

# FUND FACTS

Davis-Rea Ltd.  
 Davis-Rea Balanced Fund - Class O  
 August 26, 2016

This document contains key information you should know about the Davis-Rea Balanced Fund. You can find more details in the fund's simplified prospectus. Ask your representative for a copy, or contact Davis-Rea Ltd, the manager of the fund, at (416) 324-2200 or (877) 391-9929 or info@davisrea.com.

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

Quick Facts				
Fund code	DRL103	Fund manager	Davis-Rea Ltd.	
Date class started	March 18, 2013 (previously offered on an exempt basis since March 14, 2005)	Portfolio manager	Davis-Rea Ltd.	
		Distributions	End of each calendar quarter	
		Minimum investment	\$5,000 initial, \$100 additional	
Total value on June 30, 2016	\$21,298,733			
Management expense ratio (MER)	0.33%			

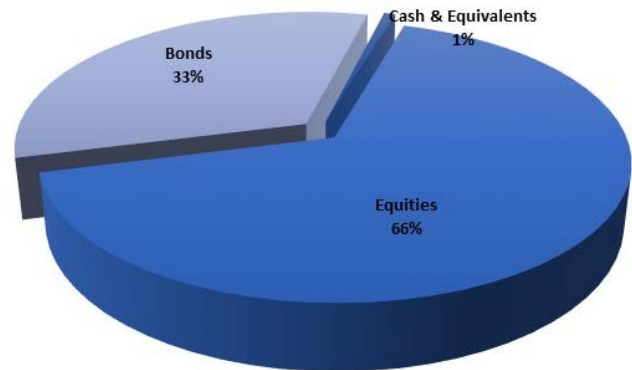
### What does the fund invest in?

The investment objective of the fund is to preserve capital and to minimize market fluctuations while generating superior long-term returns by primarily investing in a combination of equity and fixed income investments. The charts below give you a snapshot of the fund's investments on June 30, 2016. The fund's investments will change.

#### Top 10 Investments (June 30, 2016)

1.	Davis-Rea Ltd. Equity Fund	66.40%
2.	Davis-Rea Ltd. Fixed Income Fund	32.86%
3.	Canadian Dollar Cash	0.74%

#### Investment mix (June 30, 2016)



<b>Total percentage of top 10 Investments</b>	100.00%
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<b>Total number of Investments</b>	3
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### How risky is it?

The value of the fund can go down as well as up. You could lose money.

One way to gauge risk is to look at how much a fund's returns change over time. This is called "volatility".

In general, funds with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. Funds with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

### Risk rating

Davis-Rea Ltd. has rated the volatility of this fund as **medium**.

This rating is based on how much the fund's returns have changed from year to year. It does not tell you how volatile the fund will be in the future. The rating can change over time. A fund with a low risk rating can still lose money.



For more information about the risk rating and specific risks that can affect the fund's returns, refer to the Risk section of the fund's simplified prospectus.

### No guarantees

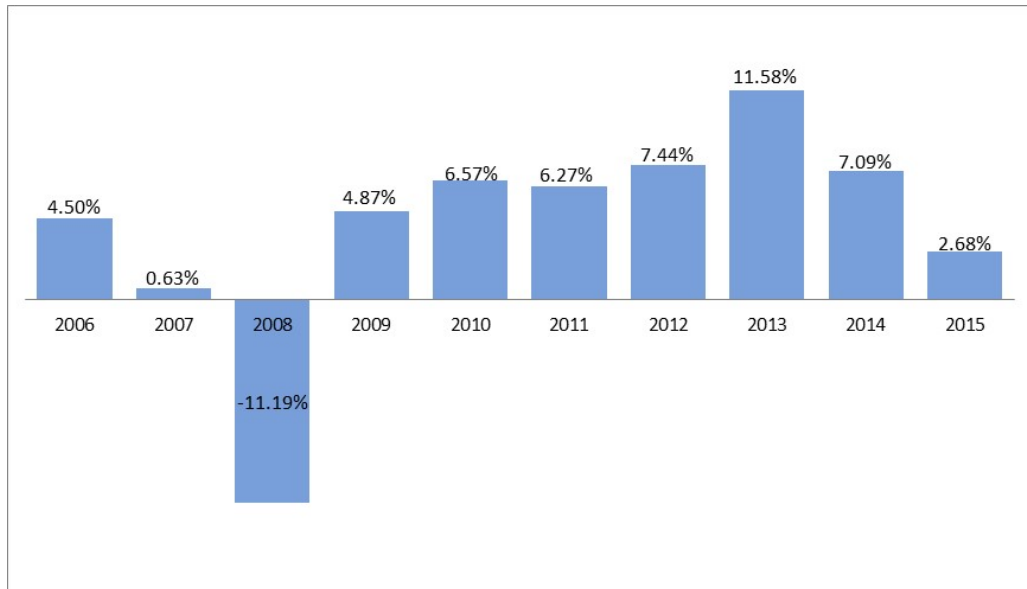
Like most mutual funds, this fund does not have any guarantees. You may not get back the money you invest.

