the Corporation becomes a mutual fund corporation, it may make distributions to its shareholders of net capital gains realized by the Corporation on dispositions of property occurring after the Corporation becomes a mutual fund corporation by way of capital gains dividends. Capital gains dividends may be paid by the Corporation on any class of shares in order to obtain a refund of capital gains taxes payable by the Corporation as a whole, whether or not such taxes relate to the investment portfolio attributable to such class. Capital gains dividends paid by the Corporation will be treated as realized capital gains in the hands of a recipient shareholder and will be subject to the general rules relating to the taxation of capital gains, which are described under the heading “**Taxation of Capital Gains (or Capital Losses)**” on page 22.

A switch of shares of a series of one class issued by the Corporation by a shareholder into shares of another class, or shares of a different series of the same class will not be a disposition under the Tax Act of the shares converted. As a result, such a shareholder will not realize a capital gain or a capital loss on the conversion. The shareholder’s cost of the shares of a series of a class of securities of the Corporation acquired on the conversion will be deemed under the Tax Act to be the adjusted cost base to the shareholder of the shares of the series of the class of the Corporation so converted immediately before the conversion. Such cost will be required to be averaged with the adjusted cost base of other shares of such series owned by the shareholder.

Any switch of securities from one class of shares issued by the Corporation by a shareholder for units of the Balanced Fund, a redemption of the shares of the Corporation at a time when the Corporation is a mutual fund corporation or another disposition or deemed disposition of such shares will be considered to be a disposition for tax purpose. Any such disposition will generally result in the realization of a capital gain (or capital loss) in the taxation year of the disposition to the extent that the proceeds of disposition, net of reasonable disposition expenses, exceed (or are exceeded by) the adjusted cost base (see “**Calculating Adjusted Cost Base**” on Page 22) of such shares. The taxation of capital gains (or capital losses) is discussed below – see “**Taxation of Capital Gains (or Capital Losses)**” on page 22.

If at the time the Corporation redeems shares of the Corporation from a shareholder, the Corporation is not yet a mutual fund corporation, then the shareholder will be deemed to have received a dividend (subject to the potential application of subsection 55(2) of the Tax Act to holders of such shares that are corporations as discussed below) equal to the amount by which the redemption price of the shares exceeds the paid up capital thereof for purposes of the Tax Act. An individual shareholder who is deemed to have received a dividend as a result of a redemption of shares by the Corporation will be subject to the gross-up and dividend tax credit rules referred to above. Subject to the potential application of the rules discussed below, dividends deemed to be received by a corporation as a result of the redemption of the shares will be included in computing its income, but normally will also be deductible in computing its taxable income. The difference between the redemption price and the amount of the deemed dividend will be treated as proceeds of disposition of the shares redeemed for purposes of computing any capital gain or capital loss arising from the disposition of such shares.

Subsection 55(2) of the Tax Act provides that where a corporate shareholder is deemed to receive a dividend as part of a transaction or event or a series of transactions or events, one of the results of which was to effect a significant reduction in the portion of the capital gain that, but for the dividend, would have been realized on a disposition at fair market value of a share of the capital stock of a corporation immediately before the dividend, and such dividend is deductible in computing the shareholder's taxable income and is not subject to tax under Part IV of the Tax Act, all or a portion of the deemed dividend may be treated as proceeds of disposition for purposes of computing the shareholder's capital gain on the disposition of such shares. There are a number of potential exceptions available to the application of Subsection 55(2), including, in certain circumstances, where the corporate shareholder receives only money on a redemption. Accordingly, corporate shareholders should consult their tax advisors for specific advice with respect to the potential application of this provision.

Eligibility for Investment

As of the date hereof, shares of the Corporation will not be qualified investments for purposes of the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit-sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts, within the meaning of the Tax Act. In the event that the Corporation becomes a mutual fund corporation, it is expected that the shares of the Corporation will become qualified investments for purposes of the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit-sharing plans, registered education savings plans, registered disability savings plans, and tax-free savings accounts within the meaning of the Tax Act.

THE BALANCED FUND

Units Held in a Registered Plan

The units of the Balanced Fund are qualified investments under the Tax Act for registered plans. If you hold your units in a registered plan such as a registered retirement savings plan, registered retirement income fund, registered education savings plan, deferred profit sharing plan, registered disability savings plan, or a tax free savings account (“TFSA”), you do not have to pay any taxes on distributions received on those units until amounts are withdrawn from the plan. Also, if those units are redeemed or sold, generally the proceeds will not be taxable until they are withdrawn from the plan. If you hold units in a TFSA, you do not have to pay any taxes on the distributions or dividends paid by the Fund or the capital gains generated from a disposition of the units or shares.

Units of the Balanced Fund Held in a Non-Registered Account

Distributions

Distributions from the Fund will be made either as foreign source income, taxable dividends, including, where applicable, eligible dividends, capital gains dividends or other income.

