Investment Fund Continuous Disclosure Modernization

Final Report

THE BEHAVIOURAL INSIGHTS TEAM

CSA ACVM

Canadian Securities Administrators

Autorités canadiennes en valeurs mobilières

Contents

1. Executive summary

The Canadian Securities Administrators (CSA) are seeking to better understand retail investors' challenges, needs, and preferences with respect to investment fund continuous disclosures (CD), with the goal of modernizing the CD regime in Canada to the benefit of retail investors and other stakeholders.

The CSA engaged the Behavioural Insights Team (BIT) to conduct research in support of this goal. The CSA decided to focus on the management report of fund performance (MRFP), a key investment fund CD document that investment funds are required to prepare on both an interim and annual basis. The primary goal of this research was to identify potential changes to the structure and content of the MRFP that would enable Canadian investors to make better choices for themselves through more effective disclosure.

Our mixed-methods research approach, conducted in close collaboration with the CSA, comprised five key activities:

1. reviewing existing evidence to identify best practices;
2. surveying over 600 Canadians who hold investment fund securities;
3. synthesizing findings from the first two methods to identify both key barriers to retail investors fully benefitting from CD, as well as potential interventions to address those barriers;
4. providing input into the CSA's development of new MRFP designs based on that synthesis and other key considerations identified by CSA experts (e.g., gaps related to reporting on investment fund liquidity issues); and
5. running a rigorous online experiment to empirically test the comprehension and usability of new MRFP disclosure document designs.

The online experiment found that the new versions of the MRFP that were informed by behavioural science **improved investors' understanding of information in the report**. Two of the three new versions also boosted investor intentions to review a future MRFP and were more positively received (e.g., investors rated them as easier to navigate).

With this research initiative complete, the CSA will now develop a template MRFP form, to be renamed a Fund Report to boost clarity, and issue that for public comment. In 2024, BIT will conduct an additional experiment to test a fourth version of a Fund Report that will be developed subsequent to feedback obtained during the public comment period. We look forward to sharing the results of that trial in an update to this report.

2. Introduction

Background

The CSA is interested in better understanding retail investors' challenges, needs, and preferences with respect to investment fund CD, with the goal of modernizing the investment fund CD regime in Canada, to the benefit of retail investors and other stakeholders. This interest lines up with the CSA's mission to foster fair and efficient capital markets and to provide protection to investors.

The OSC, on behalf of the CSA, engaged BIT to conduct research on Canadian investors' needs and preferences for investment fund disclosures. This research focused on the MRFP, a key investment fund CD document that investment funds are required to prepare on both an interim and annual basis.[1] The primary goal of this research was to identify potential changes to the structure and content of the MRFP that would enable Canadian investors to make better choices for themselves through more effective disclosure practices.

Project Approach

To date, this project has completed five phases:

1. a scan of existing evidence (i.e., a literature review) to understand (a) best practices regarding the presentation of investment fund CD to retail investors, and (b) the challenges, needs, and preferences of retail investors with respect to investment fund CD;
2. a survey of Canadian investors to better understand their self-reported challenges, needs, and preferences;
3. a summary of key barriers to the intended use of investment fund CD and promising interventions to address those barriers, based on the literature review and survey results;
4. the development of three new MRFP designs by the CSA with input from BIT, using the research findings and relevant behavioural economics principles; and
5. a randomized, controlled online experiment to empirically test the comprehension and usability of new MRFP disclosure document designs.

A sixth phase will be conducted in 2024 after feedback is received on a revised MRFP template that the CSA will publish for public comment. This phase will consist of a follow-up experiment to test the comprehension and usability of the fourth revised MRFP.

[1] Going forward, the CSA intends to rename the MRFP to "Fund Report" to enhance clarity. To avoid confusion, we will continue to refer to it by its current name, MRFP, in this document.

3. Literature scan

Literature Scan Methodology

We conducted a scan of the literature to identify (1) best practices for presenting investment fund CD, (2) key cognitive and behavioural barriers to engaging with, understanding, and acting on information presented in investment fund CD, and (3) underlying challenges, needs, and preferences of retail investors.

The literature scan began by reviewing key documents identified by the CSA related to CD and retail investing. We then conducted an additional targeted search to identify further research, searching relevant databases and employing a "snowball" method, whereby we reviewed the sources cited by each relevant document, paper, and/or report we examined. We also leveraged scans conducted for relevant previous BIT projects, including our work with the OSC on investor fee reports and with the Mutual Fund Dealers Association of Canada (MFDA)[2] on expanded cost reporting.

The literature scan included regulatory publications, academic articles and books, and other applied behavioural science sources (e.g., reports that were not peer reviewed). Reports, articles, and survey data published by the CSA, U.S. Securities and Exchange Commission (SEC), and OSC provided insight into investor preferences and behaviours, as well as regulatory strategies. Academic articles and books offered a mix of foundational concepts (e.g., the impact of information volume and complexity on comprehension) and narrower studies evaluating different disclosure theories and practices. The growing body of applied behavioural insights publications from specialized organizations like BEworks and BIT often feature direct empirical testing of different disclosure options informed by behavioural science. The summary of findings below integrates insights from all three types of sources.

Data was reviewed to identify insights relevant to challenges investors might face engaging with, understanding, and acting on CD documents, with a focus on identifying best practices for presenting CD documents.

Literature Scan Findings

Disclosures are a common regulatory tool for improving market quality and stability,[3] with a primary purpose of enabling informed decision making by investors. Disclosures can help reduce information asymmetry among market participants and reduce overall market risk.[4]

For investors to use disclosed information to make more informed decisions about their investments they need to open the document, read it, understand it, and know

[2] The MFDA and the Investment Industry Regulatory Organization of Canada have amalgamated to form the Canadian Investment Regulatory Organization.
[3] Goldstein, I., & Yang, L. (2017). Information disclosure in financial markets. *Annual Review of Financial Economics, 9,* 101-125.
[4] Beerbaum, D., & Piechocki, M. (2018). Can technology overcome information overload? A literature review and comparative analysis of ESMA's consultation on the European Single Electronic Standard. *Social Science Research Network*.

how to apply their understanding to inform their actions. Following this investor journey, our literature summary is organized into three main sections:

1. barriers to engaging with (i.e., reviewing) the MRFP,
2. barriers to comprehension of the information contained in the MRFP, and
3. barriers to making more informed decisions on the basis of that information.

