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CALDWELL



SIMPLIFIED PROSPECTUS DATED NOVEMBER 15, 2018

CALDWELL U.S. DIVIDEND ADVANTAGE FUND

Offering Series A and Series F mutual fund units

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INTRODUCTION

This Simplified Prospectus contains selected important information about the Caldwell U.S. Dividend Advantage Fund (the “Fund”) to help you make an informed investment decision and to help you understand your rights.

When used in this Simplified Prospectus, the words “we”, “us”, “our”, “Caldwell” and the “Manager” refer to Caldwell Investment Management Ltd., the manager of the Fund. This Simplified Prospectus contains information about the Fund and the risks of investing in mutual funds generally, as well as the names of the firms responsible for the management of the Fund.

References to “Caldwell Mutual Funds” are to the open-end mutual fund trusts managed by Caldwell and that are publicly offered by way of simplified prospectus from time to time.

The Fund was first offered to the public as a closed-end investment fund pursuant to a long form prospectus dated May 28, 2015. On September 28, 2018, the unitholders of the Fund approved the conversion of the Fund into an open-end mutual fund (the “Conversion”) to be offered to the public pursuant to this Simplified Prospectus. The Conversion is to be effective on or about November 9, 2018. All units held by unitholders of the Fund on the effective date of the Conversion will be redesignated as Series F units of the Fund.

Additional information about the Fund will be available in the following documents: the Annual Information Form; the most recently filed Fund Facts; the most recently filed annual financial statements; any interim financial statements filed after those annual financial statements; the most recently filed annual management report of Fund performance; and any interim management report of Fund performance filed after that annual management report of Fund performance. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document. You can get a copy of these documents, at your request, and at no cost, by calling us toll-free at 1-800-256-2441 or from your dealer.

These documents are also available on the Fund’s internet site at www.caldwellinvestment.com or by contacting Caldwell by e-mail at info@caldwellinvestment.com.

These documents and other information about the Fund are also available on the internet site of SEDAR (the System for Electronic Document Analysis and Retrieval) 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 assets that is invested by a professional investment manager on behalf of a large group of people who have a common investment objective. The professional investment manager invests the assets in the securities of a variety of different issuers depending on the investment objectives of the fund and if the investments are profitable, all members of the group share in the profits. If the investments made by the investment manager are not profitable, all members of the group share in the losses. As a result, the value of your investment in a mutual fund may be more or less when you redeem it than when you purchase it. A mutual fund provides the investing public with access to the services and expertise of a professional investment manager which would not otherwise be readily available to them. It also allows investors to diversify their investments across a broader array of holdings than is normally possible with individual securities.

What is a unit?

In Canada, the pool of assets that comprise a mutual fund is generally held in a trust known as a mutual fund trust. When an investor wishes to have money managed by an investment professional, he or she purchases an interest, known as a unit, in a mutual fund trust. The money used to purchase the units becomes part of the pool of assets that are invested by the mutual fund's investment manager. A mutual fund company maintains a record of the number of units purchased by each investor in a mutual fund. The more money you invest in a mutual fund, the more units you acquire. The more units you acquire, the greater your interest in the mutual fund's profits or losses.

The purchase price of a unit changes daily because it is dependent upon the value of the securities that are acquired by the mutual fund's investment manager using the money that has been invested in the mutual fund. If the value of the securities purchased by the mutual fund goes up, the value of a unit of the mutual fund goes up. Similarly, if the value of the securities purchased by the mutual fund goes down, the value of a unit of the mutual fund goes down.

What do mutual funds invest in?

Mutual funds invest in a variety of different securities which can include treasury bills, government bonds, commercial paper, corporate debt and the common or preferred shares of domestic and foreign companies. Each mutual fund has its own investment objective which dictates the types of securities that may be acquired by the mutual fund's investment manager.

Why should I own a mutual fund?

There are two principal advantages for owning a mutual fund.

Professional Management. First, professional investment managers invest money on a full-time basis and therefore have a level of expertise that the general public does not have. Because investment management is their full-time job, you do not have to spend the time making investment decisions on your own. Professional investment managers are also more efficient in gathering and assessing information and research that isn't readily available to individual investors.

Diversification. Second, professional investment management facilitates the ownership of a broad range of securities. This is known as diversification. The more diversified a portfolio is, the less likely it will be affected by changes, up or down, in the value of any one individual security included in the portfolio.

What are the risks associated with mutual funds?

The amount of your investment in the Fund is not guaranteed. Unlike bank accounts or guaranteed investment certificates ("GICs"), mutual fund securities are not insured by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Like other securities, the value of a unit of the Fund can decrease at any time for a number of reasons including the following:

No Assurance of Achieving Investment Objectives

There is no assurance that the Fund will be able to achieve its investment objectives. The funds available for distribution to unitholders will vary according to, among other things, the levels of dividends, distributions or interest paid on the securities in the Fund's investment portfolio (the "Portfolio"), applicable withholding taxes and the value of the Portfolio securities. There is no assurance that the Portfolio will earn any return. No assurance can be given as to the amount of distributions currently and in future years. No assurance can be given that the Series NAV per unit will be preserved or will appreciate.

It is possible that, due to declines in dividends, distributions or interest paid on, and the market value of, the Portfolio securities, the Fund will have insufficient assets to achieve in full its investment objectives. If the return on the Portfolio and the increase in the value of the Portfolio is less than the amount necessary to fund the monthly distributions and all expenses of the Fund and if the Manager chooses nevertheless to ensure that the monthly distributions are paid to unitholders, this will result in a portion of the capital of the Fund being returned to unitholders and, accordingly, the Series NAV per Unit would be reduced.

Capital Depletion Risk

The Fund may make distributions that are, in whole or in part, a return of capital. A return of capital reduces your original investment amount and may result in the entire amount of your original investment being returned to you. A distribution of this nature should not be confused with "yield" or "income". You should not draw any conclusions about the Fund's investment performance from the amount of such distributions. Returns of capital made to you will reduce the adjusted cost base of your Fund units. As is the case with any kind of cash distribution, returns of capital that are not reinvested by you will reduce the NAV of your Fund units.

Risks Relating to Fluctuations in Value of Portfolio Securities and Performance of the Portfolio

The Series NAV per Unit will vary as the value of the Portfolio securities varies. The Fund and the Manager have no control over the factors that affect the value of the Portfolio securities, including factors that affect the markets generally, such as general economic and political conditions and fluctuations in interest rates, and factors unique to each issuer included in the Portfolio and its business, such as changes in management, changes in strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, changes in distribution policies, operational risk relating to the specific business activities of the issuers, industry competition and other events that may affect the value of its securities. Some global economies are experiencing significantly diminished growth and some are suffering a recession. No assurance can be given that diminished availability of credit and significant devaluations will not adversely affect the markets into which the Fund will invest in the near to medium term.

Risks of Investing in Equity Securities

Equities such as common shares give the holder part ownership in an issuer. The value of an equity security changes with the fortunes of the issuer that issued it. General market conditions and the health of the economy as a whole can also affect equity prices. Equity related securities that provide indirect exposure to the equity securities of an issuer can also be affected by equity risk. Present economic conditions may adversely affect global companies and the pricing of their securities. Further continued volatility or illiquidity could impair materially the profitability of these issuers.

Portfolio Concentration Risk

The assets of the Fund consist primarily of dividend-paying equity securities of U.S. domiciled issuers or issuers that derive a significant portion of their revenue or earnings from the U.S. Accordingly, diversification of the Fund's investments will be limited by geography, and the securities of such issuers are likely to be adversely impacted by any downturns in the global or local economy that impacts issuers organized in or deriving their revenues from the U.S. Accordingly, this Portfolio concentration may have a negative impact on the value of the equity securities and the general risk of the Portfolio may be increased as a result of such geographic concentration.

Foreign Currency Exposure

The Portfolio consists primarily of securities denominated and paying distributions in foreign currencies, including the U.S. dollar. Each Series of the Fund is valued in Canadian dollars and can be bought in Canadian dollars or U.S. dollars.

If you buy your units in Canadian dollars, you will receive Canadian dollars when you redeem them or receive distributions from the Fund. To the extent the Fund's exposure to foreign currencies has not been hedged back to the Canadian dollar, the Series NAV of units purchased in Canadian dollars will be affected by changes in the value of those foreign currencies against the Canadian dollar.

From time to time, between 0% and 100% of the value of the Portfolio's foreign currency exposure may be hedged back to the Canadian dollar. The Manager does not currently hedge the Portfolio's foreign currency exposure back to the Canadian dollar. Distributions received on Portfolio securities will not be hedged and any hedging strategy of the Fund may not be successful. Accordingly, no assurance can be given that the Fund will not be adversely impacted by changes in foreign exchange rates or other factors.

The use of hedges involves special risks, including the possible default by the other party to the transaction, illiquidity and, to the extent the Manager's assessment of certain market movements is incorrect, the risk that the use of hedges could result in diminished returns or losses greater than if the hedging had not been used. Hedging arrangements may have the effect of limiting or reducing the total returns to the Fund if the Manager's expectations concerning future events or market conditions prove to be incorrect. In addition, the costs associated with a hedging program may outweigh the benefits of the arrangements in such circumstances.