Distributions that are designated as taxable dividends, including, where applicable, eligible dividends, received by the Fund from taxable Canadian corporations will be subject to the gross-up and dividend tax credit rules normally applicable to such dividends, in the same way as if you had received such dividends directly, where you are an individual. Where you are a corporation, taxable dividends will be included in your income but generally will also be deductible in computing your taxable income. If you are a “private corporation” or a “subject corporation” (as defined in the Tax Act) which is entitled to deduct such dividends in computing its taxable income you will normally be subject to the Part IV refundable tax under the Tax Act. If you are a corporation other than a private corporation or a financed intermediary corporation, you should consult your tax advisor regarding the potential application of part IV of the Tax Act to taxable dividends received.

Distributions that are designated as capital gains will be treated in your hands in the same way as capital gains arising on the sale of units of this Fund, as described below.

You will receive a tax slip each year that shows your share of the Fund's distributions of:

- taxable dividends;
- foreign source income;
- capital gains; and
- other income.

You must report these amounts when completing your tax return regardless of whether the amounts were paid to you in cash or reinvested in additional units.

If you receive an amount in excess of your share of the net income of the Fund, this amount generally will not be required to be included in your income but, except to the extent that it constitutes your share of the non-taxable portion of capital gains realized by the Fund, generally will reduce the adjusted cost base of your units. To the extent the adjusted cost base of your units would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized from a disposition of units and the adjusted cost base of the units would be increased by the amount of such deemed gain.

Turnover Rate

A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year and the greater the chance of an investor receiving capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

Taxation of Capital Gains (or Capital Losses)

A shareholder or unitholder of shares or units issued by any of the Funds who realizes a capital gain or a capital loss upon the disposition or deemed disposition of such shares or units as discussed in this summary will generally be required to include one-half of the amount of any capital gain (a “**taxable capital gain**”) in income and will be required to deduct one-half of the amount of any resulting capital loss (an “**allowable capital loss**”) up to the amount of taxable gains in the taxation year in which such capital gains (or capital losses) are realized. Allowable capital losses not deducted in the taxation year in which they are realized may ordinarily be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any following taxation year against taxable capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act.

A shareholder or unitholder that is a Canadian-controlled private corporation (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6-2/3 % on its “aggregate investment income” for the year, which is defined to include an amount in respect of taxable capital gains.

If a corporate shareholder disposes of shares of the Corporation, the amount of any capital loss arising on such disposition may be reduced by the amount of dividends received or deemed to be received by the shareholder to the extent and under the circumstances prescribed by the Tax Act. Similar rules may apply when a corporation is a member of a partnership or is a beneficiary of a trust that owns shares of the Corporation. Shareholders to whom these rules may be relevant should consult their tax advisors with regard to their particular circumstances.

If a Fund invests in a “participating interest” of a foreign investment entity (“**FIE**”) as defined in the Tax Act, the Fund must include in income for tax purposes each year: (i) an amount equal to a prescribed percentage of such Fund’s designated cost of its participating interest in the FIE; (ii) if certain conditions are met, any gain on such participating interest for the year on a mark-to-market basis whether or not such gain has been realized; or (iii) if certain other conditions are met, the Fund’s proportionate share of the FIE’s income (loss) calculated using Canadian tax rules. In limited circumstances, the resulting gain under the mark-to-market regime may be treated on capital account. Accordingly, if applicable, the Fund may be required to include in income amounts that the Fund has not earned or received and thereby a holder will be taxable on the portion of such amounts payable to such holder by the Fund.

Calculating Adjusted Cost Base

A shareholder's or unitholder's capital gain or loss for tax purposes will be the difference between the amount received by the shareholder or unitholder upon a disposition or deemed disposition of such shareholder's or unitholder's securities and the adjusted cost base of those securities. A shareholder's or unitholder's adjusted cost base must be determined separately for each series of shares or units owned by such shareholder or unitholder in each Fund. In general, the adjusted cost base of a shareholder's or unitholder's shares or units of a series in any of the Funds will equal:

- (a) such shareholder's or unitholder's initial investment, including any applicable charges paid by the shareholder or unitholder; plus
- (b) any additional investments, including any applicable charges paid by the shareholder or unitholder; plus
- (c) any reinvested distributions or dividends including management fee distributions; minus
- (d) non-taxable amounts, such as a return of capital; minus
- (e) the adjusted cost base of any securities previously disposed of.

The adjusted cost base of a share or unit of a series of a Fund will be the average of the adjusted cost base of all shares or units of the same series in that Fund owned by a shareholder or unitholder. To the extent that the adjusted cost base of a shareholder's or unitholder's shares or units would otherwise be a negative amount as a result of receiving a distribution that is a return of capital, the negative amount will be deemed to be a capital gain realized by the shareholder or unitholder from a disposition of the shares or units, and the shareholder's or unitholder's adjusted cost base of the shares or units would be increased by the amount of such deemed gain. Shareholders or unitholders should keep detailed records of the cost of such shareholder's or unitholder's investments and distributions in order to calculate such shareholder's or unitholder's adjusted cost base in the shares or units of the Funds. Shareholders or unitholders may wish to consult a tax advisor to assist with such calculations.

Buying Securities Late in the Year

According to the distribution policy of the Funds, the largest distributions will typically take place in December. If a holder buys units of the Balanced Fund just before it makes such a distribution, or shares of the Corporation, just before a dividend record date, such shareholder or unitholder will be taxed on the entire distribution or dividend even though the Fund may have earned the income or realized the gain giving rise to the distribution of dividends before shares or units were owned. Accordingly, shareholders or unitholders may have to pay tax on such shareholder's or unitholder's proportionate share of the net income or net realized capital gains earned by the Funds for the whole year, even though such shareholders or unitholders were not invested in the Funds throughout the year.

