FAQ – Pooled Funds

What is the structure of the Pooled Funds?
Mutual Fund Trust
What is the minimum investment?
$50,000
Do I need to be an accredited investor?
Yes in this version of the OM, but accredited restriction may be removed in later versions.
Are there any upfront Sales or Redemption Charges?
None
What are the liquidity terms? E.g. Daily, Weekly, Monthly?
Daily – Notices must be received before 1PM EST
Can I access the pooled funds performance on-line?
Yes
How are dividends treated for tax purposes?
For individuals non-Canadian dividends are paid out and taxed as normal income, but Canadian dividends are subject to the Dividend Tax Credit and therefore taxed significantly less than income.
Tax Considerations:
Investors are urged to consult with their tax advisors to determine the tax consequences to them of an investment in the Pooled Funds.
What are the management fees on a 150K investment?
For Global Equity &CDN Opportunities: 150bp; Other Canadian strategies 125bp, Fixed Income 65bp, US$ Indexed, 75bp. See OM for specific details.
What are the custodial charges?
Capped at 17bp (0.17% per annum)
When are the fees charged?
Monthly
Can I have an example of how the fees are charged?
On a $150,000 portfolio at the end of each day there is going to be a charge of X$ that reduces the NAV, against inflows (interest, dividends and unrealized capital gains or losses) that increase the NAV. The annual fee (percentage applied) is going to differ according to the schedule provided, but for the Global pool it would be 1.50% plus 17 basis points, so fees for a calendar year (assuming no increase or decrease in the value of the pool) would be $2,505.
Are the pooled funds available denominated in US$?
Yes, the Global Equity and US$ Indexed, but only for non-US persons.
Do I have to be a resident of Canada to invest?
No
Are the pooled funds available as Registered Investments e.g. RRSP etc?
Yes

This is a summary only: For full particulars & restrictions refer to the Offering Memorandum.

Toron AMI International Asset Management
355 Burrard St. Vancouver, B.C. V6C 2G8
Direct 604-565-7129

TORON AMI
International Asset Management

Key Strategies

Global Equity:

Investment Objective:
The investment objective of the Global Fund is to provide long term capital appreciation while exhibiting less volatility than the MSCI World Index.

Suitability:
The Global Equity pool is ideally suited to Canadian investors seeking to diversify their domestic holdings in a globally diversified portfolio of securities with a dividend yield greater than the MSCI World index. For Canadian based investors, global diversification is useful for two reasons. First, it is an efficient way of maintaining domestic purchasing power given Canada's reliance on international trade and the effects of the exchange rate fluctuations on the domestic price level; secondly, it is an effective way to capture global growth returns and access industry sectors that are not available in Canada's resource heavy index.

Total Return Fund:

Investment Objective:
The investment objective of the Canadian Total Return Equity Fund is to exceed the S&P/TSX Capped Composite Index return by 1.5% or more, on an annualized basis, over rolling five year periods. The objective is to create this return with less volatility than the market by investing in companies that provide an increasing dividend stream .This product reflects our view that growing dividends is the secret to long-term wealth creation.

Suitability:
The total return fund is suited to investors looking for Canadian based equity exposure in those firms with a practice of consistently increasing dividends. These sectors of the Canadian equity market are less cyclical and thus less dependent on the commodity cycle.

Canadian Opportunities Fund (Small Cap)

Investment Objectives:
The investment objective of the Canadian Opportunities Fund is to exceed the S&P/TSX Capped Composite Index by 3%, on an annualized basis, over rolling four year periods. It is designed to produce superior risk-adjusted returns by investing in high quality smaller Canadian companies. The portfolio consists of 50 to 80 small to mid-capitalization Canadian equities that are expected to provide capital appreciation over the investment horizon.

Suitability:
The Canadian Opportunities Fund is suited to investors looking to capitalize on the substantial long term growth opportunities in the small and mid cap sector.