Barriers to engagement

Investors are not able to benefit from an MRFP if they do not open it and review it. This section summarizes relevant research on key barriers to initial engagement with MRFPs.

1. Investors who open the MRFP may not read or even skim it

1.1. The purpose of the report is not immediately clear

Given the volume of information we are exposed to everyday, people look for specific cues to determine whether to engage with any given piece of information. The MRFPs that we reviewed do not make it immediately evident that the report's purpose is to help investors determine whether they want to continue to hold an investment. This means that a key potential signal to engage with the information is absent. As investors routinely receive a wide range of documents (e.g., performance reports, account statements, prospectuses, etc.), it may be hard to determine which documents are most important or how they differ.

This barrier may be addressed by clearly indicating the nature of the report and its importance in making informed decisions about one's investments. This was a central component of effective disclosures that BIT developed and tested for CRM2 reports.[5] For example, there was a heading in bold that read "Important: Review Your Cost of Investing" and a bolded statement in the first paragraph reading "This report is important because it can help you make more informed choices about your investing costs."

In general, we suggest that the intent of the report should be clear to the reader within a few seconds of first engaging with the document. This principle is known as the "flip test," which suggests that the primary purpose of the document, its key message, be immediately apparent upon turning over the document.[6]

1.2. Investors may think reviewing the report will be unpleasant

When individuals believe that information or a task will be unpleasant (e.g., their fund value has decreased), they often put off engaging with it. This is known as information aversion or the ostrich effect.[7] If investors believe that the information contained within the MRFP or the task itself of reviewing the report will be unpleasant, they may avoid or put off reviewing it.

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[5] The Behavioural Insights Team. (2021). *Improving Fee Disclosures for Canadian Investors.* Retrieved from: https://mfda.ca/wp-content/uploads/Improving_Fee_Disclosures.pdf

[6] Behavioural Science Aotearoa. (n.d.) *Simplifying a message: A step by step guide.* Retrieved from: https://www.justice.govt.nz/assets/Documents/Publications/How-to-Simplify-Guide-BSA-for-website-.pdf

[7] Karlsson, N., Loewenstein, G., & Seppi, D. (2009). The ostrich effect: Selective attention to information. *Journal of Risk and uncertainty*, *38*(2), 95-115.

1.3. Investors may perceive the report to be complex, long, or otherwise taxing to read

Individuals have a limited amount of mental energy - or cognitive load - to expend focusing their attention throughout the day. If investors perceive a report as complex or onerous, they will be less motivated to engage with it, on average.[8] The SEC notes that many mutual fund shareholders view funds' CD documents as overly long and complex, and as a result, many shareholders do not engage with the materials.[9]

Given this research, there may be an opportunity to decrease the length and complexity of MRFP documents. By reducing the perceived effort required to read it, this may boost engagement (as discussed below, it would also support comprehension). For example, research testing the usability of point of sale disclosure documents, including the ETF Facts and Fund Facts documents, revealed that investors described the length (3-4 pages) as about right.[10,11] In addition, information the SEC has received through investor testing, surveys, and other information gathering indicates that investors strongly prefer concise, "layered" disclosures that contain key information, with a link to more detailed information provided online or, upon request, sent in paper or by e-mail.[12] The SEC recently voted to adopt rule and form amendments to require mutual fund and exchange-traded funds to transmit concise and visually engaging shareholder reports.[13] The hypothetical streamlined report published by the SEC to illustrate what a more concise report could look like is 3-pages, visually engaging and concise (see Figure 1).[14] The principles underlying these promising practices are already recognized by the existing regulatory framework. Form 81-106F1 *Contents of Management Report of Fund Performance* requires that MRFPs be concise, use plain language, and provide only as much information as is necessary. However, our review of recent MRFPs suggests that there is significant room for further simplification to address this barrier (and related barriers to comprehension noted below).

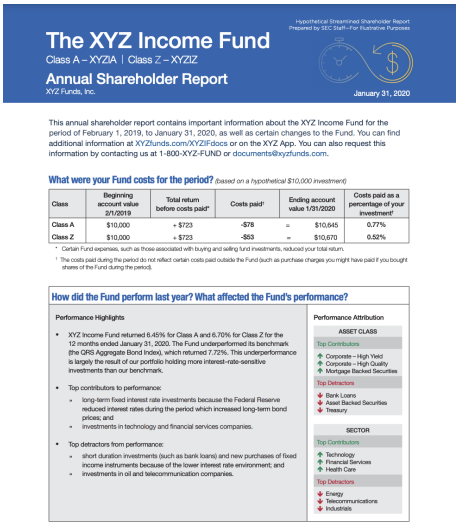
The XYZ Income Fund
Class A – XYZIA | Class Z – XYZIZ
Annual Shareholder Report
XYZ Funds, Inc.
January 31, 2020
This annual shareholder report contains important information about the XYZ Income Fund for the period of February 1, 2019, to January 31, 2020, as well as certain changes to the Fund. You can find additional information at XYZfunds.com/XYZIFdocs or on the XYZ App. You can also request this information by contacting us at 1-800-XYZ-FUND or documents@xyzfunds.com.
What were your Fund costs for the period? (based on a hypothetical $10,000 investment)
How did the Fund perform last year? What affected the Fund's performance?
Performance Highlights
Performance Attribution

Figure 1: The hypothetical streamlined Annual Shareholder Report published by the SEC

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[8] Loewenstein, G., Sunstein, C.R., & Golman, R. (2014). Disclosure: Psychology Changes Everything. *Annu. Rev. Econ.,* 6:391-419.
[9] Securities and Exchange Commission. (2020). *Tailored Shareholder Reports, Treatment of Annual Prospectus Updates for Existing Investors, and Improved Fee and Risk Disclosure for Mutual Funds and Exchange-Traded Funds; Fee information in Investment Company Advertisements.* Retrieved from: https://www.sec.gov/rules/proposed/2020/33-10814.pdf
[10] Canadian Securities Administrators. (2015). *CSA Point of Sale Disclosure Project ETF Facts Document Testing*. Retrieved from: https://lautorite.qc.ca/fileadmin/lautorite/reglementation/valeurs-mobilieres/41-101/2015-06-18/2015juin18-allen-report-fnb-en.pdf
[11] Canadian Securities Administrators. (2012). *CSA Point of Sale Disclosure Project: Fund Facts Document Testing*. Retrieved from: https://www.osc.ca/sites/default/files/2021-05/pos_201209_fund-facts-doc-testing.pdf
[12] Securities and Exchange Commission. (2020). *Tailored Shareholder Reports, Treatment of Annual Prospectus Updates for Existing Investors, and Improved Fee and Risk Disclosure for Mutual Funds and Exchange-Traded Funds; Fee information in Investment Company Advertisements.* Retrieved from: https://www.sec.gov/rules/proposed/2020/33-10814.pdf
[13] Securities and Exchange Commission. (2023). *Tailored Shareholder Reports for Mututal Funds and Exchanged-Traded Funds; Fee Information in Investment Company Advertisements.* Retrieved from: https://www.sec.gov/rules/final/2022/33-11125.pdf
[14] Securities and Exchange Commission. (2020). *Hypothetical Streamlined Shareholder Report.* Retrieved from: https://www.sec.gov/files/final_2020_im_annual-shareholder%20report.pdf