Alternative Minimum Tax

Individuals may be subject to alternative minimum tax. Capital gains, capital gains dividends and taxable dividends may give rise to liability for such minimum tax.

OTHER CONSIDERATIONS

We will issue tax statements to you each year indicating the amount of taxable dividends and capital gains dividends paid to you. You should keep detailed records of the purchase cost, sales charges, and dividends related to your Fund shares or units in order to calculate the adjusted cost base of those shares. You may wish to consult a tax advisor to help you with these calculations.

What are Your Legal Rights?

Securities legislation in some provinces gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the simplified prospectus, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces also allows you to cancel an agreement to buy mutual fund securities and get your money back, or to make a claim for damages, if the simplified prospectus, annual information form or financial statements misrepresent any facts about the mutual funds being distributed. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or consult with your legal advisor.

Additional Information

Matco is not currently a member of the Mutual Fund Dealers Association (the "MFDA") and has received from both the Alberta Securities Commission and the British Columbia Securities Commission an exemption from the requirement to become a member of the MFDA. Consequently, Matco clients do not currently have available to them investor protection benefits that would otherwise derive from Matco's membership in the MFDA, including coverage under any investor protection plan for clients of members of the MFDA. Matco does not act as a dealer in any of the provinces of Saskatchewan, Manitoba or Ontario.

Part B

Part B: Specific Information About Each of the Mutual Funds Described in this Document

MFi CANADIAN EQUITY FUND

Fund Details

TYPE OF FUND	Canadian Equity
INCEPTION DATE	The Fund came into existence on May 17, 2007, and shares of the Fund were originally offered privately. The Fund was qualified for distribution to the public by prospectus on November 29, 2007.
SECURITIES OFFERED	Series A, series F, and series O mutual fund shares of the Corporation. Additional information regarding the nature of these shares can be found in the Fund's AIF.
REGISTERED TAX PLAN STATUS	Currently not eligible for Registered Plans
FEES AND EXPENSES	<p>Series A shares: 2.00% (consisting of a 0.75% management fee and 1.25% serving commission) Additionally, a portion of the Fund's operating expenses is payable. A sales charge of up to 6% may be applicable as negotiated between the investor and a dealer, which is payable upon the acquisition of series A shares. A redemption fee of 2% is payable upon redemption within 90 days of the original purchase. A switch fee of up to 2% as negotiated between an investor and dealer may be payable upon an exchange of shares. In certain circumstances, wire transfer fees may be chargeable. See "Fees and Expenses" in Part A of this Simplified Prospectus.</p> <p>Series F shares: 1.00% Additionally, a portion of the Fund's operating expense is payable. A redemption fee of 2% is payable upon redemption within 90 days of the original purchase. A switch fee of 2% is payable upon an exchange of shares within 90 days of the original purchase. In certain circumstances, wire transfer fees may be chargeable. See "Fees and Expenses" in Part A of this Simplified Prospectus.</p> <p>Series O shares: Negotiated with and paid by the shareholder directly to the Manager Additionally, a portion of the Fund's operating expenses is payable. A redemption fee of 2% is payable upon redemption within 90 days of the original purchase. A switch fee of 2% is payable upon an exchange of shares within 90 days of the original purchase. In certain circumstances, wire transfer fees may be chargeable. See "Fees and Expenses" in Part A of this Simplified Prospectus.</p>
SYSTEMATIC WITHDRAWAL PLAN	No charge
PRE-AUTHORIZED CHEQUING PLAN	No charge

What does the Fund invest in?

Investment objectives

- The Fund's objective is to seek long-term capital appreciation with a general preference for investment in equity securities which pay regular distributions or dividends, and superior risk-adjusted returns by investing primarily in a portfolio of large and mid capitalized Canadian equities.

We may not change the fundamental investment objectives of the Fund without first obtaining approval of the shareholders at a meeting to consider the change.