If you buy your units in U.S. dollars, you'll receive U.S. dollars when you redeem them or receive distributions from the Fund. Although units of the Fund purchased in U.S. dollars are denominated in U.S. dollars and all payments owing in respect of such units will be made in U.S. dollars, such amounts are determined by converting the relevant amounts in Canadian dollars into U.S. dollars using the CAD/USD exchange rate in effect on the relevant day. Accordingly, unitholders holding such units of the Fund will be exposed to exchange rate risk based on fluctuations in the exchange rate between Canadian dollars and U.S. dollars. Unitholders holding such units of the Fund also experience exchange rate risk on the portion of the Portfolio that consists of Canadian dollar cash and cash equivalents, and in respect of Canadian dollar denominated expenses incurred by the Fund.

Illiquid Securities

Up to 10% of the Fund's NAV may be invested in illiquid securities. As such, there is no assurance that an adequate market will exist for the securities included in the Portfolio and it cannot be predicted whether the securities included in the Portfolio will trade at a discount to, a premium to, or at their respective par or net asset values. There can be no assurance that the Fund will be able to dispose of its investments in order to honour requests to redeem units.

Use of Derivatives

The Fund may utilize derivatives, as permitted by Canadian securities regulatory authorities, for hedging purposes and non-hedging purposes. The use of derivative instruments involves risks different from and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Risks associated with the use of derivatives include: (i) hedging to reduce risk does not guarantee that there will not be a loss or that there will be a gain; (ii) there is no guarantee that a market will exist when the Fund wants to complete the derivative contract, which could prevent the Fund from reducing a loss or making a profit; (iii) securities exchanges may impose trading limits on options and futures contracts, and these limits may prevent the Fund from completing the derivative contract; (iv) the Fund could experience a loss if the other party to the derivative contract is unable to fulfill its obligations; and (v) if the Fund has an open position in an option, a futures contract or a forward contract with a dealer who goes bankrupt, the Fund could experience a loss and, for an open futures or forward contract, a loss of margin deposits with that dealer.

In addition, to the extent that derivatives are used by the Fund for non-hedging purposes, there is a risk that the non-hedging purposes for which such derivatives have been utilized by the Fund result in losses, which in turn could have an adverse effect on the performance of the Fund and its ability to meet its objectives.

Short Selling and Margin Purchases

The Fund may engage in short selling securities or maintain short positions to a maximum of 10% of the NAV, provided that such 10% limit does not apply to short sales of securities or to short positions maintained for the purpose of hedging (as defined in NI 81-102) the Portfolio's exposure to the equity securities to be received by the Fund in connection with the exercise of the right to acquire such securities pursuant to a conversion or in connection with the exercise by the issuer of the right to issue such securities at maturity. A short sale of a security may expose the Fund to losses if the price of the security sold short increases because the Fund may be required to purchase such securities in order to cover its short position at a higher price than the price at which such securities were sold short. The potential loss on the short sale of securities is unlimited, since there is no limit on how much the price of a security will appreciate before the short position is closed out. In addition, a short sale entails the borrowing of the security in order that the short sale may be transacted. There is no assurance that the lender of the security will not require the security to be returned before the Fund wishes to do so, thereby requiring the Fund to borrow the security elsewhere or purchase the security in the market at an unattractive price. In the event that numerous lenders of the security in the market simultaneously recall the same security, a "short-squeeze" may occur, whereby the market price of the borrowed security may increase significantly. In addition, the borrowing of securities entails the payment of a borrowing fee. There is no assurance that a borrowing fee will not increase during the borrowing period, adding to the expense of the short sale strategy. In addition, there is no assurance that the security sold short can be repurchased due to supply and demand constraints in the marketplace.

Purchasing securities on margin exposes the Fund to the risk of increased losses if the value of the securities purchased on margin decreases, as the Fund will be required to repay its securities dealer for the margin used to purchase securities and may therefore be required to sell assets in order to maintain the margin requirements of its trading account. In addition, if the value of securities purchased on margin exceeds 10% of the NAV, the Fund may sell assets in order to comply with its investment restrictions. In either case, such sales may be required to be done at prices which may adversely affect the value of the Portfolio and the returns to the Fund.

Foreign Market Exposure

Investments made by the Fund may include securities of issuers established in jurisdictions outside Canada and the U.S. even though they derive a significant portion of their revenue or earnings from the U.S. Although some of such issuers will be subject to uniform accounting, auditing and financial reporting standards comparable to those applicable to Canadian and U.S. issuers, some issuers may not be subject to such standards and, as a result, there may be less publicly available information about such issuers than a Canadian or U.S. issuer. Volume and liquidity in some foreign markets may be less than in Canada and the U.S. and, at times, volatility of price may be greater than in Canada or the U.S. As a result, the price of such securities may be affected by conditions in the market of the jurisdiction in which the issuer is located or its securities are traded. Other risks include the application of foreign tax law, changes in governmental administration or economic or monetary policy and the effect of local market conditions on the availability of public information. Investments in foreign markets carry potential exposure to the risk of political upheaval, acts of terrorism and war, all of which may have an adverse impact on the value of such securities.

Reliance on the Manager

Unitholders will be dependent on the ability of the Manager to effectively manage the Fund and the Portfolio in a manner consistent with the investment objectives, strategy and restrictions of the Fund. The employees of the Manager who will be primarily responsible for the management of the Portfolio have experience in managing investment portfolios. There is no certainty that the employees of the Manager who will be primarily responsible for the management of the Portfolio will continue to be employees of the Manager throughout the term of the Fund.

Risks Relating to Redemptions

If a significant number of units are redeemed, the expenses of the Fund would be spread among fewer units resulting in a potentially lower Series NAV per unit. The Manager may terminate the Fund if, in its opinion, it is no longer economically feasible to continue the Fund and/or it would be in the best interests of the unitholders to do so. If the Fund were terminated as a result of redemptions, it may be terminated before the Manager would otherwise have chosen to do so and the return to unitholders may be less than anticipated. Under exceptional circumstances the Fund may suspend redemptions. See the information under the heading *Can my rights to redeem units in the Fund be suspended?*

Securities Lending

The Fund may engage in securities lending. Although it will receive collateral for the loans and such collateral will be marked-to-market, the Fund will be exposed to the risk of loss should the borrower default on its obligation to return the borrowed securities and the collateral be insufficient to reconstitute the portfolio of loaned securities.

Risks of Investing in Debt Securities

Generally, debt instruments will decrease in value when interest rates rise and increase in value when interest rates decline. The NAV will fluctuate with interest rate changes and the corresponding changes in the value of the securities in the Portfolio. The value of debt instruments also is affected by the risk of default in the payment of interest and principal and price changes due to such factors as general economic conditions and an issuer's creditworthiness. Debt instruments may not pay interest or their issuers may default on their obligations to pay interest and/or principal amounts. Certain of the debt instruments that may be included in the Portfolio from time to time may be unsecured, which will increase the risk of loss in case of default or insolvency of the issuer. Global financial markets have experienced significant volatility in the last few years that has generally contributed to a reduction in liquidity and the availability of credit, enhancing the likelihood of default by some issuers due to diminishing profitability or an inability to refinance existing debt.

Market Disruptions

War and occupation, terrorism and related geopolitical risks may in the future lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. Those events could also have an acute effect on individual issuers or related groups of issuers. These risks could also adversely affect securities markets, inflation and other factors relating to the Portfolio securities.

Global Financial Developments

Global financial markets have experienced a sharp increase in volatility in the last several years. This has been, in part, the result of the revaluation of assets on the balance sheets of international financial institutions and related securities. This has contributed to a reduction in liquidity among financial institutions and has reduced the availability of credit to those institutions and to the issuers who borrow from them. While central banks as well as global governments have worked to restore much needed liquidity to the global economies, no assurance can be given that the combined impact of the significant revaluations and constraints on the availability of credit will not continue to materially and adversely affect economies around the world. No assurance can be given that this stimulus will continue or that, if it continues, it will be successful or these economies will not be adversely affected by the inflationary pressures resulting from such stimulus or central banks' efforts to slow inflation. Some of these economies have experienced significantly diminished growth and some are experiencing or have experienced a recession. These market conditions and further volatility or illiquidity in capital markets may also adversely affect the prospects of the Fund and the value of the Portfolio securities.

Tax Matters Affecting the Fund

As the Fund is primarily invested in securities of foreign issuers, dividends, distributions and certain interest received by the Fund will be subject to foreign withholding tax and the Fund may be subject to other foreign taxes.

There can be no assurance that income tax laws and the treatment of trusts under the *Income Tax Act* (Canada) (the "Tax Act") will not be changed in a manner which adversely affects the Fund or unitholders.