1.4. Investors may not engage because they are using other resources to inform their investment decisions

Investors may rely on other sources for information when making decisions about their investments. A 2020 survey conducted by the OSC found that half of investors surveyed consider their financial advisor to be their primary source of information when deciding to buy or sell an investment.[15] A CSA survey conducted the same year found that 31% of investors rely only on their bank / adviser to provide information, with a further 37% receiving information from their bank / adviser in addition to other sources.[16] Investors with an adviser may not be inclined to independently review their MRFPs. Indeed, investors without a financial advisor are more likely to use CD documents than those who have one.[17]

Even those without an advisor may be able to find some of the same information in other regulatory disclosures or in non-regulatory sources of information (e.g., third-party websites).[18] A 2021 survey conducted by the OSC found that investors scored CD documents 7th behind other sources of information, including Annual Reports and summary disclosure documents such as Fund Facts and ETF Facts, in terms of importance when deciding whether to buy or sell an investment.[19] Survey data from American investors in 2012 suggests that awareness of annual reports is high, with 91% of investors recalling they'd received an annual report from any of the mutual funds they hold. Of those, just over half reported they read a few key sections of it, while only 7% read it cover to cover.[20]

If investors are receiving sufficient information to make informed decisions about their investments, the exact source of information may not be critical. However, if people think that the information included in the MRFP is also in other sources that they have or plan to review, they will be less likely to review the MRFP. Potential approaches to addressing this challenge include highlighting what is unique in the purpose or content of the MRFP or consolidating documents, which would also decrease the likelihood investors may get frustrated in trying to seek out information in the MRFP from multiple other sources (or vice versa). To help readers identify and review unique elements, it would be valuable to have more consistency across mandated disclosures in terms of structure, presentation, and content.

1.5. MRFP may not be received at a timely moment for the investor

MRFPs must be produced twice a year. However, the timing of the preparation of the documents may not align with when the investor is most receptive and motivated to act on the information - i.e., make a decision about their investments.

Increasing awareness of the option to access MRFPs online may boost investor engagement while they are reviewing their investments and the information is most

[15] Ontario Securities Commission. (2020). *Investor Experience Research Study - August 19, 2020*. Retrieved from :https://www.osc.ca/sites/default/files/2021-01/inv_research_20200819_osc-investor-experience-survey-final-report.pdf
[16] Canadian Securities Administrators. (2020). *2020 CSA Investor Index*. Retrieved from: https://www.securities-administrators.ca/uploadedFiles/General/pdfs/CSA2020InvestorIndexSurveyReport.pdf.
[17] Ontario Securities Commission. (2020). *Investor Experience Research Study - August 19, 2020*. Retrieved from: https://www.osc.ca/sites/default/files/2021-01/inv_research_20200819_osc-investor-experience-survey-final-report.pdf
[18] Note that the scope of this research did not include a comparison of the information contained in MRFP with the information contained in other mandated disclosures or other potential sources.
[19] Ontario Securities Commission. (2021). *Self-Directed Investors: Insights and Experiences - April 2021*. Retrieved from: https://www.osc.ca/sites/default/files/2021-04/inv_research_20210421_self-directed-investor-survey.pdf
[20] Securities and Exchange Commission. (2012). *Investor Testing of Selected Mutual Fund Annual Reports (Revised)*. Retrieved from: https://www.sec.gov/comments/s7-08-15/s70815-3.pdf

relevant and actionable. In addition, the MRFPs could be redesigned to prompt investors to review their investments. Ultimately, the MRFP may be able to trigger the development of a habit among some investors whereby they time portfolio review to the timing of the MRFP. Given the current timing of the release of the interim and annual MRFP is dependent on the timing of an investment fund's financial year, which can vary between funds, this change may be difficult to implement in practice.

Barriers to comprehension

Investors must understand the information contained in the MRFP if they are going to use that information to make decisions about their investments. The barriers in this section relate both to *how the information is presented*, and the *complexity and amount of information* that is ultimately disclosed.

2. Investors may not be able to understand critical but complex terminology used in the MRFP

Investors may not be able to fully understand the information presented if they cannot understand key terminology used throughout the MRFP. For example, investor testing conducted by the SEC of selected mutual fund annual reports revealed that the majority of investors surveyed believed that the annual report is written for more advanced/experienced investors, financial professionals, or regulators than for ordinary or less experienced investors.[21] User research conducted on other disclosure documents (ETF Facts) highlighted that technical words are often used but not explained.[22] BIT's research conducted with the MFDA on expanded cost reporting demonstrated that investors struggle to understand their cost of investing, including the information presented in annual fee summaries. For example, fewer than one in five investors surveyed could correctly identify what types of costs are included in the current fee summaries.[23]

To address this barrier, industry jargon should be avoided in reports aimed at retail investors, or accompanied with short, simple explanations in plain language.[24] In previous BIT research with the MFDA, we empirically tested different options for expanded cost reporting disclosures in annual investment fee summaries. The best performing format included plain language descriptions for simple definitions and explanatory notes. This version, which also included other changes, increased comprehension of the information in the fee summary by 11%.[25]

The Investment Association (United Kingdom) conducted focus groups where participants were presented with regularly used investment terms. Participants showed varying degrees of understanding. A further quantitative phase of testing explored how terms and explanations map for levels of understanding and familiarity (Figure 2). Based on their testing, they recommend the following framework for