Investment strategies

- This Fund utilizes Matco's Canadian investment management expertise with the ability to utilize an overlay strategy of non-proprietary management.
- Matco, at its discretion, will modify asset mix, individual securities, and remove and add non-proprietary managers within the overlay strategy. From an overlay strategy perspective, Matco uses a rigorous manager selection process and continuously monitors and evaluates the selected external managers whose services it utilizes. Matco's overlay manager selection process is completed by the Matco Canadian Equity working group and utilizes a systematic approach to evaluate such criteria as performance, adherence to investment style and corporate governance.
- Matco will employ the technique of utilizing individual security holdings within the fund for core holdings versus an all fund-of-fund solution. This allows for greater control of tax distributions and investment management implementation within the Fund, equivalent to an institutional or private client mandate.
- The Fund will strategically utilize large, mid and small capitalized securities to achieve its objectives with a bias towards large cap securities.
- Securities are purchased with a long-term horizon.
- The Fund may also invest in other mutual funds, including the MFi Energy Equity Fund and MFi Small Cap Fund, as permitted under securities regulations.
- The Fund may hold a portion of assets in cash or cash equivalents while seeking investment opportunities or due to market conditions.
- The Fund may invest in Derivatives for hedging purposes, as permitted by securities regulations that are consistent with the investment objectives of the Fund. Derivatives may be used with the intention to offset or reduce a risk associated with an investment or group of investments. These risks include currency fluctuations, market risks, and interest rate changes. The Fund may enter into Derivatives as described under the heading "**What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? – Derivatives Risks**" on page 3.
- The Fund may invest in, or enter into, specified derivative transactions for which the underlying interest is based on the securities of other mutual funds. Such other mutual funds may be managed by Matco or its affiliates or associates.
- Although the Fund is primarily focused on Canadian equities, it may also invest from time-to-time in U.S. and foreign securities based upon Matco's assessment of market conditions. The Fund is required to maintain a minimum of 70% Canadian securities.
- The Fund may enter into securities lending, repurchase or reverse repurchase transactions. These transactions will be used in conjunction with the Fund's other investment strategies in the manner considered most appropriate to achieving the Fund's overall investment objectives and enhancing the Fund's return, as permitted by securities regulators. A Fund must hold collateral of no less than 102% of the loaned value of securities and the Fund will not lend more than 50% of the total value of its assets.

What are the risks of investing in the Fund?

As at the date hereof, more than 10% of the shares of the Fund are held by Matco Investments Ltd. (See the Fund's AIF for more detail). Should Matco Investments Ltd. or any other significant holder redeem a significant amount of their holdings in a short time, the Fund may be required to sell some of its holdings at an inopportune time. See "**What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? – What are the Risks of Investing in a Mutual Fund? – Substantial Securityholder Risk**" on page 4.

In addition, this Fund is subject to a number of more general risks, including stock market risk, interest rate risk, foreign investment and currency risk, credit risk, liquidity risk, class risk, concentration risk, income fund and royalty trust risk, income trust risk, commodity risk, and portfolio manager risk, each of which is described in detail under "**What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? – What are the Risks of Investing in a Mutual Fund?**" on page 2.

Who should invest in the MFi Canadian Equity Fund?

This Fund is not intended to be a complete investment program for all investors and may only be suitable if you:

- are seeking long-term capital appreciation with an equity income bias;
- can tolerate a high level of investment risk; and
- are planning to hold the investment for the medium to long term.

Distribution policy

The Board of Directors of the Corporation may declare dividends at its discretion. The Board of Directors has adopted a policy of annually assessing the Corporation's net income and net realized capital gains and declaring, to the extent possible, sufficient taxable dividends and capital gains dividends in order to offset tax otherwise payable by the Corporation on taxable dividends received by it and on net realized capital gains. Additional dividends may be declared. Although the Fund generates significant income through dividends, we automatically reinvest all dividends in additional shares of the Fund unless you tell us in writing you want to receive cash. The tax treatment of each type of dividend is described under "**Income Tax Considerations for Investors**" on page 16.

Fund expenses indirectly borne by investors

Mutual funds pay their expenses (including the management fee) out of fund assets. This means investors in a fund indirectly pay for these expenses through lower returns. See "**Fees and Expenses**" on page 13 for details.

The chart allows you to compare the costs of investing in the Fund with the cost of other mutual funds. It shows the cumulative expenses you would have paid over various time periods if you:

- made an initial investment of \$1,000.00;
- earned a total annual return of 5% in each year, calculated in accordance with National Instrument 81-102 - *Mutual Fund Distributions*; and
- paid the same management expense ratio in each year as you did in the Fund's last completed financial year, calculated in accordance with National Instrument 81-106 - *Investment Fund Continuous Disclosure*.

Series	1 year	3 years	5 years	10 years
A	\$ -	\$ -	\$ -	\$ -
F	\$ 15.99	\$ 50.40	\$ 88.33	\$ 201.07

The chart does not account for fees directly borne by you. See "**Fees and Expenses**" on page 13 for details.

MFi ENERGY EQUITY FUND

Fund Details

TYPE OF FUND	Energy Equity (Oil & Gas)
INCEPTION DATE	The Fund came into existence on May 17, 2007, and shares of the Fund were originally offered privately. The Fund was originally qualified for distribution to the public by prospectus on November 29, 2007.
SECURITIES OFFERED	Series A, series F and series O mutual fund shares of the Corporation. Additional information regarding the nature of these securities can be found in the Fund's AIF.
REGISTERED TAX PLAN STATUS	Currently not eligible for Registered Plans
FEES AND EXPENSES	<p>Series A shares: 2.25% (consisting of a 1.00% management fee and 1.25% serving commission) Additionally, a portion of the Fund's operating expenses is payable. A sales charge of up to 6% may be applicable as negotiated between the investor and a dealer, which is payable upon the acquisition of series A shares. A redemption fee of 2% is payable upon redemption within 90 days of the original purchase. A switch fee of up to 2% as negotiated between an investor and dealer may be payable upon an exchange of shares. In certain circumstances, wire transfer fees may be chargeable. See "Fees and Expenses" in Part A of this Simplified Prospectus.</p> <p>Series F shares: 1.25% Additionally, a portion of the Fund's operating expense is payable. A redemption fee of 2% is payable upon redemption within 90 days of the original purchase. A switch fee of 2% is payable upon an exchange of shares within 90 days of the original purchase. In certain circumstances, wire transfer fees may be chargeable. See "Fees and Expenses" in Part A of this Simplified Prospectus.</p> <p>Series O shares: Negotiated with and paid by the shareholder directly to the Manager Additionally, a portion of the Fund's operating expenses is payable. A redemption fee of 2% is payable upon redemption within 90 days of the original purchase. A switch fee of 2% is payable upon an exchange of shares within 90 days of the original purchase. In certain circumstances, wire transfer fees may be chargeable. See "Fees and Expenses" in Part A of this Simplified Prospectus.</p> <p>Performance Fees: All series of the MFi Energy Equity Fund (A, F, O) potentially accrue performance fees based on a comparison of performance vs. the S&P/TSX Energy Index. See "Fees and Expenses" in Part A of this Simplified Prospectus.</p>
SYSTEMATIC WITHDRAWAL PLAN	No charge
PRE-AUTHORIZED CHEQUING PLAN	No charge