If the Fund experiences a "loss restriction event" (i) it will be deemed to have a year-end for tax purposes (which would result in an allocation of the Fund's taxable income at such time to unitholders so that the Fund is not liable for income tax on such amounts), and (ii) it will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. As a result of the application of these rules, the amount of distributions paid by the Fund after a loss restriction event may be larger than it otherwise would have been. Generally, the Fund will be subject to a loss restriction event if a person becomes a "majority-interest beneficiary" of the Fund, or a group of persons becomes a "majority-interest group of beneficiaries" of the Fund, as those terms are defined in the Tax Act. Generally, a majority-interest beneficiary of the Fund is a unitholder who, together with persons and partnerships with whom the unitholder is affiliated, owns units with

fair market value that is greater than 50% of the fair market value of all units of the Fund. However, it is expected that each Fund will qualify for relief from the application of the loss restriction event rules.

No Ownership Interest Risk

An investment in units does not constitute an investment by unitholders in the assets included in the Portfolio. Unitholders will not own the assets held by the Fund. It is possible that the proceeds from the sale of Portfolio securities will be used to satisfy other liabilities of the Fund, which liabilities could include obligations to third party creditors in the event the Fund has insufficient assets, excluding the proceeds from the sale of such Portfolio securities, to pay its liabilities.

Loss of Investment Risk

An investment in the Fund is appropriate only for investors who have the capacity to absorb a loss.

Changes in Legislation and Regulatory Risk

There can be no assurance that certain laws applicable to the Fund, including income tax laws and the treatment of trusts under the Tax Act, will not be changed in a manner which adversely affects the Fund or unitholders. If such laws change, such changes could have a negative effect upon the value of the Portfolio and upon the investment opportunities available to the Fund.

Series Risk

The Fund is offered in more than one series. In addition to common fees and expenses, each series has its own fees and expenses, which the Fund tracks separately. These expenses are deducted in the calculation of the series net asset value per unit. If the Fund cannot pay the expenses of a series using that series' share of the Fund's assets, it will pay those expenses out of the other series' proportionate share of the Fund's assets. This would lower the value of the other series of the Fund.

Potential Conflicts of Interest

The Manager, its directors and officers and their respective affiliates and associates may engage in the promotion, management or investment management of other accounts, funds or trusts which may invest primarily in the securities held by the Fund.

Although officers, directors and professional staff of the Manager will devote as much time to the Fund as is deemed appropriate to perform their duties, the staff of the Manager may allocate their time and services among the Fund and the other funds managed by the Manager.

Risks Relating to the Nature of the Units

The Units represent a fractional interest in the net assets of the Fund. Units are dissimilar to hybrid instruments in that there is no principal amount owing to Unitholders. Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions.

The Fund can be subject, from time to time, to the above risk factors.

Investment risk classification methodology

The Manager determines the risk ratings of the Fund for purposes of disclosure in this prospectus in accordance with the methodology prescribed in Appendix F *Investment Risk Classification Methodology* of NI 81-102 (the "CSA Methodology"). Under the CSA Methodology, the Manager determines the standard deviation of the Fund's performance for the most recent 10 years, which is a measure of historical volatility, using a prescribed formula, locates the range of standard deviation within which the Fund's standard deviation falls, and identifies the investment risk level set opposite the applicable range by the CSA Methodology.

Standard deviation is a common statistic used to measure the volatility and risk of an investment. Funds with higher standard deviations are generally classified as being more risky. Other types of risk, both measurable and non-measurable, may exist and historical performance may not be indicative of future returns and the Fund's historical volatility may not be indicative of its future volatility. As a result, as part of our final determination of the Fund's risk ranking, we may consider other quantitative and qualitative factors including investment style, sector concentration and permitted ranges for different investment types and may, at our discretion, classify the Fund at a higher, but not a lower, investment risk level than that determined using the CSA Methodology, should we deem that appropriate. The Fund is assigned an investment risk rating in one of the following categories: low, low-to-medium, medium, medium-to-high, or high risk.

Under the CSA Methodology, if it has been less than 10 years since securities of the Fund were first available to the public, the Manager must select a reference index in accordance with prescribed criteria, and calculate the standard deviation of the Fund by using the return history of the Fund and imputing the return history of the reference index for the remainder of the 10 year period. Because securities of the Fund have been offered to the public for less than 10 years, Caldwell has selected, in accordance with the CSA Methodology, the S&P 500 Index Total Return (CAD) as the Fund's reference index for this purpose.

Caldwell reviews the level of risk associated with the Fund in connection with each filing of a Fund Fact document of the Fund, and at least annually. Caldwell may determine the investment risk level more frequently than annually, including if we determine it is no longer reasonable in the circumstances.

A more detailed explanation of the CSA Methodology, standard deviation and the methodology that Caldwell uses to determine the risk rating of the Fund is available on request, at no cost, by contacting Caldwell toll-free at 1-800-256-2441 or by writing to Caldwell Investment Management Ltd., 150 King Street West, Suite 1702, P.O. Box 47, Toronto, Ontario, M5H 1J9.

ORGANIZATION AND MANAGEMENT OF CALDWELL U.S. DIVIDEND ADVANTAGE FUND

Manager and Trustee	<p>Caldwell Investment Management Ltd. (“Caldwell”) is responsible for the day-to-day management of the undertaking and operations of the Fund.</p> <p>The Fund is organized as a trust. When you invest in the Fund, you are buying units of the trust. AST Trust Company (Canada), located in Toronto, Ontario, was appointed as the trustee of the Fund on May 28, 2015. On or about the effective date of the Conversion, Caldwell will replace AST Trust Company (Canada) as trustee of the Fund. The trustee holds actual title to the property of the Fund - the cash and securities - on your behalf.</p>	<ul style="list-style-type: none">● Caldwell Investment Management Ltd. 150 King Street West Suite 1702, P.O. Box 47 Toronto, Ontario M5H 1J9
Portfolio Advisor	<p>As portfolio advisor, Caldwell provides investment advice and portfolio management services to the Fund.</p>	<ul style="list-style-type: none">● Caldwell Investment Management Ltd. Toronto, Ontario
Principal Distributor	<p>As principal distributor, Caldwell Securities Ltd. markets the units of the Fund directly to the public. The Fund is also available through authorized dealers. Caldwell Securities Ltd. is affiliated with Caldwell as both are wholly owned subsidiaries of Caldwell Financial Ltd.</p>	<ul style="list-style-type: none">● Caldwell Securities Ltd. Toronto, Ontario
Independent Review Committee	<p>The Independent Review Committee (the “IRC”) will review all conflict of interest matters referred to it by Caldwell and make recommendations on whether a course of action achieves a fair and reasonable result for the Fund. Only upon making that determination will the IRC recommend to Caldwell that the transaction proceed.</p> <p>The IRC will also at least annually prepare a report of its activities for unitholders which will be available on Caldwell’s website at www.caldwellinvestment.com, or at a unitholder’s request at no cost, by contacting Caldwell at info@caldwellinvestment.com.</p> <p>The IRC may also approve certain mergers involving the Fund and any change of the auditor of the Fund without seeking unitholder approval. In these cases, unitholders will be sent a written notice at least 60 days before the effective date of any such merger or change of auditor.</p> <p>Additional information about the IRC is available in the Fund’s Annual Information Form.</p>	<ul style="list-style-type: none">● The members of the Independent Review Committee for the Fund are Sharon Kent and F. Michael Walsh, each of whom was appointed as of May 28, 2015 and Trent Morris who was appointed as of November 2, 2017
Custodian	<p>The cash and securities of the Fund are held by CIBC Mellon Trust Company.</p>	<ul style="list-style-type: none">● CIBC Mellon Trust Company Toronto, Ontario
Registrar	<p>SGGG Fund Services Inc. is the registrar of the Fund, and in such capacity keeps a register of the owners of units for the Fund and processes orders.</p>	<ul style="list-style-type: none">● SGGG Fund Services Inc. Toronto, Ontario
Auditors	<p>As auditors, Deloitte LLP annually conducts an audit in accordance with Canadian generally accepted auditing standards of the financial statements of the Fund to assess whether they fairly present, in all material respects, the Fund’s</p>	<ul style="list-style-type: none">● Deloitte LLP Chartered Professional Accountants Toronto, Ontario

financial position and results in accordance with the accounting requirements of International Financial Reporting Standards.

PURCHASES, SWITCHES AND REDEMPTIONS

How do I purchase units of the Fund?

Units of the Fund must be purchased through registered dealers in all provinces and territories of Canada. The Fund issues two series of units – Series A units and Series F units – which are offered for sale pursuant to this Simplified Prospectus.

Series A units are available to all investors of the Fund.

Series F units are available to investors of the Fund who participate in fee-based programs through their broker or dealer. You can only buy Series F units if we and your broker or dealer approve it first. Your broker or dealer's participation in the Series F Option program is subject to Caldwell's terms and conditions. (See *How do purchase options affect fees I pay – Series F Option*). All units held by unitholders of the Fund on the effective date of the Conversion will be redesignated as Series F units of the Fund.

Each Series of the Fund is valued in Canadian dollars and can be bought in Canadian dollars or U.S. dollars (the "U.S. dollar option"). See *Foreign Currency Exposure*.

Units of the Fund purchased with Canadian dollars are denominated in Canadian dollars and all payments owing in respect of such units will be made in Canadian dollars.

Units of the Fund purchased with U.S. dollars are denominated in U.S. dollars and all payments owing in respect of such units will be made in U.S. dollars.