[21] Securities and Exchange Commission. (2012). *Investor Testing of Selected Mutual Fund Annual Reports (Revised*). Retrieved from: https://www.sec.gov/comments/s7-08-15/s70815-3.pdf
[22] Canadian Securities Administrators. (2015). *CSA Point of Sale Disclosure Project ETF Facts Document Testing*. Retrieved from: https://lautorite.qc.ca/fileadmin/lautorite/reglementation/valeurs-mobilieres/41-101/2015-06-18/2015juin18-allen-report-fnb-en.pdf
[23] The Behavioural Insights Team. (2021). *Improving Fee Disclosures for Canadian Investors.* Retrieved from: https://mfda.ca/wp-content/uploads/Improving_Fee_Disclosures.pdf
[24] The Investment Association. (2019). *Fund Communication Guidance*. Retrieved from: theia.org/sites/default/files/2019-08/20190218-fundcommunicationguidance.pdf
[25] The Behavioural Insights Team. (2021). *Improving Fee Disclosures for Canadian Investors.* Retrieved from: https://mfda.ca/wp-content/uploads/Improving_Fee_Disclosures.pdf

diagnosis where changes to communications may be helpful: *"Where terms score high for both familiarity and understanding, then firms can be more confident in using them. Where familiarity is high, but understanding is low (or conversely, understanding is high but familiarity is low), then research indicates that greater explanation accompanying the term is needed. Where both familiarity and understanding are low, it may be more appropriate to avoid the term and seek alternative explanations."*[26] This testing did not include all terms commonly used in MRFPs but provides helpful guidance nonetheless.

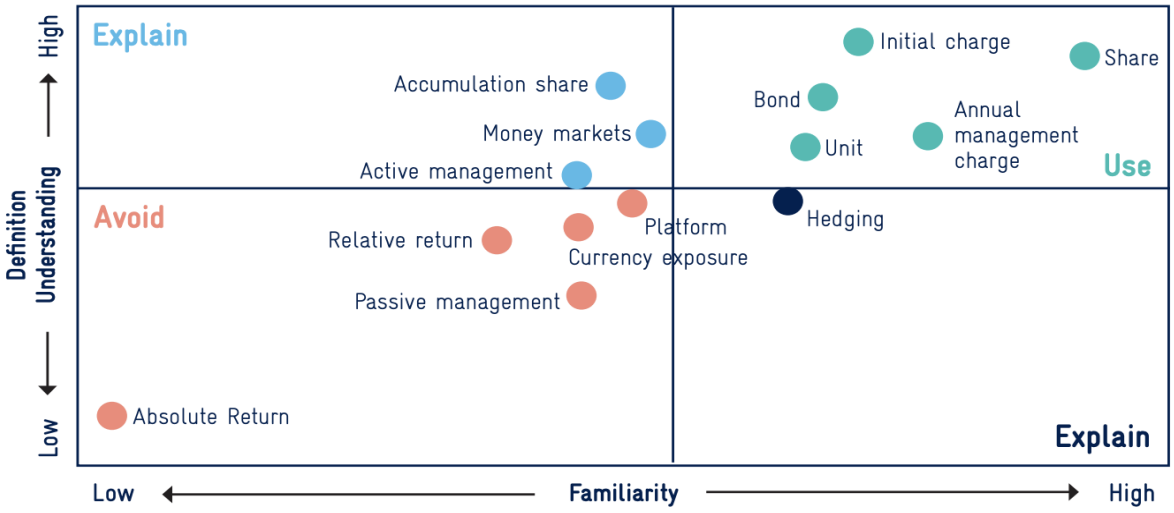

Figure 2: Levels of understanding of key terms in The Investment Association's user testing

3. The presentation of information may overwhelm the reader and lead investors to miss key details in the report

3.1 The volume of information (and text, in particular) may mask important information

People have limits on how much information they can process or pay attention to. As a result, people do not always review information carefully, or they may take shortcuts like skimming. This may lead investors to miss important information that may inform their investment decisions if the key information is not easy to comprehend and salient. Long, paragraphed disclosures like those included in most MRFPs are not conducive to skimming for key information.

The MRFP could be restructured to ensure that key points are salient and easily identified. Reducing the amount of information contained in paragraphs and incorporating bullets, section headers, "call out" text boxes, and other techniques can help signpost details and aid comprehension.[27]

Simple changes like simplification and restructuring information can make a difference. In a randomized experiment conducted by the Investment Funds Institute of Canada (IFIC) and BEworks, investors who viewed a newly designed CRM2 statement featuring a combination of simplified text and thematic chunking of

[26] The Investment Association. (2019). *Fund Communication Guidance*. Retrieved from: theia.org/sites/default/files/2019-08/20190218-fundcommunicationguidance.pdf
[27] The Investment Association. (2019). *Fund Communication Guidance*. Retrieved from: theia.org/sites/default/files/2019-08/20190218-fundcommunicationguidance.pdf

information had better comprehension of the information contained in the report. These tactics also increased the proportion of the statement that investors viewed, increasing the likelihood that investors viewed the statement in its entirety.[28] While effect sizes were not precisely reported, graphs indicate that the improvements were material.

3.2 The format of presented information may hinder comprehension

In addition to breaking up text using bullets and section headers, important information could also be presented in charts and graphs to aid comprehension. US investors have expressed a strong preference for information presented this way to help make information more understandable to the average investor.[29] This preference is likely shared by Canadians.

Visual representations, such as graphs, can be beneficial in assisting comprehension of a wide range of concepts, including risk. For example, three lab-based experiments found that depicting risk information graphically as opposed to numerically decreases risk-taking behaviour.[30] A review of visuals to communicate risk suggests that graphics allow individuals to process information more effectively than when numbers are presented alone, and they are able to attract and hold attention because they display information in concrete, visual terms.[31]

Simple charts and graphs are likely to be most effective. For example, the European Commission tested several ways of presenting risk information when determining criteria for Key Information Documents for Packaged Retail and Insurance-based Investment Products. For communicating risk of a product, the most effective approach was a 7-point scale using a simple graphic layout, which can be found on the left of Figure 3, below. This simple approach worked better than the more complex graphical designs in the middle and on the right.[32] Similarly, for performance information, more complex graphical designs did not perform as well as simpler graphics which incorporated either a table or a line graph.