What does the Fund invest in?

Investment objectives

- The Fund's objective is to achieve long-term capital appreciation by investing primarily in a portfolio of Canadian and U.S. energy equities (Oil & Gas) with a bias towards mid and small cap companies.

We may not change the fundamental investment objectives of the Fund without first obtaining approval of the shareholders at a meeting to consider the change.

Investment strategies

- The Fund invests in the energy sector, which includes entities engaged in the exploration, production, refining, marketing, transportation, and distribution of energy, as well as entities engaged in related activities such as utilities, manufacturing, servicing and pipelines.
- The Fund will employ fundamental analysis (reserve and asset research) and industry experience to identify superior investment opportunities. Fundamental analysis will be provided primarily from Ross Smith Energy Group “RSEG”. The overall management theme of the MFi Energy Equity Fund is to seek out companies with strong management and business models, and proven assets that can benefit from industry and macro-economic trends.
- The fundamental or bottom-up analysis coupled with Matco's industry experience is expected to result in the Fund's portfolio security selection and weightings being different from the applicable benchmark, the S&P/TSX Energy Index.
- The Fund will also invest in securities outside of Canada, as the objective is to identify superior energy securities.
- The Fund may invest in private equity securities up to a maximum of 15% of the Fund's NAV.
- The Fund may hold a portion of assets in cash or cash equivalents while seeking investment opportunities or due to market conditions.
- The Fund may invest in Derivatives for hedging purposes, as permitted by securities regulations that are consistent with the investment objectives of the Fund. Derivatives may be used with the intention to offset or reduce a risk associated with an investment or group of investments. These risks include currency fluctuations, market risks, and interest rate changes. The fund may enter into Derivatives as described under the heading “**What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? – Derivatives Risks**” on page 3.
- The Fund may enter into securities lending, repurchase or reverse repurchase transactions. These transactions will be used in conjunction with the Fund's other investment strategies in the manner considered most appropriate to achieving the Fund's overall investment objectives and enhancing the Fund's return, as permitted by securities regulators. A Fund must hold collateral of no less than 102% of the loaned value of securities and the Fund will not lend more than 50% of the total value of its assets.
- The Fund has an affiliation with RSEG, who is a principal supplier of investment research to the Fund. RSEG is a Calgary, Alberta-based independent provider of energy research to institutional investors. RSEG was founded in 1998 with a goal of assisting institutional and private client investors investing in the energy sector. Specialized technical experience within the RSEG includes development and exploration geology, reservoir engineering, completions, financial modelling, forensic accounting, economic analysis and geopolitics.

What are the risks of investing in the Fund?

As at the date hereof, more than 10% of the shares of the Fund are held by Matco Investments Ltd. (see the Fund's AIF for more detail). Should Matco Investments Ltd. or any other significant holder redeem a significant amount of their holdings in a short time, the Fund may be required to sell some of its holdings at an inopportune time. See “**What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? – What are the Risks of Investing in a Mutual Fund? – Substantial Securityholder Risk**” on page 4.

In addition, this Fund is subject to a number of general risks, including stock market risk, interest rate risk, foreign investment and currency risk, liquidity risk, class risk, concentration risk, income fund and royalty trust risk, income trust risk, sector risk, small company risk, commodity risk, and portfolio manager risk, each of which is described in detail under “**What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? – What are the Risks of Investing in a Mutual Fund?**” on page 2.

Who should invest in the MFi Energy Equity Fund?

This Fund is not intended to be a complete investment program and may only be suitable if you:

- are seeking long-term capital appreciation;
- are seeking exposure to high-growth energy stocks;
- can withstand high volatility in the value of the Fund's securities; and
- can tolerate a high level of investment risk.

Distribution policy

The Board of Directors of the Corporation may declare dividends at its discretion. The Board of Directors has adopted a policy of annually assessing the Corporation's net income and net realized capital gains and declaring, to the extent possible, sufficient taxable dividends and capital gains dividends in order to offset tax otherwise payable by the Corporation on taxable dividends received by it and on net realized capital gains. Additional dividends may be declared. We automatically reinvest all dividends in additional shares of the Fund unless you tell us in writing you want to receive cash. The tax treatment of each type of dividend is described under “**Income Tax Considerations for Investors**” on page 16.