The U.S. dollar option is offered only as a convenience. It allows you to invest in the Fund using your U.S. currency. If you buy your units in U.S. dollars, you'll receive U.S. dollars when you redeem them or receive distributions from the Fund. You must designate a U.S. dollar bank account to receive payments. **Buying your units in U.S. dollars will not affect the investment return of the Fund, and, in particular, does not hedge – or protect – against losses caused by changes in the exchange rate between the Canadian and U.S. dollars.** The performance of the Fund is driven by its portfolio investments, regardless of which currency purchase option is used. Whether you invest in Canadian or U.S. dollars, the Fund will have the same investment return.

For tax purposes, capital gains and losses are calculated in Canadian dollars. As a result, if you bought and redeemed units under the U.S. dollar purchase option, you need to calculate gains or losses based on the Canadian dollar value of your units when they were purchased and their Canadian dollar value when they were sold. In addition, although distributions will be made in U.S. dollars, they must be reported in Canadian dollars for Canadian tax purposes. Consequently, all investment income will be reported to you in Canadian dollars for income tax purposes. You may want to consult your tax advisor regarding this.

Minimum Investment

The minimum initial purchase order for either Series of the Fund is \$500 (Canadian dollars for units of the Fund purchased with Canadian dollars and U.S. dollars for units of the Fund purchased under the U.S. dollar option). Each subsequent purchase order for a Series of the Fund must be for an amount of \$100 or more (Canadian dollars for units of the Fund purchased with Canadian dollars and U.S. dollars for units of the Fund purchased under the U.S. dollar option), or in the case of investors who participate in the Monthly Investment Plan, \$50 or more (Canadian dollars for units of the Fund purchased with Canadian dollars and U.S. dollars for units of the Fund purchased under the U.S. dollar option).

Each investor in a Series of units of the Fund must always hold units of the Fund which have a net asset value of at least \$500 (Canadian dollars for units of the Fund purchased with Canadian dollars and U.S. dollars for units of the fund purchased under the U.S. dollar option). If the net asset value of the investor's units of the Fund falls below this minimum threshold, the investor may be provided with a notice of the Fund's intention to redeem the units unless the investor purchases enough additional units within ten days of receiving the notice.

Caldwell reserves the right to change or waive any minimum purchase order and minimum unitholding amounts from time to time, at our sole discretion, without notice.

All units must be paid for in full; therefore, an order for a purchase of units of the Fund must be accompanied by a cheque, certified cheque, bank draft or money order that is payable to your registered dealer. Caldwell must receive any payment made to a registered dealer within two business days of receiving the purchase order from the registered dealer. Caldwell can accept or reject any purchase order no later than one business day after receiving the order. If a purchase order is rejected by Caldwell, all money received with the order will be returned immediately without interest. No certificates are issued for units of the Fund.

An investor becomes a unitholder of the Fund on the date that Caldwell processes the investor's purchase order. A purchase order will therefore be reversed by redeeming the investor's units if Caldwell does not receive the purchase price for the units, or the investor otherwise fails to complete the purchase, within the three business day period referred to above. Any resulting loss will not be borne by the Fund but shall be charged to the registered broker or dealer, who may, in turn, have the right to collect it from the investor. Any resulting gain will belong to the Fund and not to the investor.

Is a Resignation of Units a Taxable Event?

A resignation of units of one Series of the Fund to units of another Series of the Fund does not result in a disposition of the units for tax purposes. (See *Income Tax Considerations for Investors* (page 22)).

How do I redeem units of the Fund?

Your registered dealer can help you. You may redeem some or all of your units by completing and depositing with your registered dealer a written redemption request to have a dollar amount or a number of units redeemed by the Fund. The request must be signed by you and should indicate where you would like to have the sale proceeds delivered. The sale proceeds will be delivered within two business days of the valuation date on which the redemption order is processed. Any applicable deferred sales charge or redemption fee payable by you will be deducted from your sale proceeds.

The redemption of units of the Fund constitutes a disposition for tax purposes and may trigger a capital gain or capital loss. (See *Income Tax Considerations for Investors* (page 22)).

An order for a sale of units back to the Fund will be reversed if a dealer or unitholder fails to meet all sale requirements. Any resulting loss will not be borne by the Fund but shall be charged to the registered broker or dealer, who may, in turn, have the right to collect it from the unitholder. Any resulting gain will belong to the Fund and not to the unitholder.

How are my Fund units valued?

The Series net asset value ("NAV") of the Fund is determined by taking the Series' proportionate share of the market value of the Fund's portfolio, adding its proportionate share of all other assets and subtracting the Series' liabilities and its proportionate share of common liabilities of the Fund attributable to that Series. The result is the Series NAV of the Fund.

How is the Series net asset value per unit calculated?

Since each Series of the Fund has different costs and liabilities, the Series NAV per unit is calculated separately for each Series. We calculate the Series NAV per unit by taking that Series' NAV, determined as described above, and then dividing that number by the total number of units of that Series that are outstanding.

The purchase and sale price of each unit of a Fund Series is equal to the Series NAV per unit as at 4:00 p.m. (Eastern Time) on each business day. If your purchase or sale order is received after 4:00 p.m. (Eastern Time), the price will be the Series NAV per unit as at 4:00 p.m. (Eastern Time) on the next business day.

When is the Series net asset value per unit calculated?

The Series NAV and Series NAV per unit of the Fund are calculated by Caldwell in accordance with National Instrument 81-102 – *Investment Funds* or successor regulations on any day on which the Fund is required to calculate a net asset value. On such day, the Series NAV and Series NAV per unit are calculated as at 4:00 p.m. (Eastern Time).

Can I switch units of one Series of the Fund to units of another Series of the Fund?

Yes. You can switch units of one Series of the Fund denominated in one currency for units of another Series of the Fund denominated in the same currency provided you meet the criteria for the new series and only if Caldwell approves, at its discretion, such a switch. A switch of units of one Series of the Fund into units of another Series of the Fund will not, by itself, result in a disposition for tax purposes of the units being switched.

Can I switch units of one Series of the Fund denominated in one currency to units of the same Series of the Fund denominated in another currency?

Yes. You can switch units of one Series of the Fund denominated in Canadian dollars for units of the same Series of the Fund denominated in U.S. dollars, and vice versa, at the applicable CAD/USD exchange rate in effect on the relevant day, if Caldwell approves, at its discretion, such a switch. Such a switch will not, by itself, result in a disposition for tax purposes of the units being switched.

Can I switch my investment in the Fund to another Caldwell Mutual Fund?

Yes. You may redeem units of the Fund and use the proceeds to purchase units of another Caldwell Mutual Fund. This is called a switch. In order to complete such a transfer you must deliver a written request to your registered dealer identifying the Fund from which you wish to exit, the number of units you wish to redeem (the amount must be at least \$500), and the units of the Caldwell Mutual Fund you wish to purchase. Units of the Fund denominated in U.S. dollars will be switched into Canadian dollar denominated units of the Caldwell Mutual Fund you wish to purchase at the applicable USD/CAD exchange rate in effect on the relevant day.

You may switch units of one Series of the Fund for units of the same Series, or of another Series, of another Caldwell Mutual Fund provided you qualify to hold the new series, as described in the then-current simplified prospectus of the other Caldwell Mutual Fund.

You may not switch units that were acquired under the “Series F Option” (as described below) for Series A units of another Caldwell Mutual Fund. You may not redeem units that were acquired on a deferred sales charge basis to purchase units on a front-end sales charge basis, or vice versa.

What charges and taxes apply if I switch to a Caldwell Mutual Fund?

The Fund does not charge for a switch but your dealer may charge a commission as described under the heading *Fees and Expenses* (page 17) in order to effect such a switch. If the units of the Fund are subject to a deferred sales charge, then the units acquired as a result of the switch shall be subject to a deferred sales charge of exactly the same amount.

A switch between Caldwell Mutual Funds constitutes a disposition for tax purposes and may trigger a gain or loss. (See *Income Tax Considerations for Investors* (page 22)).

Can my rights to redeem units in the Fund be suspended?

In very rare circumstances it may be necessary to suspend the rights of investors to redeem their units in the Fund. Caldwell will only institute such suspensions when:

- (1) trading is suspended on any stock exchange, options or futures exchange within or outside Canada on which securities or specified derivatives are listed and traded which represent more than 50% by value or by underlying market exposure of the total assets of the Fund without allowance for liabilities; or
- (2) it obtains the consent of the Canadian securities administrators.

If Caldwell suspends the right to redeem units in the Fund, it will also suspend the right to purchase units in the Fund.

How do purchase options affect fees I pay?

At the time that an investor purchases Series A units of the Fund, the investor must choose to pay either a front-end sales charge or a low load deferred sales charge. The choice of different purchase options requires an investor to pay different fees and expenses and affects the amount of compensation payable to a dealer.

Front-End Sales Charge. A front-end sales charge is a commission that is paid by an investor to a registered dealer at the time the investor purchases Series A units purchased under a front-end sales charge. The amount of the front-end sales charge is negotiated between the investor and the registered dealer but may not exceed an amount as described under the heading *Fees and Expenses* (page 17). Please refer to *Fees paid to dealers* (page 20) for information on how front-end sales charges affect dealer compensation.