Figure 3: Risk presentations tested by the European Commission

[28] BEworks. (2019). *Behavioural Economics (BE) Applied to Financial Disclosure*. Retrieved from: https://www.ific.ca/wp-content/themes/ific-new/util/downloads_new.php?id=21963&lang=en_CA
[29] Securities and Exchange Commission. (2012). *Study Regarding Financial Literacy Among Investors*. Retrieved from: https://www.sec.gov/news/studies/2012/917-financial-literacy-study-part1.pdf
[30] Stone, E. R., Yates, J. F., & Parker, A. M. (1997). Effects of numerical and graphical displays on professed risk-taking behavior. *Journal of experimental psychology: applied, 3*(4), 243.
[31] Lipkus, I. M., & Hollands, J. G. (1999). The visual communication of risk. JNCI monographs, 1999(25), 149-163.
[32] European Union. (2015). *Consumer testing study of the possible new format and content for retail disclosures of packaged retail and insurance-based investment products - Final Report*. Retrieved from: https://ec.europa.eu/info/sites/default/files/consumer-testing-study-2015_en.pdf

The presentation of graphs and other visual representations should be considered carefully, as the choice of presentation may influence investors' understanding.[33] For example, one study found that risk aversion was greater when investors were shown a distribution of one-year rates of return compared to when they were shown a distribution of multi-year rates of return for a fund.[34] Another, smaller-scale study found that the data presentation format (table versus formula) of executive compensation disclosures affects investors' approval ratings and investment-related judgements. For example, when a CEO bonus payment was disclosed in the context of strong performance by a firm, the compensation scheme was viewed more positively if it had been presented using an equation rather than a table. This was attributed to the equation appearing more scientific than the table, even though participants found the table easier to understand. The study found that if firm performance was weak instead, attitudes toward the compensation did not differ based on the table / equation format.[35] The key take-away from these studies is that the most desirable visual representation approach is highly dependent on the context and the investor behaviour goal, and that empirical investigation is often required to determine the impact of different options.

Less numerate investors, those less comfortable working with and understanding numbers, may be most impacted by formatting choice. In a discrete choice experiment[36] simulating retirement savings decisions, switching between different formats for presenting investment risk (while holding underlying risk and return at constant levels) changed individuals' investment decisions, with less numerate individuals being more responsive to the format changes.[37] In other studies, presenting cost information in graphical format rather than in tables had a positive impact on individuals with a low level of cost accounting knowledge, but an adverse effect on individuals with a high level of cost knowledge,[38,39] suggesting investors may have different needs, based on their baseline financial knowledge. To address this issue, regulators may have to prioritize the needs of one group over another as it may not be feasible to personalize information provision based on investor knowledge. Alternatively, information could be presented in both graphical and tabular formats, although that would run the risk of increasing cognitive load for all investors. More empirical testing would be required to better understand the trade-offs involved in offering both options.

3.3 The most essential information is not presented up front

The *primacy effect* suggests that information at the top of documents gets more attention and is more likely to be remembered than information in the middle.[40] It is

[33] Ministry of Business, Innovation & Employment. (2015). *Financial Product Disclosure: Insights from Behavioural Economics*. Retrieved from: https://www.mbie.govt.nz/dmsdocument/5775-financial-product-disclosure-insights-from-behavioural-economics
[34] Benartzi, S., & Thaler, R. H. (1999). Risk aversion or myopia? Choices in repeated gambles and retirement investments. *Management Science, 45*(3), 364-381.
[35] Xia, Y., & Han, J. (2021). The Effects of Table Versus Formula Presentation Formats on Investors' Judgment about Executive Compensation. *European Accounting Review*, *30*(1), 143-173
[36] Discrete choice experiments present research participants with a hypothetical choice between options that are differentiated by one or more attributes (e.g., investment risk or cost). By seeing what options people prefer depending on the attributes presented, researchers can infer how much people value each attribute.
[37] Bateman, H., Eckert, C., Geweke, J., Louviere, J., Satchell, S., & Thorp, S. (2014). Financial competence, risk presentation and retirement portfolio preferences. Journal of Pension Economics & Finance, 13(1), 27-61.
[38] Cardinaels, E. (2008). The interplay between cost accounting knowledge and presentation formats in cost-based decision-making. *Accounting, Organizations and Society*, *33*(6), 582-602.
[39] Cardinaels, E. (2008). The interplay between cost accounting knowledge and presentation formats in cost-based decision-making. *Accounting, Organizations and Society*, *33*(6), 582-602.
[40] Murdock, B. B. (1962). The serial position effect of free recall. *Journal of Experimental Psychology, 64*(5), 482–488.

therefore helpful to include the most critical information up front. Research also suggests that investors prefer "layered" disclosure that contains only key information, with additional detailed information provided on a subsequent page, accessible through an online link, or upon request.[41] The layered approach presents a solution to the tension between the demand for comprehensive information and the need to reduce cognitive load on investors to support comprehension. Research conducted in the US has shown that the introduction of a more concise summary prospectus may allow investors to spend less time and effort to arrive at the same portfolio decision they would have made after reading the longer statutory prospectus.[42]

In collaboration with the OSC, BIT has previously tested the impact of different ways of displaying fee information on investors' comprehension, in the context of the annual report on charges and other compensation (Annual Fee Report). The version of the report featuring a simple summary page that included only critical information *and* a detailed breakdown of fees on subsequent pages increased comprehension of key information presented in the report by 7% compared to the control version that mirrored a typical report.[43] Layering does not only need to be binary (i.e., where one layer consists of a brief summary and the second layer consists of the full disclosure); disclosures could also be designed as a decision-tree to help walk the user through a spectrum of information, delivered in bite-sized pieces.[44] For example, in a digital format, readers could be prompted with a question about whether they would like to read more about a specific type of content – if they answer yes, more text with additional detail would appear.

We note that where information is layered, prioritization is critical, as the approach increases attention to and understanding of certain sections, while decreasing others. For example, a randomized controlled trial tested the use of a dynamic "accordion design", where information was contained in a collapsible body with a descriptive header in a CRM2 disclosure statement to reduce search complexity and the amount of information presented at any one time. While the accordion design substantially improved participants' comprehension of targeted information, comprehension about information contained within each panel generally declined. This is likely because fewer than half of the participants who viewed the accordion condition clicked on at least one section in the accordion.[45]

Other research has found that an accordion design may benefit novice users, yet it may have adverse effects on experienced investors. In a retirement savings simulator activity, novice users in the accordion condition performed better (smaller average distance from the investment goal) than their counterparts in the control group, while the experts assigned to the accordion condition performed worse.[46] The

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[41] Securities and Exchange Commission. (2020). *Tailored Shareholder Reports, Treatment of Annual Prospectus Updates for Existing Investors, and Improved Fee and Risk Disclosure for Mutual Funds and Exchange-Traded Funds; Fee information in Investment Company Advertisements.* Retrieved from: https://www.sec.gov/rules/proposed/2020/33-10814.pdf

[42] Beshears, J., Choi, J. J., Laibson, D., & Madrian, B. C. (2011). *How does simplified disclosure affect individuals' mutual fund choices?* (No. 13, p. 75). Chicago: University of Chicago Press.