Fund expenses indirectly borne by investors

Mutual funds pay their expenses (including the management fee) out of fund assets. This means investors in a fund indirectly pay for these expenses through lower returns. See “**Fees and Expenses**” on page 13 for details.

The chart allows you to compare the costs of investing in the Fund with the cost of other mutual funds. It shows the cumulative expenses you would have paid over various time periods if you:

- made an initial investment of \$1,000.00;
- earned a total annual return of 5%, in each year, calculated in accordance with National Instrument 81-102 - *Mutual Fund Distributions*; and
- paid the same management expense ratio in each year as you did in the Fund's last completed financial year calculated in accordance with National Instrument 81-106 - *Investment Fund Continuous Disclosure*.

Series	1 year	3 years	5 years	10 years
A	\$ 23.00	\$ 72.51	\$ 127.10	\$ 289.31
F	\$ 16.23	\$ 51.16	\$ 89.68	\$ 204.14

The chart does not account for fees directly borne by you. See “**Fees and Expenses**” on page 13 for details.

MFi SMALL CAP FUND

Fund Details

TYPE OF FUND	Canadian Equity Small to Mid Cap
INCEPTION DATE	MFi Funds Corp. amended its articles on September 29, 2008, to create the Fund. The Fund was originally qualified for distribution to the public by prospectus on December 17, 2008. Subsequently, the Corporation amended its articles on August 6, 2009, to change the name of the Fund from “ MFi Canadian Equity Focused Growth Fund ” to “ MFi Small Cap Fund ”. No shares of the Fund have been issued to date nor any custodian yet appointed. The Fund anticipates the initial offering of shares to investors to occur in late 2009 or 2010 with RBC Dexia to serve as Custodian.
SECURITIES OFFERED	Series A, series F, and series O mutual fund shares of the Corporation. Additional information regarding the nature of these securities can be found in the Fund’s AIF.
REGISTERED TAX PLAN STATUS	Currently not eligible for Registered Plans
FEES AND EXPENSES	<p>Series A shares: 2.25% (consisting of a 1.00% management fee and 1.25% serving commission) Additionally, a portion of the Fund’s operating expenses is payable. A sales charge of up to 6% may be applicable as negotiated between the investor and a dealer, which is payable upon the acquisition of series A shares. A redemption fee of 2% is payable upon redemption within 90 days of the original purchase. A switch fee of up to 2% as negotiated between an investor and dealer may be payable upon an exchange of shares. In certain circumstances, wire transfer fees may be chargeable. See “Fees and Expenses” in Part A of this Simplified Prospectus.</p> <p>Series F shares: 1.25% Additionally, a portion of the Fund’s operating expense is payable. A redemption fee of 2% is payable upon redemption within 90 days of the original purchase. A switch fee of 2% is payable upon an exchange of shares within 90 days of the original purchase. In certain circumstances, wire transfer fees may be chargeable. See “Fees and Expenses” in Part A of this Simplified Prospectus.</p> <p>Series O shares: Negotiated with and paid by the shareholder directly to the Manager Additionally, a portion of the Fund’s operating expenses is payable. A redemption fee of 2% is payable upon redemption within 90 days of the original purchase. A switch fee of 2% is payable upon an exchange of shares within 90 days of the original purchase. In certain circumstances, wire transfer fees may be chargeable. See “Fees and Expenses” in Part A of this Simplified Prospectus.</p> <p>Performance Fees: All series of the MFi Small Cap Fund (A, F, O) are eligible to accrue performance fees based on a comparison of performance vs. the Nesbitt Burns Small Cap TRI. See “Fees and Expenses” in Part A of this Simplified Prospectus.</p>
SYSTEMATIC WITHDRAWAL PLAN	No charge
PRE-AUTHORIZED CHEQUING PLAN	No charge

What does the Fund invest in?

Investment objectives

This Fund seeks to provide long-term capital appreciation by investing primarily in small to mid cap Canadian companies.

We may not change the fundamental investment objectives of the Fund without first obtaining approval of the shareholders at a meeting to consider the change.

Investment strategies

- Portfolio investments will exemplify a multi-dimensional substyle of growth, including the following three attributes: aggressive growth, growth, and defensive growth. Specifically, the Fund seeks to invest in portfolio companies that are profitable with a history of reinvesting their excess earnings back into the company in an effort to support growth rather than distribute such profits directly to its shareholders. Other characteristics include strong and/or strengthening financial statements, reasonable multiples, predictability, analyst recognition and market participation.
- The Fund will utilize both qualitative and quantitative investment techniques. The investment techniques are expected to result in the Fund's portfolio security selection and weightings being different from the applicable benchmark, the Nesbitt Burns Small Cap Index.
- The Fund may hold a portion of assets in cash or cash equivalents while seeking investment opportunities or due to market conditions.
- The Fund may invest in Derivatives for hedging purposes, as permitted by securities regulations that are consistent with the investment objectives of the Fund. Derivatives may be used with the intention to offset or reduce a risk associated with an investment or group of investments. These risks include currency fluctuations, market risks, and interest rate changes. The Fund may enter into Derivatives as defined under the heading “**What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? – Derivatives Risks**” on page 3.
- The Fund may enter into securities lending, repurchase or reverse repurchase transactions. These transactions will be used in conjunction with the Fund's other investment strategies in the manner considered most appropriate to achieving the Funds overall investment objectives and enhancing the Fund's return, as permitted by securities regulators. A Fund must hold collateral of no less than 102% of the loaned value of securities and the Fund will not lend more than 50% of the total value of its assets.