Deferred Sales Charge. A deferred sales charge is a commission that is paid by an investor to Caldwell at the time the investor redeems Series A units of the Fund purchased under a low load deferred sales charge. The deferred sales charge payable by an investor is deducted from the investor's redemption proceeds to compensate Caldwell for the sales commission described below which Caldwell would have paid to a registered dealer at the time the investor purchased the units. For Series A units purchased under the low load deferred sales charge option, Caldwell pays your investment firm a commission of 2.0%. The amount of a deferred sales charge is dependent on the number of years an investor has held units to be sold back to the Fund as described under the heading *Fees and Expenses* (page 17).

Because a deferred charge declines with the passage of time, it may be the preferred purchase option for long-term investors. Please refer to *Fees paid to dealers* for information on how deferred sales charges affect dealer compensation.

Series F Option. Series F units of the Fund are available to investors who participate in fee-based programs through their broker or dealer. These investors pay an annual fee for ongoing financial planning advice. We eliminate the commissions and service fees paid to an investor's broker or dealer in respect of Series F Option units, which means that Caldwell can charge a lower management fee Series F units. The Series F Option is only available in respect of Series F units. You can only buy Series F Option units if we and your broker or dealer approve it first. Your broker or dealer's participation in the Series F Option program is subject to Caldwell's terms and conditions. If your broker or dealer notifies us that you no longer qualify to hold Series F Option units, we may redesignate your Series F units as front-end sales charge Series A units of the Fund after we give you 10 days' notice. The Fund does not charge switch fees and short-term trading fees in respect of a redesignation of Series F units to Series A units. After a redesignation of Series F units to Series A units, the redesignated units will be subject to the fees applicable to Series A units of the Fund.

Free Redemption Amount – Series A. An investor who elects to pay a deferred sales charge may redeem a prescribed amount of Series A units during a given year without having to pay a deferred sales charge. This prescribed amount is known as the free redemption amount. The free redemption amount is an amount equal to no more than 10% of the market value of Series A units of the Fund that were held by the investor as at December 31 of the previous year, plus an amount equal to no more than 10% of the market value of additional Series A units acquired by the investor during the current calendar year, less any cash distributions received in the current year. In addition, the free redemption amount includes an amount equal to all Series A units in the Fund acquired on the reinvestment of distributions during the same period. Caldwell reserves the right to vary or eliminate the free redemption amount on 60 days prior written notice to unitholders.

Short-term Trading. Short-term trading in units of the Fund can have an adverse effect on the Fund. Such trading can increase brokerage and other administrative costs of the Fund and interfere with the long-term investment decisions of Caldwell. Caldwell has adopted certain restrictions to deter short-term trading. Please refer to *Short-term Trading Fees* (page 19).

For example, if an investor redeems or switches units of the Fund within 90 days of purchase the investor may be subject to a short-term trading fee of 2% of the amount switched or redeemed. This amount will be retained by the Fund, and not by Caldwell or any distributor. This fee is in addition to any redemption or switch fees that may apply and will reduce the amount otherwise payable to an investor on the redemption or reduce the amount switched.

The short-term trading fees will not apply in the case of certain redemptions including:

- those initiated by Caldwell or by the Fund or another investment fund or by a segregated fund or another investment product which has been approved by Caldwell;
- in the case of what Caldwell, in its discretion, considers a special circumstance, such as the death of a unitholder or a hardship situation; and
- those relating to units received on the reinvestment of distributions.

While these restrictions and Caldwell's monitoring attempt to deter short-term trading, Caldwell cannot ensure that such trading will be completely eliminated. Caldwell may reassess what is adverse short-term trading in the Fund at any time and may charge or exempt transactions from these fees in its discretion.

OPTIONAL SERVICES

Is there a Monthly Investment Plan?

An investor can arrange to make regular pre-authorized investments in the Fund by participating in the Monthly Investment Plan. In order to participate, an investor must arrange to invest at least \$50 in the Fund (Canadian dollars for units of the Fund purchased with Canadian dollars and U.S. dollars for units of the fund purchased under the U.S. dollar option) at regular monthly intervals on the 1st or 15th day of a month. The amount chosen is automatically deducted from the investor's bank account and invested in the Fund. There is no charge to enrol in the Monthly Investment Plan and an investor may cease to participate in the Plan at any time by giving at least ten business days prior written notice to Caldwell.

FEES AND EXPENSES

What expenses are payable by investors and by the Fund?

This table lists the fees and expenses that you may have to pay if you invest in the 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 plus any applicable goods and services tax (“GST”), harmonized sales tax (“HST”) (made up of the 5% federal part and the applicable provincial part) and any applicable provincial sales taxes including provincial value-added taxes (“PST”), which will therefore reduce the value of your investment in the Fund.

If the basis of the calculation of a fee or expense that is charged to the Fund is changed in a way that could result in an increase in charges to the Fund or to unitholders or if a fee or expense, to be charged directly to unitholders by the Fund or by the Manager in connection with the holding of Fund units, is introduced, and if this fee or expense is charged by an entity that is at arm’s length to the Fund, then the approval of unitholders will not be obtained. In the cases above, unitholders will be sent a written notice of the change at least 60 days prior to the effective date.

Fees and Expenses Payable by the Fund		
Management Fees	Series A	Series F
	2.75%	1.75%*
	<p><i>* Following the Conversion, Caldwell intends to waive or reduce the management fee, and/or pay on behalf of the Fund a portion of the operating expenses otherwise payable by the Fund such that the Series F MER will not exceed 2.45%.</i></p> <p><i>The annual management and brokerage fees indicated above are expressed as a percentage of the daily Series NAV of the applicable Series of units.</i></p> <p><i>In exchange for management fees, Caldwell provides certain services to the Fund, including but not limited to:</i></p> <ul style="list-style-type: none"> • <i>the day-to-day management of the Fund;</i> • <i>the payment of trailing commissions and other forms of compensation to your dealer (or discount broker) in connection with the distribution of the Fund;</i> • <i>marketing advice and assistance to registered dealers selling the Fund;</i> • <i>arranging for custodial services;</i> • <i>the making of investment portfolio decisions and the execution of portfolio transactions;</i> • <i>dealing with the purchase and redemption of Fund securities;</i> • <i>assist in the negotiation of contractual arrangements with third-party service providers, including the custodian, auditor and legal counsel, including supervision of such service providers;</i> • <i>the provision of office accommodation, personnel, stationery, office supplies, internal accounting and audit services in respect of the operations of the Fund;</i> • <i>the maintenance of Fund accounting records;</i> • <i>the preparation of, or arranging for, the preparation and filing of any Fund prospectus documents, continuous disclosure documents, financial statements, income tax returns and forms of financial and accounting information;</i> • <i>the monitoring of compliance with applicable regulatory requirements.</i> 	
Management Fee and Operating Expense Reductions	<p><i>Caldwell may, in its sole discretion, waive or reduce the management fee, and/or pay on behalf of the Fund a portion of the operating expenses otherwise payable by the Fund, in respect of institutional and individual investors who invest large amounts in the Fund. These reductions are negotiable by the investor or the broker or dealer and Caldwell. In such instances, Caldwell charges a reduced fee to the Fund and the Fund makes a special distribution to the unitholder equal to the amount of the reduction (adjusted, if appropriate, for any reduction in HST/GST thereon), and certain associated cost savings</i></p>	

	<p><i>within the Fund (a “Management Fee Distribution”).</i></p> <p><i>Our decision to reduce the typical fees may depend on a number of factors, including the size of the investment, the expected level of account activity and the investor’s total investments with us. We also reserve the right to make Management Fee Distributions in other cases, at our discretion, where it would be fair and equitable to do so.</i></p> <p><i>Management Fee Distributions are calculated and credited on each business day and distributed at least quarterly and are payable out of net income and net realized capital gains of the Fund to the extent that the Fund earns or realizes such income or gains in the taxation year in which the Management Fee Distributions are made, and otherwise out of capital.</i></p> <p><i>Management Fee Distributions payable to you are reinvested in units of the Fund, unless you specify in advance, in writing, that you would prefer to receive cash.</i></p> <p><i>The waiver or reduction of management fees and/or payment of operating expenses, on behalf of the Fund, may be terminated at any time by Caldwell, at its discretion, or may be continued indefinitely by Caldwell, at its discretion.</i></p>
Operating Expenses	<p><i>In addition to the management fee and applicable GST/HST and PST that is payable by the Fund, the Fund is required to pay its own operating expenses which include expenses directly related to portfolio transactions executed by registered brokers or dealers other than Caldwell Securities Ltd., brokerage commissions payable to such other registered brokers or dealers, custodial, record keeping and unitholder communication charges, legal and audit expenses and applicable GST/HST and PST as well as any taxes and interest related to the operation of the Fund. The payment of GST/HST and PST by the Fund, in respect of the management fee and its operating expenses will increase the costs borne by the Fund.</i></p> <p><i>Caldwell at its discretion may waive and absorb a portion of the operating expenses otherwise payable by the Fund. The waiver of management fees and operating expenses may be terminated at any time by Caldwell and at its discretion, may be continued indefinitely.</i></p> <p><i>As at the date of this Simplified Prospectus, each member of the IRC receives an annual retainer of \$10,000, plus expenses for each meeting, if applicable. These fees and expenses, plus associated legal and insurance costs, are allocated among all of the funds managed by Caldwell in a manner that is considered by Caldwell to be fair and reasonable.</i></p> <p><i>In the year ended December 31, 2017, Caldwell offered the Fund and five other funds (Caldwell Balanced Fund, Tactical Sovereign Bond Fund, Caldwell Value Momentum Fund, Clearpoint Global Dividend Fund and Clearpoint Short Term Income Fund) for which the IRC reviewed conflict of interest matters.</i></p> <p><i>The combined total fees paid and payable for the year ended December 31, 2017 to the members of the Independent Review Committee in relation to the Fund, Caldwell Balanced Fund, Tactical Sovereign Bond Fund, Caldwell Value Momentum Fund, Clearpoint Global Dividend Fund and Clearpoint Short Term Income Fund were \$30,000. There were no reimbursement payments to any members in 2017.</i></p> <p><i>For the year ended December 31, 2017, the total fees paid and payable to the members of the Independent Review Committee in respect of the Fund were \$5,500, plus applicable taxes. Kent and Walsh received a sum of \$1,833.33, Guilday (who was a member of the Independent Review Committee until November 1, 2017) received \$1,000 and Morris received \$833.33, for a combined total of \$5,500, plus applicable taxes.</i></p>