[43] The Behavioural Insights Team. (2019). *OSC Staff Notice 11-787: Improving Fee Disclosure Through Behavioural Insights*. Retrieved from: https://www.osc.ca/sites/default/files/pdfs/irps/sn_20190819_11-787_improving-fee-disclosure-through-behavioural-insights.pdf

[44] Securities and Exchange Commission. (2020). *Recommendation on Disclosure Effectiveness*. Retrieved from: https://www.sec.gov/spotlight/investor-advisory-committee-2012/disclosure-effectiveness.pdf

[45] Burke, J., & Nov, O. (2020). Can Dynamic Interactive Design Improve Investment Disclosure? Retrieved from: https://www.ific.ca/wp-content/themes/ific-new/util/downloads_new.php?id=24202&lang=en_CA

[46] Burke, J., Nov, O., & Seals, A. (2018). *Can online disclosure design affect investor understanding and performance?* Retrieved from: https://www.finrafoundation.org/sites/finrafoundation/files/Can-Online-Disclosure-Design-Affect-Investor-Understanding-And-Performance_0_0_0_0.pdf

authors suggest the differing effects between novice and experienced investors may be explained by experienced investors' difficulty in reconciling the new design with the traditional presentation to which they have become accustomed. Should regulators apply a similar approach to CD, they may need to prioritize the needs of novice or experienced investors and/or mitigate the negative impacts on experienced investors through a change management initiative (e.g., providing a notice outlining the format change in the first newly formatted CD).

While an accordion design is only practical for an electronic document, a somewhat similar effect may be achieved in an extensive printed document by using a table of contents containing headings and page numbers to help investors easily retrieve desired information and skip to different sections of the report.[47] This approach would likely have similar drawbacks as the accordion design, as it may divert attention away from sections that do not appear important at first glance, and have differential impacts among novice and experienced investors.

In summary, evidence-based strategies for boosting comprehension of information include simplifying and reducing overall volume of information, chunking information thematically, breaking up large pieces of text using graphs, tables, charts, and bullet points, and layering information with a summary followed by more detailed information.

3.4 Our tendency to focus on recent information may bias investors' judgements

The *recency effect* describes peoples' tendency to place more emphasis on recently reviewed information when making decisions, even if it is not more relevant to the choice they are making. This effect may manifest in two relevant ways. First, the ordering of information presented in the MRFP may influence investors' judgments. Investors are responsive to recency effects based on the strategic presentation of narrative information (i.e., whether positive news first or last).[48,49] This concept was tested in an experiment in which participants were shown past performance information about two funds - one with superior short-term results and the other with better long-term results. The fund with superior short-term results was chosen more often when it appeared last and the fund with the superior long-term performance was chosen more frequently when it was presented last.[50]

Second, the recency of historical information (i.e., time passed) may also influence investors' judgments, as people tend to place more emphasis on recent events. For example, insurance purchases increase immediately after natural disasters such as floods and earthquakes, followed by a gradual decline as the saliency of the event fades.[51]

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[47] European Insurance and Occupational Pensions Authority. (2013). *Good practices on information provision for DC schemes: Enabling occupational DC scheme members to plan for retirement*. Retrieved from: https://register.eiopa.europa.eu/Publications/Reports/Report_Good_Practices_Info_for_DC_schemes.pdf

[48] Hellmann, A., Yeow, C., & De Mello, L. (2017). The influence of textual presentation order and graphical presentation on the judgements of non-professional investors. *Accounting and Business Research, 47*(4), 455-470.

[49] Aprayuda, R., Misra, F., & Kartika, R. (2021). Does the order of information affect investors' investment decisions? Experimental investigation. *Journal of Accounting and Investment, 22*(1), 150-172.

[50] Terry, E., & West, B. (2012). Style matters: investment performance presentation effects on investor preferences. *Global Business and Economics Review, 14*(1-2), 102-114.

[51] Chuah, S. H., & Devlin, J. (2011). Behavioural economics and financial services marketing: a review. *International Journal of Bank Marketing.*

The recency effect could be leveraged for positive impact by strategically presenting longer-term information last to help increase focus on this information.[52] This approach would assume that the recency effect is more powerful than the primacy effect in the provision of management information, which is what the Hellman, Yeow and De Mello (2017) study, referenced above, found. However, we would recommend further empirical testing of this assumption, as the trade-offs between recency and primary effects depend on contextual factors including how the content is organized (e.g., if it is presented in "chunks" or holistically) and how deeply readers are engaging with that content.[53]

4. The presentation of fee information may limit investors' understanding of the impact of fees over time

Many investors do not understand how to perform financial math (e.g., calculating the total cost of loans) using percentages.[54] Presenting fees in dollars rather than percentages can help increase understanding of how fees add up over time. In a field experiment at payday loan stores, presenting borrowers with the dollar cost of their loans (rather than the annual percentage rate) resulted in a reduction of future payday loans by about 10 percent in the following four-month period.[55] Similar research from Mexico found that when presenting fees in the local currency instead of annual percentage rates, less financially literate workers selected funds with lower average annual fees in hypothetical choice settings.[56] Displaying the long-term dollar cost (i.e., over a 10-year period) has also shown to improve investors' fee sensitivity.[57]

Many investors incorrectly assume that superior past performance is the best guide to superior future returns.[58] However, minimizing fees can be a more effective strategy for increasing future expected returns for a given level of risk.[59] In a lab-based choice architecture intervention, warning investors that "some people invest based on past performance, but funds with low fees have the highest future results" was more effective in increasing fee sensitivity than three other disclosure statements, including the SEC's standard guidance that "past performance does not guarantee future results."[60] This research suggests that fee information should be presented in dollars or amounts rather than percentages and that clear guidance on the importance of fees compared to other data points should be provided.