What are the risks of investing in the Fund?

The shares of the Fund have previously been made available for issuance to the public. It is intended, after the initial offering of this Fund, that more than 10% of the shares of the Fund will be held by Matco Investments Ltd. Matco anticipates that it will make available shares of this Fund for issuance to the public in late 2009 or 2010. Should Matco Investments Ltd. or any other significant holder redeem a significant amount of their holdings in a short time, the Fund may be required to sell some of its holdings at an inopportune time. See “**What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? – What are the Risks of Investing in a Mutual Fund? – Substantial Securityholder Risk**” on page 4.

In addition, this Fund is subject to a number of general risks, including stock market risk, interest rate risk, foreign investment and currency risk, liquidity risk, class risk, concentration risk, income fund and royalty trust risk, small company risk, commodity risk, and portfolio manager risk, each of which is described in detail under “**What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? – What are the Risks of Investing in a Mutual Fund?**” on page 2.

Who should invest in the MFi Small Cap Fund?

This Fund is not intended to be a complete investment program and may only be suitable if you:

- are seeking long-term capital appreciation;
- are seeking exposure to the high-growth small to mid cap companies;
- can withstand high volatility in the value of the Fund's securities; and
- can tolerate a high level of investment risk.

Distribution policy

The Board of Directors of the Corporation may declare dividends at its discretion. The Board of Directors has adopted a policy of annually assessing the Corporation's net income and net realized capital gains and declaring, to the extent possible, sufficient taxable dividends and capital gains dividends in order to offset tax otherwise payable by the Corporation on taxable dividends received by it and on net realized capital gains. Additional dividends may be declared. We automatically reinvest all dividends in additional shares of the Fund unless you tell us in writing you want to receive cash. The tax treatment of each type of dividend is described under “**Income Tax Considerations for Investors**” on page 16.

Fund expenses indirectly borne by investors

The calculation of Fund expenses borne by investors cannot be provided for this Fund, as the Fund has not yet offered any shares for sale.

MFi BALANCED FUND

Fund Details

TYPE OF FUND	Balanced
INCEPTION DATE	The Fund came into existence on June 29, 2007, and units of the Fund were originally offered privately. The Fund was initially qualified for distribution to the public by prospectus on November 29, 2007.
SECURITIES OFFERED	Series A, series F, and series O mutual fund units of the Balanced Fund, a mutual fund trust. Additional information regarding the nature of these securities can be found in the Fund's AIF.
REGISTERED TAX PLAN STATUS	Eligible for Registered Plans
FEES AND EXPENSES	<p>Series A shares: 2.00% (consisting of a 0.75% management fee and 1.25% serving commission) Additionally, a portion of the Fund's operating expenses is payable. A sales charge of up to 6% may be applicable as negotiated between the investor and a dealer, which is payable upon the acquisition of series A shares. A redemption fee of 2% is payable upon redemption within 90 days of the original purchase. A switch fee of up to 2% as negotiated between an investor and dealer may be payable upon an exchange of shares. In certain circumstances, wire transfer fees may be chargeable. See "Fees and Expenses" in Part A of this Simplified Prospectus.</p> <p>Series F shares: 1.00% Additionally, a portion of the Fund's operating expense is payable. A redemption fee of 2% is payable upon redemption within 90 days of the original purchase. A switch fee of 2% is payable upon an exchange of shares within 90 days of the original purchase. In certain circumstances, wire transfer fees may be chargeable. See "Fees and Expenses" in Part A of this Simplified Prospectus.</p> <p>Series O shares: Negotiated with and paid by the shareholder directly to the Manager Additionally, a portion of the Fund's operating expenses is payable. A redemption fee of 2% is payable upon redemption within 90 days of the original purchase. A switch fee of 2% is payable upon an exchange of shares within 90 days of the original purchase. In certain circumstances, wire transfer fees may be chargeable. See "Fees and Expenses" in Part A of this Simplified Prospectus.</p>
SYSTEMATIC WITHDRAWAL PLAN	No charge
PRE-AUTHORIZED CHEQUING PLAN	No charge

What does the Fund invest in?

Investment objectives

- The Fund's objective is to seek a balance of long-term capital appreciation and current income by investing in a Canadian-focused portfolio of equities and fixed income instruments, diversified across investment styles and market capitalization, geographic regions, asset classes, and sectors.
- The Fund may also invest in other mutual funds including the MFi Canadian Equity Fund, MFi Energy Equity Fund, and the MFi Small Cap Fund.

We may not change the fundamental investment objectives of the Fund without first obtaining approval of the unitholders at a meeting to consider the change.