Fees and Expenses Payable Directly by You					
Sales Charges	<i>Up to 5% of the amount invested</i>				
Switch Fees	<i>Negotiated with your dealer, up to 2% of the amount invested.</i>				
Redemption Fees	<table border="1"> <thead> <tr> <th data-bbox="492 1839 938 1902">Units Sold Within the Following Period After the Date of Original Purchase</th> <th data-bbox="938 1839 1435 1902">Percentage of Original Purchase Price Low load Deferred Sales Charge Option</th> </tr> </thead> <tbody> <tr> <td data-bbox="492 1902 938 1934"><i>Within one year</i></td> <td data-bbox="938 1902 1435 1934"><i>3.5%</i></td> </tr> </tbody> </table>	Units Sold Within the Following Period After the Date of Original Purchase	Percentage of Original Purchase Price Low load Deferred Sales Charge Option	<i>Within one year</i>	<i>3.5%</i>
	Units Sold Within the Following Period After the Date of Original Purchase	Percentage of Original Purchase Price Low load Deferred Sales Charge Option			
<i>Within one year</i>	<i>3.5%</i>				

	<i>Within two years</i>	<i>3.0%</i>
	<i>Within three years</i>	<i>2.5%</i>
	<i>After three years</i>	<i>0%</i>
Free Redemption Amount	<i>You may arrange with Caldwell to redeem once annually up to 10% of the market value of Series A units purchased on a deferred sales charge basis held by you in the Fund as at December 31 of the previous calendar year and continued to be held, plus up to 10% of the current market value of additional Series A units acquired in the current calendar year and continued to be held, without any deferred sales charge. In addition, the free redemption amount includes an amount equal to the distributions which were reinvested in additional Series A units of the Fund, as applicable, during the same period.</i>	
Short-term Trading Fees	<i>If a unitholder redeems or switches units of the Fund within 90 days of purchase the unitholder may be subject to a short-term trading fee of 2% of the amount switched or redeemed. This amount will be retained by the Fund, and not by Caldwell or any distributor. This fee is in addition to any redemption or switch fees that may apply and will reduce the amount otherwise payable to a unitholder on the redemption or reduce the amount switched.</i>	
Other Fees and Expenses	<i>- \$50 plus GST/ HST and any PST to replace lost statements - \$25 plus GST/ HST and any PST to replace lost tax reporting forms</i>	

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. The front-end sales charge option and the low load deferred sales charge option apply only to Series A units. The Series F Option applies only to Series F units. Assuming you made an investment of \$1,000 in the Fund and you held that investment for one, three, five or ten years and redeemed immediately before the end of that period, the fees are outlined in the table below.

	At Time of Purchase	1 Year	3 Years	5 Years	10 Years
Sales Charge Option ¹ (front-end sales charge)	\$50	\$0	\$0	\$0	\$0
Redemption Charge Option ² (low load deferred sales charge)	\$0	\$35	\$25	\$0	\$0
Series F Option	\$0	\$0	\$0	\$0	\$0

¹ 5% is the maximum sales charge allowable. The client and dealer negotiate a sales charge between 0% and 5%.

² Redemption charges payable by you may apply only if you redeem your units in a particular year. Redemption charges are shown under *Fees and Expenses* (page 17). Actual redemption charges may be less than shown in this chart since you may be entitled to a free redemption amount as described under the heading *Free Redemption Amount* above.

DEALER COMPENSATION

Fees paid to dealers

Sales Commissions – Series A Units

When you purchase Series A units of the Fund, you may have to pay a sales commission to your dealer at time of purchase. Such commissions range as disclosed under the heading *Fees and Expenses* (page 15), but you should talk to your dealer about how much they will actually charge you.

When you purchase Series A units of the Fund, you may have the option to pay a front-end sales charge or a low load deferred sales charge. If you choose the low load deferred sales charge option when you purchase your Series A units, Caldwell will pay your dealer a sales commission as disclosed under the heading *Deferred Sales Charge* (page 10) at the time you purchase your units.

Sales Commissions – Series F Units

You do not pay sales charges on Series F units.

Trailing Commissions – Series A Units

Caldwell also pays trailing commissions to brokers, including discount brokers, for Series A units of the Fund you purchase through your brokerage account. If you choose the front-end sales charge option when you purchase your Series A units, Caldwell may pay your dealer for ongoing services provided to you an annual trailer fee of up to 1.00% of the value of your units.

For Series A units purchased under the low load deferred sales charge option, Caldwell will pay your dealer an ongoing fee of 0.50% until the units are free of low load deferred sales charges (i.e. three years after date of original purchase), and 1.00% thereafter.

Trailing Commissions – Series F Units

No trailing commissions are paid by the Manager for units purchased under the Series F Option. You and your dealer may negotiate a service fee in respect of Series F units to be paid directly by you.

Sales Incentive Programs

Caldwell may contribute to direct costs incurred by registered dealers of the Fund which relate to sales commissions, so long as such contributions are in compliance with National Instrument 81-105 – *Mutual Fund Sales Practices*. Other than the foregoing and sales charges and trailing commission, Caldwell pays no sales incentives of any kind.

Related parties

Caldwell and Caldwell Securities Ltd., the principal distributor, are related because each is a wholly-owned subsidiary of Caldwell Financial Ltd.

DEALER COMPENSATION FROM MANAGEMENT FEES

Approximately 34% of the total management fees paid by the Caldwell Mutual Funds last year were used to pay commissions and other dealer fees.

INCOME TAX CONSIDERATIONS FOR INVESTORS

The following is a general summary of the Canadian federal income tax consequences to you of distributions from the Fund and dispositions by you of units of the Fund. This summary applies to Canadian resident individuals (other than trusts) who deal with the Fund at arm's length and who hold units of the Fund as capital property.

This summary assumes that the Fund will qualify as a mutual fund trust under the Tax Act at all material times.

The summary is general in nature. It is not intended to be legal or tax advice to any particular investor. Consult your own tax adviser with respect to the tax implications of purchasing, holding and redeeming units of the Fund.

Funds held in a Tax Plan

Units of the Fund are, and are expected to continue to be, qualified investments under the Tax Act for registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans and tax-free savings accounts.

Annuitants of registered retirement savings plans and registered retirement income funds, holders of tax-free savings accounts and registered disability savings plans, and subscribers of registered education savings plans should consult their own advisers as to whether units would be a "prohibited investment" for their registered retirement savings plan, registered retirement income fund, tax-free savings account, registered disability savings plan or registered education savings plan having regard to their circumstances.

If you hold Fund units in a Tax Plan, income and capital gains received from the Fund, and capital gains realized on redeeming, switching or otherwise disposing of units of the Fund, will generally be sheltered from tax until you withdraw amounts from such Tax Plan. Amounts withdrawn from a Tax Plan (other than from a tax-free savings account, contributions withdrawn from a registered education savings plan and certain withdrawals from a registered disability savings plan) will generally be subject to tax.

Funds held outside a Tax Plan

If you hold units of the Fund outside a Tax Plan, you must include in your income the net income and the taxable portion of any net capital gains payable to you by the Fund, including management fee distributions, whether paid in cash or by reinvestment in additional units. If distributions by the Fund in any year exceed your share of the net income and net realized capital gains of the Fund for the year, the excess amount paid to you is known as a return of capital and will not be included in your income but will reduce the adjusted cost base of your units of the Fund by the excess amount.

To the extent applicable, the Fund intends to make designations to ensure that the maximum portion of its dividends from taxable Canadian corporations, foreign income, net realized capital gains and foreign creditable tax will be received by unitholders as dividends from taxable Canadian corporations, foreign income or taxable capital gains, as the case may be, or deemed to be paid by unitholders in the case of foreign creditable tax.