5. Investors may not find information meaningful without a reference point

People often rely on comparisons to understand values relative to something else when making a decision that involves weighing the costs and benefits. Without the

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[52] Borsboom, C., Janssen, D. J., Strucks, M., & Zeisberger, S. (2022). History matters: How short-term price charts hurt investment performance. *Journal of Banking & Finance, 134, 106351.*
[53] Petty, R. E., Tormala, Z. L., Hawkins, C., & Wegener, D. T. (2001). Motivation to think and order effects in persuasion: The moderating role of chunking. *Personality and Social Psychology Bulletin*, *27*(3), 332-344.
[54] Newall, P. W. (2016). Downside financial risk is misunderstood. *Judgment and Decision Making, 11*(5), 416-423.
[55] Bertrand, M., & Morse, A. (2011). Information disclosure, cognitive biases, and payday borrowing. *The Journal of Finance, 66(6)*, 1865-1893.
[56] Hastings, J. S., & Tejeda-Ashton, L. (2008). Financial literacy, information, and demand elasticity: Survey and experimental evidence from Mexico (No. w14538). *National Bureau of Economic Research*.
[57] Newall, P. W., & Parker, K. N. (2019). Improved mutual fund investment choice architecture. *Journal of Behavioral Finance, 20*(1), 96-106.
[58] Greenwood, R., & Shleifer, A. (2014). Expectations of returns and expected returns. *The Review of Financial Studies, 27*(3), 714-746.
[59] Malkiel, B. G. (2003). The efficient market hypothesis and its critics. *Journal of economic perspectives, 17*(1), 59-82.
[60] Newall, P. W., & Parker, K. N. (2019). Improved mutual fund investment choice architecture. *Journal of Behavioral Finance, 20*(1), 96-106.

ability to compare information on risk, fees, and performance to reference points or benchmarks (e.g., industry standards, data from previous years), investors may find it difficult to understand whether data presented in the report merits action. Canadian investors are increasingly focused on how their investment returns compare to relevant benchmarks.[61] An academic finance expert, in response to the SEC's proposed rule and form amendments for Tailored Shareholder Reports (SEC File No. s7-09-20), noted that narrative explanations of risk that describe virtually every possible risk do investors a disservice by failing to clearly present the relative likelihood of those risks. This approach may also overwhelm investors. The expert suggested incorporating the standard deviation of returns of the fund, a common quantitative risk measurement statistic which indicates the degree to which the performance of an investment fluctuates from its average, accompanied by a benchmark so investors can compare the risk relative to other funds.[62]

Other experts have flagged, outside Canada, that a lack of uniformity in definitions or computation methods may limit comparability among CD documents.[63] Where not already done, standards for disclosure could be created, using structured data (i.e., displayed in a predefined format so it can be easily exported) and consistently defined and used terminology, where applicable, to resolve uncertainty in the ability to compare between documents, and reduce the industry's cost of producing the information.

6. Investors may not know where to find additional information to support their comprehension of the MRFP

If investors do not understand terms or concepts used in the MRFP, additional sources of information may be useful to support comprehension. However, with so many options for financial resources available on the internet, investors may be faced with choice overload[64] in terms of the best resource to use and become overwhelmed.

To ensure investors can easily and quickly access supporting information, the MRFP could include links to additional resources, such as a glossary of terms, or resources hosted on the investor education websites of the CSA and its member jurisdictions. For example, the Office of Investor Education and Advocacy at the SEC has an online document entitled 'How to Read a Mutual Fund Shareholder Report'[65] that goes into detail about how a Mutual Fund Shareholder Report should be reviewed, which may be helpful for investors who are reviewing the document for the first time. In 2020, only about 7% of Canadian investors looked at regulatory resources when last looking for information about investing, suggesting that a concerted effort would be helpful to drive investors to new sources of information on a regulator's website.[66]

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[61] CSA. (2019). CSA Summary Report: 2016-2019 Investor Research Findings on the Impact of CRM2 and POS on Investor Knowledge, Attitudes, and Behaviour. Retrieved from: https://www.securities-administrators.ca/uploadedFiles/General/pdfs/ENGLISH_CRM2_POS_Impact_CSA_Summary_Report.pdf.
[62] https://www.sec.gov/comments/s7-09-20/s70920-8210195-227544.pdf
[63] Stein, K.M. (2018*). Improving Information for Investors in the Digital Age*. Retrieved from: https://corpgov.law.harvard.edu/2018/10/25/improving-information-for-investors-in-the-digital-age/
[64] Chernev, A., Böckenholt, U., & Goodman, J. (2015). Choice overload: A conceptual review and meta-analysis. *Journal of Consumer Psychology, 25*(2), 333-358.
[65] https://www.sec.gov/files/ib_readmfreport.pdf
[66] Canadian Securities Administrators. (2020). *2020 CSA Investor Index*. Retrieved from: https://www.securities-administrators.ca/uploadedFiles/General/pdfs/CSA2020InvestorIndexSurveyReport.pdf.

Barriers to action

The ultimate goal of an MRFP is to provide investors with information they can use to make decisions regarding their holdings (i.e., holding, selling, or buying more of a security). Upon reviewing the MRFP, investors may not consider the actions they can take to ensure they are making informed investment decisions. They may also intend to take action on the basis of the information reviewed but fail to follow through.

7. Investors are unaware how to apply the information contained in the MRFP to their own decision making

The gap between understanding and action is a core focus of behavioural science research. Even where investors understand the information presented to them, they may not understand how to apply this information to their decision making. This gap explains some of the limitations observed regarding the effect of disclosures on investor decision making.[67] Research conducted by the CSA revealed that while mutual fund investors can often read Fund Facts documents accurately, they do not always know how to apply this information. For example, investors may correctly read presented information as historical data, but they may misuse it to predict future results.[68]

Given this research, there may be an opportunity to more explicitly spell out the implications of the information contained in the MRFP. In BIT's previous work with the OSC testing different versions of an Annual Fee Report, one of the redesigned formats explicitly linked the charges to the choices that investors had made (e.g., buying, selling, or holding a security). For example, a fee marked as a sales charge was accompanied with the description "Charged for purchasing ABC Mutual Fund, which has a front-load sales charge". This version of the report was most effective in boosting comprehension.[69]

Centring the reader on the overall goal of the disclosure – providing information an investor can use to decide whether to continue holding an investment – may also help the reader make connections between what they are reading and how it might influence their decisions. In BIT's previous work redesigning fee disclosures, we tested an option that included a statement at the beginning of the document making the goal of the fee summary – more informed choices – salient.[70] This version, which also included other changes, increased the self-reported likelihood of an investor confirming or changing the investments they hold by 8% compared to the control.[71] As noted earlier in discussing barriers to access, we believe indicating the purpose of the document in a clear, salient, and simple statement is a best practice that should be considered for MRFPs.

