

# FUND FACTS

Davis-Rea Ltd.  
Davis-Rea Fixed Income Fund - Class B  
August 28, 2017

This document contains key information you should know about the Davis-Rea Fixed Income 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                      | DRL301   | Fund manager       | Davis-Rea Ltd.                    |
| Date class started             | March 17, 2014                                 | Portfolio manager  | Davis-Rea Ltd.                    |
| Total value on June 30, 2017   | \$79,779,212                                   | Distributions      | End of each calendar quarter      |
| Management expense ratio (MER) | Not available, as no Class B units outstanding | Minimum investment | \$5,000 initial, \$100 additional |

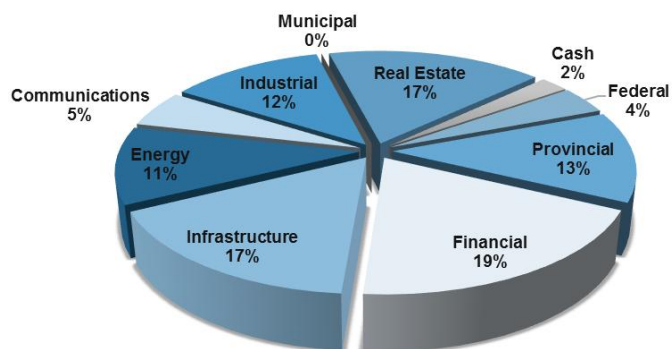
## What does the fund invest in?

The investment objective of the fund is to generate superior long-term returns through capital appreciation and interest income by investing in fixed income and preferred securities. The charts below give you a snapshot of the fund's investments on June 30, 2017. The fund's investments will change over time.

### Top 10 Investments (June 30, 2017)

|  |       |
|--|-------|
| 1. Altgas Ltd. Subscription Receipt        | 6.29% |
| 2. Air Canada 4.75% Oct 6/23               | 5.05% |
| 3. TD Cap Trust 7.243% Dec 31/18           | 4.06% |
| 4. US TIPS 0.75% Feb 15/45                 | 3.96% |
| 5. Royal Bank 1.583% Sep 13/21             | 3.93% |
| 6. Morguard Corp 4.013% Nov 18/20          | 3.81% |
| 7. Crew Energy 6.50% Mar 14/24             | 3.65% |
| 8. Automotive Properties REIT              | 3.48% |
| 9. Rogers Communication USD 3.0% Mar 15/23 | 3.28% |
| 10. Fairfax Financial 6.4% May 25/21       | 2.81% |

### Investment mix (June 30, 2017)



|   |        |
|---|--------|
| <b>Total percentage of top 10 Investments</b> | 37.67% |
|---|--------|

|                                    |    |
|------------------------------------|----|
| <b>Total number of Investments</b> | 45 |
|------------------------------------|----|

## 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 **low-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 B units of the fund have performed. Returns are after expenses have been deducted. These expenses reduce the fund's returns. As no Class B units of the fund have been outstanding since inception (i.e. March 17, 2014), no performance data is available with respect to these units.

### Year-by-year returns

As there are no Class B units outstanding since the class started, performance data is not available with respect to this item.

### Best and worst 3-month returns

As there are no Class B units outstanding since the class started, performance data is not available with respect to this item.

### Average return

As there are no Class B units outstanding since the class started, performance data is not available with respect to this item.

## Who is this Fund for?

Investors who want:

- Capital preservation
- Income generation
- Long-term investment horizon

There are no criteria for holding Class B units of the fund.

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

| Sales charge option | What you pay                    |  | How it works   |
|---------------------|---------------------------------|--|--|
|                     | In percent (%)                  | in dollars (\$)                        |  |
| 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. The fund's expenses are made up of the management fee, operating expenses and trading costs. The management fee of the Class B units of the Fund is 2.00% per annum. Since there are no Class B units outstanding, its operating and trading costs are not yet available.

### More about the trailing commission

The trailing commission is an ongoing commission. It is paid as long as you own Class B units of the fund. It is for the services and advice that your representative and their firm provide to you.

We pay the trailing commission to your representative's firm. It is paid from the management fee that we receive from the fund and is equal to 0.50% per annum of the average net asset value of the Class B units of the fund that you own.

### 3. Other fees

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

| Fee                     | What you pay   |
|-------------------------|--|
| 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).