When you purchase units of the Fund, a portion of the price you pay may reflect income and capital gains of the Fund for the year. When these amounts are paid to you, you must include them in your income for tax purposes subject to the provisions of the Tax Act, even though the Fund earned these amounts before you owned the units. This could occur if you buy units close to a distribution date, such as just before the December 15 distribution.

The higher the Fund's portfolio turnover rate in a year, the greater the chance the Fund will realize accrued capital gains or losses in that year which may result in the acceleration of the recognition of taxable capital gains if net gains are being realized. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

Where you redeem, switch or otherwise dispose of, or are deemed to dispose of, units of the Fund, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the units exceed (or are exceeded by) the aggregate of the adjusted cost base to you of the units and reasonable costs of disposition. Generally, one-half of a capital gain must be included in computing your income under the Tax Act as a taxable capital gain. One-half of a capital loss must be deducted against taxable capital gains in the year of disposition and, subject to certain limitations

imposed under the Tax Act, any excess may be carried back three years or forward indefinitely for deduction against taxable capital gains realized in those years. A redesignation of units of a Series to units of another Series of the Fund does not result in a disposition of the former units for tax purposes.

The adjusted cost base of your units is, generally, the amount paid for your units, plus the amount of any reinvested distributions and additional purchases minus the adjusted cost base of units redeemed and the amount of any reduction required as described above. You should keep detailed records of the purchase costs, sales charges and distributions related to your Fund units.

Individuals are subject to an alternative minimum tax. Dividends from taxable Canadian corporations and capital gains distributed to or realized by you may give rise to liability for such minimum tax.

If you dispose of units of the Fund and you, your spouse or another person affiliated with you (including a corporation controlled by you) has acquired units of the Fund within 30 days before or after you dispose of your units (such newly acquired units being considered “substituted property”), your capital loss may be deemed to be a “superficial loss”. If so, you will not be able to recognize the loss and it would be added to the adjusted cost base to the owner of the units which are “substituted property”.

The Annual Information Form contains a more detailed discussion of these tax consequences. Investors should consult their tax advisers about their particular circumstances.

Prior to March 15 in each year, we will issue you a tax slip which sets out each type of income and return of capital the Fund has distributed to you. You can claim any tax credits that apply to that income.

Exchange of Tax Information

The Fund is a “reporting Canadian financial institution” as defined in the Tax Act and it, or the Manager as the “sponsoring entity” of the Fund, will comply with the due diligence and reporting requirements imposed by the Tax Act and the Canada-United States Enhanced Tax Information Exchange Agreement. In order to comply with such requirements, certain information must be requested and obtained from investors in order to identify “US reportable accounts” (including units held by US citizens and other “specified US persons” other than by Tax Plans). Information regarding US reportable accounts will be provided to the Canada Revenue Agency which will exchange that information with the Internal Revenue Service pursuant to the exchange of information provisions of the Canada-United States Income Tax Convention.

Canada has signed the OECD Multilateral Competent Authority Agreement and Common Reporting Standard (“CRS”) which provides for the implementation of the automatic exchange of tax information. The CRS was effective in Canada as of July 1, 2017 with the first exchanges of financial account information beginning in 2018. Under the CRS, investors will be required to provide certain information including their tax identification numbers in order to identify persons who are resident in countries other than Canada or the United States for the purpose of such information exchange unless their investment is held within a Tax Plan. The CRA is expected to provide that information to countries that are party to the CRS.

WHAT ARE YOUR LEGAL RIGHTS?

Securities legislation in some provinces gives you the right to withdraw from an agreement to buy units of the Fund 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 and territories also allows you to cancel an agreement to buy units of the Fund 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 Fund. These rights must usually be exercised within certain time limits.

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

ADDITIONAL INFORMATION

Glossary

This glossary is intended to assist investors in understanding some of the financial terms and phrases associated with investing in mutual funds.

Annual Information Form (AIF): A legal document filed with securities regulators that supplements or explains in greater detail information contained in the simplified prospectus of a mutual fund.

Balanced Fund: A mutual fund which has an investment policy of “balancing” its portfolio generally by including bonds and shares in varying proportions influenced by the fund’s investment outlook.

Bond: A long-term debt instrument with the promise to pay a specified amount of interest and to return the principal amount on a specified maturity date.

Broker: An agent who handles the public’s orders to buy and sell securities, commodities, or other property. A commission is generally charged for this service.

Capital Gain/Loss: The gain/loss that results when a capital asset is sold for more/less than its cost amount.

Common Stock/Common Share: A security representing ownership of a corporation’s net assets. Voting rights are normally accorded to holders of common stock/common shares. Often shortened and referred to as “stocks” or “shares”.

Custodian: Financial institution, usually a bank or trust company, that holds a mutual fund’s securities and cash in safekeeping.

Deferred Sales Charge: A sales charge levied when mutual fund units are redeemed. The deferred sales charge is also referred to as a redemption charge option.

Derivatives: Financial instruments, such as options, futures and forward contracts, whose value is based on the value of an underlying security, index, commodity or currency.

Distributions: Payments to investors by a mutual fund from income and/or profit realized from investments in or sales of securities.

Diversification: The investment in a number of different securities. This reduces the risks inherent in investing. Diversification may be among types of securities, companies, industries or geographic locations.

Equities: This represents the ownership interest of the shareholders (common and preferred) of a company. For this reason, equities are often known as shares.

Equity Fund: A mutual fund whose portfolio consists primarily of common stocks.

“Exchange-traded Fund” or “ETF”: A mutual fund that is in continuous distribution and whose units are listed on an exchange or quoted on a quotation and trade reporting system.

Forward: A forward contract is a contractual agreement between a buyer and a seller in which the buyer of the forward contract agrees to purchase from the seller of the forward contract, and the seller of the forward contract agrees to deliver to the buyer of the forward contract, a specific quantity of a specific underlying interest, at a price agreed upon at the initiation of the contract.

Front-end Sales Charge: A sales charge levied on the purchase of mutual fund units at the time of purchase. The front-end sales charge is also referred to as a sales charge option.

Fund Facts: a legal document that concisely, and in plain language, highlights the potential benefits, risks and costs of investing in a mutual fund.

Futures: A futures contract is similar to a forward contract, except that the time period, underlying interest, quantity and price are standardized, and the contracts are listed and only trade on a futures exchange. Further, margin must be posted by both the buyer and the seller both to initiate and to maintain the futures option.

GIC: A guaranteed investment certificate.

Income Funds: Mutual funds that invest primarily in fixed income securities such as bonds, mortgages and preferred shares. Their primary objective is to produce income for investors, while preserving capital.

Interest: Payments made by a borrower to a lender for the use of the lender's money. Corporations and governments pay interest on bonds to their bondholders.

Life Income Fund (LIF): A RRIF subject to pension legislation to which are deposited locked-in amounts originating from a registered pension plan and which generally requires the purchase of an annuity with the RRIF balance at age 80.

Life Retirement Income Fund (LRIF): A RRIF subject to pension legislation to which are deposited locked-in amounts originating from a registered pension plan and which does not require the purchase of an annuity with the RRIF balance at age 80.

Liquidity: The ease with which an investment may be converted to cash at a reasonable price in a reasonable time.

Locked-In Retirement Account (LIRA): A RRSP subject to pension legislation to which are deposited locked-in amounts originating from a registered pension plan.

Management Expense Ratio (MER): A measure of the total cost of operating a fund for a financial year (excluding brokerage commissions, interest and applicable taxes) as a percentage of average net assets during the financial year.

Management Fee: The sum paid to a mutual fund's advisor or manager for supervising its portfolio and administering its operations.

Monthly Investment Plan: An arrangement which enables an investor to purchase mutual fund shares regularly in large or small amounts. Also known as a Pre-Authorized Chequing Plan.

Mutual Fund: An investment entity that pools unitholder funds and invests in various securities. The units or shares are redeemable by the fund on demand by the investor. The value of the underlying assets of the fund influences the current price of units.

Net Asset Value per Unit (NAV per Unit): Net asset value of a mutual fund series divided by the number of units of that series outstanding. This represents the base value of a unit of a series of units of a fund and is commonly abbreviated to NAV per Unit.

NI 81-102: National Instrument 81-102 – *Investment Funds*, an instrument of the Canadian Securities Administrators.

Open-end Mutual Fund: An open-end mutual fund continuously issues and redeems units, so the number of units outstanding varies from day to day. Most mutual funds are open-ended.

Portfolio: All the securities which a mutual fund or an individual investor owns.

Preferred Share: An ownership security, senior to the common stock of a corporation, with a specified annual dividend for a preferred claim on assets in case of liquidation.

Prospectus: The document by which a corporation or other legal entity offers a new or continuous issue of securities to the public.

Redemption: The sale of mutual fund units back to the fund.

Registered Disability Savings Plan (RDSP): A tax-deferred vehicle to provide long-term financial security for a child with a severe disability.

Registered Retirement Income Fund (RRIF): A tax-deferred vehicle to which are deposited amounts originating from other tax-deferred vehicles and which requires a minimum annual withdrawal.