## How has the fund performed?

This section tells you how Class O units of the fund have performed over the past 10 years. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

### Year-by-year returns

This chart shows how Class O units of the fund performed in each of the past 10 years. The fund dropped in value in one of the ten years. The range of returns and change from year to year can help you assess how risky the fund has been in the past. It does not tell you how the fund will perform in the future<sup>1</sup>.



<sup>1</sup> For the years 2006 to 2012 inclusive, the returns indicated above were reduced by the management fees that were paid by the fund to Davis-Rea Ltd. The returns for 2013 and 2014 do not reflect this expense as each investor now negotiates the management fee that they pay to Davis-Rea Ltd. pursuant to their investment management agreement. As a result, the returns for 2013 and 2014 would have been lower if these management fees had been paid by the fund.

**Best and worst 3-month returns** This table shows the best and worst returns for Class O units of the fund in a 3-month period over the past ten years. The best and worst 3-month returns could be higher or lower in the future. Consider how much of a loss you could afford to take in a short period of time.

	Return	3 Months Ending	If you invested \$1,000 at the beginning at the beginning of the period
<b>Best Return</b>	12.37%	April 30, 2014	Your investment would rise to \$1123.69
<b>Worst Return</b>	-13.32%	October 31, 2008	Your investment would drop to \$866.78

### Average return

The annual compound return of Class O units of the fund since inception is 4.62%. If you had invested \$1,000 in the fund since the date of inception of the Class O units of the Fund, your investment would now be worth \$1,602.87.

### Who is this Fund for?

Investors who want:

- Capital preservation
- Long-term capital growth
- Long-term investment horizon

The criteria for holding Class O units of the fund may include the value of the investment.

### A word about tax

In general, you'll have to pay income tax on any money you make on the fund. How much you pay depends on the tax laws where you live and whether or not you hold the fund in a registered plan, such as a registered retirement savings plan or a tax-free savings account.

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

### How much does it cost?

The following tables show the fees and expenses you could pay to buy, own and sell Class O units of the fund. The fees and expenses - including any commissions - can vary among classes of a fund and among funds. Higher commissions can influence representatives to recommend one investment over another. Ask about other classes of units and other funds that may be suitable for you at a lower cost.

#### 1. Sales charges

The Class O units of the fund are available through a front-end load sales charge option. If you buy your class O units of a fund from us, you do not have to pay any sales charge.

**Sales charge option****What you pay****How it works**

	<b>In percent (%)</b>	<b>in dollars (\$)</b>	
Front-end load	0% to 5% of the amount you buy.	\$0 to \$50 for every \$1,000 you buy.	This is a front-end load sales charge option in which you pay a commission to your representative when you buy the units. You negotiate the rate of commission directly with your representative, up to a maximum of 5%.

**2. Fund expenses**

You don't pay these expenses directly. They affect you because they reduce the fund's returns. As of December 31, 2015, the fund's expenses were 0.33% of its value. This equals \$3.30 for every \$1,000 invested.

	<b>Annual Rate (as a % of the Fund's value)</b>
<b>Management Expense Ratio (MER)</b> Each investor negotiates with us the management fee that they pay for holding Class O units of the fund. This is the total of the operating expenses only.	0.33%
<b>Trading Expense Ratio (TER)</b> These are the fund's trading costs	0.00%
<b>Fund Expenses (MER+TER)</b>	0.33%

**More about the trailing commission**

No trailing commissions are paid with respect to Class O units of the fund.

**3. Other fees**

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

<b>Fee</b>	<b>What you pay</b>
Management fee	To buy class O units of the fund you must enter into a class O account agreement with us, and depending on the rate negotiated, you may have to pay us a management fee of up to 1.75% of the net asset value of the fund. As this expense is not charged to the fund, the management expense ratio of the fund is not as high as it otherwise would have been.
Short-term trading fee	Up to 2% if a redemption occurs within 90 days of purchase or switch
Switch fee	Your investment firm may charge you up to 2% of the value of units switched
Redemption fee	None. Your representative may charge you an administrative fee of up to 2% of the value of the units redeemed.
Registered Tax Plan fee	None. Your representative may charge you an administrative fee for this service.

**What if I change my mind?**

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

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

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

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

**For more information**

Contact Davis-Rea Ltd. or your representative for a copy of the fund's simplified prospectus and other disclosure documents. These documents and this Fund Facts make up the fund's legal documents.

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