Investment strategies

- Matco uses a top-down approach to asset allocation and sector selection, and a bottom-up approach to security selection. Matco's Asset Allocation committee employs a macro review of domestic and global economies. Matco determines the risk and return potential of global capital markets versus Canada and then each asset class to determine their respective weightings in the Fund. Under normal market conditions, an optimal asset mix of Canadian fixed income (40%-60%), Canadian equities (25%-45%), U.S. equities (0%-17.5%), and global/international equities (0%-17.5%) will be pursued. Matco will actively rebalance the portfolio within the stated ranges when deemed appropriate to generate regular cash flow and to position the Fund for growth opportunities.
- The Fund will primarily employ Matco's internal investment management to meet the Fund's objectives. Matco at its discretion may add non-proprietary managers within the fund as an overlay strategy. Matco uses a rigorous manager selection process that continuously monitors and evaluates the selected external managers on criteria such as performance, adherence to investment style, and corporate governance.
- The Fund will employ the technique of utilizing individual stock and bond holdings for core holdings versus a fund-of-funds solution. This allows for greater control of tax distributions and investment management implementation within the Fund, equivalent to an institutional or private client mandate.
- The Fund may hold a portion of assets in cash or cash equivalents while seeking investment opportunities or due to market conditions.
- The Fund may invest in Derivatives for hedging purposes, as permitted by securities regulations that are consistent with the investment objectives of the Fund. Derivatives may be used with the intention to offset or reduce a risk associated with an investment or group of investments. These risks include currency fluctuations, market risks, and interest rate changes. The Fund may enter into Derivatives as defined under the heading "**What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? – Derivatives Risks**" on page 3.
- The Fund may enter into securities lending, repurchase or reverse repurchase transactions. These transactions will be used in conjunction with the Fund's other investment strategies in the manner considered most appropriate to achieving the Fund's overall investment objectives and enhancing the Fund's return, as permitted by securities regulators. A Fund must hold collateral of no less than 102% of the loaned value of securities and the Fund will not lend more than 50% of the total value of its assets.

What are the risks of investing in the Fund?

As at the date hereof, more than 10% of the units of the Fund are held by Matco Investments Ltd. (See the Fund's AIF for more detail). Should Matco Investments Ltd. or any other significant holder redeem a significant amount of their holdings in a short time, the Fund may be required to sell some of its holdings at an inopportune time. See "**What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? – What are the Risks of Investing in a Mutual Fund? – Substantial Securityholder Risk**" on page 4.

In addition, this Fund is subject to a number of general risks, including stock market risk, interest rate risk, credit risk, fixed income risk, liquidity risk, concentration risk, income fund and royalty trust risk, income trust risk, small company risk, commodity risk, prepayment risk and portfolio manager risk, each of which is described in detail under "**What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? – What are the Risks of Investing in a Mutual Fund?**" on page 2.

Who should invest in the Balanced Fund?

This Fund may be suitable if you:

- are seeking income, stability and capital appreciation;
- are willing to accept moderate investment risk; and
- are looking to hold the investment for the medium to long term.

Distribution policy

The Fund distributes any income on the last day of every quarter, distributes any realized net capital gains annually and may pay distributions at other times during the year. We automatically reinvest all distributions in additional units of the Fund unless you tell us in writing you want to receive cash. The tax treatment of each type of distribution is described under "**Income Tax Considerations for Investors**" on page 16.

Fund expenses indirectly borne by investors

Mutual funds pay their expenses (including the management fee) out of fund assets. This means investors in a fund indirectly pay for these expenses through lower returns. See “**Fees and Expenses**” on page 13 for details.

The chart allows you to compare the costs of investing in the Fund with the cost of other mutual funds. It shows the cumulative expenses you would have paid over various time periods if you:

- make an initial investment of \$1,000.00;
- earned a total annual return of 5% in each year, calculated in accordance with National Instrument 81-102 - *Mutual Fund Distributions*; and
- paid the same management expense ratio in each year as you did in the Fund's last completed financial year calculated in accordance with National Instrument 81-106 - *Investment Fund Continuous Disclosure*.

Series	1 year	3 years	5 years	10 years
A	\$ –	\$ –	\$ –	\$ –
F	\$ 15.93	\$ 50.21	\$ 88.00	\$ 200.32

The chart does not account for fees directly borne by you. See “**Fees and Expenses**” on page 13 for details.



MFi Canadian Equity Fund

MFi Energy Equity Fund

MFi Small Cap Fund

MFi Balanced Fund

Additional information about the Funds is available in the Funds' Annual Information Form, management reports of fund performance and financial statements. 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 part of this document. You can get a copy of these documents, including a statement of portfolio transactions, at no cost by calling toll free 1-877-539-5743, or from your dealer or by e-mail at matco@matcofinancial.ca.

These documents and other information about the Funds, such as information circulars and material contracts, are also available on the Matco Financial Inc. website at www.matcofinancialinc.com or at www.sedar.com.

MANAGER OF THE FUNDS

Matco Financial Inc.

400, 407 - 8th Avenue SW, Calgary, Alberta T2P 1E5

phone 403.539.5740 *toll-free* 1.877.539.5743 *fax* 403.539.5744 *e-mail* matco@matcofinancial.ca *website* www.matcofinancialinc.com