Registered Retirement Savings Plan (RRSP): A tax-deferred retirement plan that allows individuals who have not reached the age of 71 to set aside sums of money, within limits, as defined in the Income Tax Act (Canada). These sums are deductible from taxable income when contributed and can compound on a tax-deferred basis.

Sales Charge: In the case of mutual funds, these are commissions charged to a holder of fund units, usually based on the purchase or redemption price.

Shares: A document signifying part ownership in a company. The terms “share” and “stock” are often used interchangeably.

Simplified Prospectus: An abbreviated and simplified prospectus distributed by mutual funds to purchasers and potential purchasers of units, outlining important information investors should know about a mutual fund before investing.

Tax-free Savings Account (TFSA): A vehicle to permit savings of an individual to earn income free of tax.

Tax Plans: Registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans, tax-free savings accounts and deferred profit sharing plans all as defined in the *Income Tax Act* (Canada).

Treasury Bill (T-Bill): Short-term government debt. Treasury bills bear no interest, but are sold at a discount. The difference between the discount price and par value at maturity is the return to be received by the investor.

Unit: A unit of ownership in a mutual fund trust.

Unitholder: An investor holding units of a mutual fund.

SPECIFIC INFORMATION ABOUT THE CALDWELL U.S. DIVIDEND ADVANTAGE FUND

FUND DETAILS

Type of Fund:		North American equity fund
Date of Establishment:		Series A – November 15, 2018 Series F – May 28, 2015
Nature of the securities being offered:		Mutual fund trust units
Are the units eligible for:	RRSP	Yes
	RRIF	Yes
	RESP	Yes
	LIF	Yes
	LRIF	Yes
	LIRA	Yes
	RDSP	Yes
	TFSA	Yes

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The fundamental investment objective of the Fund is to provide unitholders with: (i) monthly distributions; and (ii) the potential for capital appreciation and enhanced long-term risk adjusted returns.

The Fund invests primarily in dividend-paying equity securities of U.S. domiciled issuers or issuers that derive a significant portion of their revenue or earnings from the U.S.

The investment objective of the Fund may only be changed with the approval of unitholders at a meeting called for that purpose.

Investment Strategies

The Fund aims to achieve its objectives by investing in an actively managed portfolio comprised primarily of high-quality U.S. dividend-paying equity securities. By utilizing a unique combination of quantitative and qualitative fundamental analysis, the manager employs a disciplined investment process to identify securities for inclusion in the portfolio which are financially strong and have exhibited improving operating performance. Emphasis is particularly placed on those securities and issuers which have demonstrated a history of dividend growth and which offer the potential for future dividend and business growth. A majority of the assets of the Fund may be invested in foreign securities or securities of issuers that derive a significant portion of their revenue or earnings from foreign jurisdictions.

The Manager has a conservative bias and places considerable focus on the price paid for a security and the implied resulting safety for the investor. The Manager generally intends to invest the Fund in a concentrated basket of securities. The Manager utilizes a value-based investment philosophy focused on capital preservation and a measured risk approach to capital growth.

The Fund may use warrants, ETFs and derivatives such as options, futures, forward contracts, swaps or customized derivatives to hedge exposure to market, commodity price, foreign exchange, interest rate and/or other risks.

In accordance with the requirements of NI 81-102, the Fund may write cash-covered put options or covered call options from time to time in respect of the securities it holds, in order to achieve one or more of the following: (i) enhance the Fund's total returns, (ii) enhance the dividend yield of the portfolio securities, and/or (iii) lower the overall volatility of the Fund's portfolio.

The Fund may also invest a portion of its assets in non-dividend paying securities and in the securities of non-U.S. issuers which, in the Manager's opinion, offer the potential to enhance returns and reduce overall portfolio risk.

CALDWELL U.S. DIVIDEND ADVANTAGE FUND

The Fund may, from time to time, hold a large portion of its assets in cash or cash equivalents and short-term fixed income securities in anticipation of a market decline or during periods of high market valuations and volatility.

In order to generate additional returns, the Fund may from time-to-time enter into securities lending transactions, repurchase transactions and reverse repurchase transactions as permitted under applicable securities and tax legislation. Such transactions will be made in accordance with the requirements of NI 81-102.

The Fund may engage in active and frequent trading of portfolio securities in order to capitalize on investment opportunities in changing markets. A mutual fund generally realizes capital gains, or capital losses, if it sells an investment for more, or less, than its cost amount plus reasonable costs of disposition, if any. The higher a fund's portfolio turnover rate in a year, the more likely it will realize accrued gains or losses which may accelerate the recognition of taxable capital gains if net gains are being realized, and the greater the trading costs payable by the fund in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

The Fund may depart temporarily from the foregoing as a result of adverse market conditions. The percentage of fixed income securities of the Fund's portfolio may be increased if weakness in equity securities is anticipated or evident. Fixed income securities may be converted to short-term instruments if rising interest rates are anticipated or evident.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund invests primarily in common shares. The value of common shares can be affected by changes in Canadian and foreign markets and in the companies that issue the shares. See *What are the risks associated with mutual funds?* (page 2) for more information on these and other risks that apply to this Fund.

The risk rating of the Fund is medium. Due to the Fund's unique investment strategies, we may classify the Fund's risk rating higher than the risk rating determined using the CSA Methodology. For more information, see *Investment risk classification methodology* on page 7.

WHO SHOULD INVEST IN THIS FUND?

The Fund is suitable for investors with a medium risk tolerance. The Fund is a suitable investment for investors seeking monthly distributions and the potential for growth in the underlying portfolio. The Fund is appropriate for investors who are willing to accept more risk than corporate bonds. Investors in the Fund should have a long term investment horizon and be seeking modest capital appreciation to supplement their monthly distributions. This Fund is not designed for investors with short-term investment time horizons.

DISTRIBUTION POLICY

On or about each calendar month end, the Fund distributes income to unitholders of the Fund and additionally net realized capital gains prior to the fiscal year-end. Distributions are reinvested in units of the Fund, unless you specify in advance, in writing, that you would prefer to receive cash. Distributions are payable to unitholders of record as at the close of business on the valuation date immediately preceding the distribution date. Distributions are not guaranteed to occur on a specific date and the Fund is not responsible for any fees or charges incurred by you because the Fund did not make a distribution on a particular day. The Fund may change its distribution policy at any time without notice or approval.

The amount of monthly distributions will be based on the Manager's assessment of anticipated cash flow and the anticipated expenses of the Fund from time to time. It is expected that distributions will be derived primarily from dividends and other income received on the securities in the Portfolio, net realized capital gains from the sale of securities in the Portfolio and, in the discretion of the Manager, where these other sources are insufficient, returning capital from the sale of securities in the Portfolio. A return of capital distribution will reduce the adjusted cost base of your units. The amount of monthly distributions may fluctuate from month to month and there can be no assurance that the Fund will make any distributions in any particular month or months.

CALDWELL U.S. DIVIDEND ADVANTAGE FUND

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay for some expenses out of fund assets. That means investors in a mutual fund indirectly pay for these expenses through lower returns.

The following example is intended to help an investor compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor. This example is based on the following assumptions:

- (1) the initial investment is \$1,000;
- (2) the total annual return of the Fund is 5% per year;
- (3) the management expense ratio (“MER”) of the Fund throughout the years below was equal to the MER of the Fund last year.

	Year	MER	Return	Total fees paid by investor
Series A	1	N/A*	5%	N/A*
	3	N/A*	5%	N/A*
	5	N/A*	5%	N/A*
	10	N/A*	5%	N/A*
Series F**	1	2.73%	5%	\$27.98
	3	2.73%	5%	\$88.21
	5	N/A**	5%	N/A**
	10	N/A**	5%	N/A**

*This information is not available because this is a new series of the Fund.

** The Fund was first offered to the public as a closed-end investment fund pursuant to a long form prospectus dated May 28, 2015. On September 28, 2018, unitholders of the Fund approved the Conversion of the Fund effective on or about November 9, 2018 into an open-end mutual fund to be offered to the public pursuant to this Simplified Prospectus. All units held by Fund unitholders on the effective date of the Conversion will be redesignated as Series F units of the Fund. The MER value provided in the above illustration refers to the MER of the Fund for the financial year ended December 31, 2017, prior to the Conversion. Following the Conversion, Caldwell intends to waive or reduce the management fee, and/or pay on behalf of the Fund a portion of the operating expenses otherwise payable by the Fund such that the Series F MER will not exceed 2.45%.

See *Fees and Expenses* (page 17) for more information about the cost of investing in the Fund.

CALDWELL U.S. DIVIDEND ADVANTAGE FUND

[BACK COVER]

- additional information about Caldwell U.S. Dividend Advantage Fund is available in the Fund's Annual Information Form, Fund Facts, 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 a part of this document.
- you can get a copy of these documents, at your request, and at no cost, by calling toll-free 1-800-256-2441 or from your dealer or by e-mail at info@caldwellinvestment.com.
- these documents and other information about Caldwell U.S. Dividend Advantage Fund, such as information circulars and material contracts, are also available on Caldwell U.S. Dividend Advantage Fund's internet site at www.caldwellinvestment.com or at www.sedar.com.

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