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[67] Banerjee, S., Breon-Drish, B., & Engelberg, J. (2020). Discussion of "disclosure processing costs, investors' information choice, and equity market outcomes: A review". *Journal of Accounting and Economics, 70*(2-3), 101337.
[68] Canadian Securities Administrators. (2015). *CSA Point of Sale Disclosure Project ETF Facts Document Testing*. Retrieved from: https://lautorite.qc.ca/fileadmin/lautorite/reglementation/valeurs-mobilieres/41-101/2015-06-18/2015juin18-allen-report-fnb-en.pdf
[69] The Behavioural Insights Team. (2019). *OSC Staff Notice 11-787: Improving Fee Disclosure Through Behavioural Insights*. Retrieved from: https://www.osc.ca/sites/default/files/pdfs/irps/sn_20190819_11-787_improving-fee-disclosure-through-behavioural-insights.pdf
[70] It included the statement: "This report is important because it can help you make more informed choices about your investing costs" in bold at the beginning of the summary.
[71] The Behavioural Insights Team. (2021). *Improving Fee Disclosures for Canadian Investors.* Retrieved from: https://mfda.ca/wp-content/uploads/Improving_Fee_Disclosures.pdf

8. Status quo bias is a barrier to taking action in the MRFP context

Individuals have a general tendency to maintain the existing state of affairs or pattern of behaviour, a phenomenon referred to as *status quo* bias.[72] Even if investors *understand* what actions they should take and *intend* to take such actions on the basis of the information provided, they may still default to continuing to hold their current investments (i.e., do nothing) after reviewing the MRFP instead of making a decision to sell or buy more of their current holding. While maintaining their current investments may be the right strategy, *status quo* bias will likely mean that investors maintain their investment even if it is not the best option for them *and* they recognize this fact.

Incorporating behavioural science techniques into CD documents may help bridge the intention-action gap. For example, including a checklist with concrete action items makes it easy for investors to begin the process of making decisions while they are reviewing the MRFP. In a redesign of the CRM2 disclosures in collaboration with IFIC, BEworks included a statement checklist containing concrete action items for the reader as they navigate through the statement (e.g., *ensure that you understand the service you receive for the fees you pay (see page 3)*), with the goal of prompting the investor to create an implementation plan to mitigate the intention-action gap. While the experimental methodology limited them from measuring investors' subsequent actions, we believe this is a tactic worth exploring further, as in general there is strong support from the behavioural science literature for the use of similar implementation-intention interventions.[73]

Synthesized findings from this literature scan, in combination with insights from the investor survey (see Section 4), informed the identification of key behavioural barriers to the use and application of investment fund CD by retail investors.

[72] Kahneman, D., Knetsch, J. L., & Thaler, R. H. (1991). The endowment effect, loss aversion, and status quo bias: Anomalies. *Journal of Economic Perspectives*, *5*(1), 193-206.
[73] Gollwitzer, P. M., & Sheeran, P. (2006). Implementation intentions and goal achievement: A meta-analysis of effects and processes. *Advances in experimental social psychology, 38*, 69-119.

4. Investor survey

Survey Methodology

We conducted a survey among Canadian retail investors to gain further insight into their knowledge, preferences, and behaviours as relates to investment fund CD. Specifically, the survey included questions related to retail investors'

- understanding (e.g., of the purpose of CD documents and differences between these and point-of-sale documents such as Fund Facts),
- preferences (e.g., the type of information they would like to see in CD documents), and
- behaviours or actions (e.g., accessing or not accessing CD documents, actions in response to reading CD documents).

The survey was conducted in English and French using BIT's Predictiv platform. The sample included 604 Canadian retail investors who currently hold an investment fund. Participant demographics and characteristics are summarized in Appendix A.

Survey Findings

Investor characteristics and behaviours

Mutual funds were the most commonly held investment among surveyed investors, with 74% of investors reporting holding one (see Figure 4). About half of investors surveyed work with (or have) a financial advisor who makes recommendations as to which investments are suitable for them to hold, and 28% report being a self-directed investor (see Figure 5). The majority of investors monitor their investment funds by seeking out or reviewing information about them on at least a monthly basis (63%); see Figure 6.

Do you own any of the following investments either inside or outside of an investment account, including a registered investment account such as an RRSP, an RESP, a RRIF, or a TFSA? [Select all that apply]

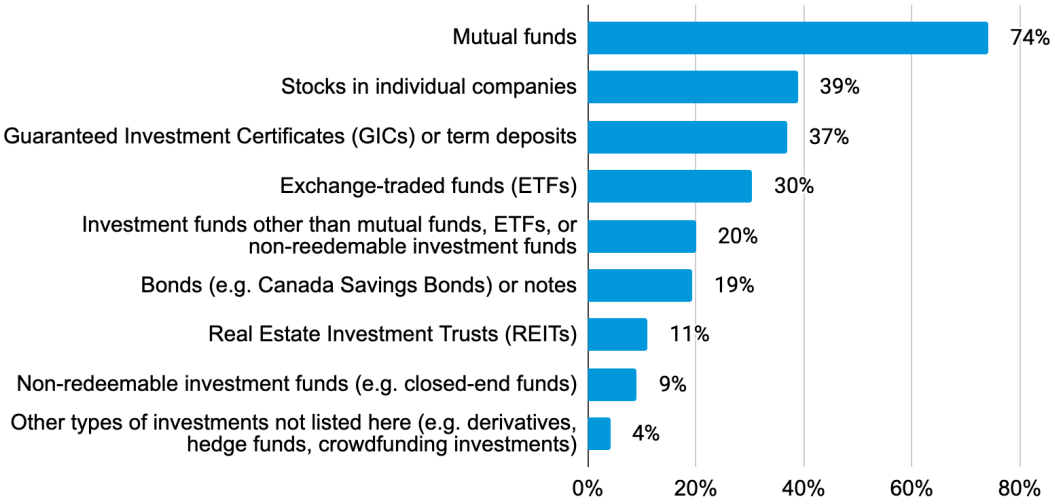

Figure 4: Investments held (n=604)

Not including investments that are part of your pension plan through your employer, how do you manage your primary investment account (i.e., an account that holds stocks, ETFs, REITs, bonds, notes, mutual funds, derivatives or other types of securities)? [Select all that apply]

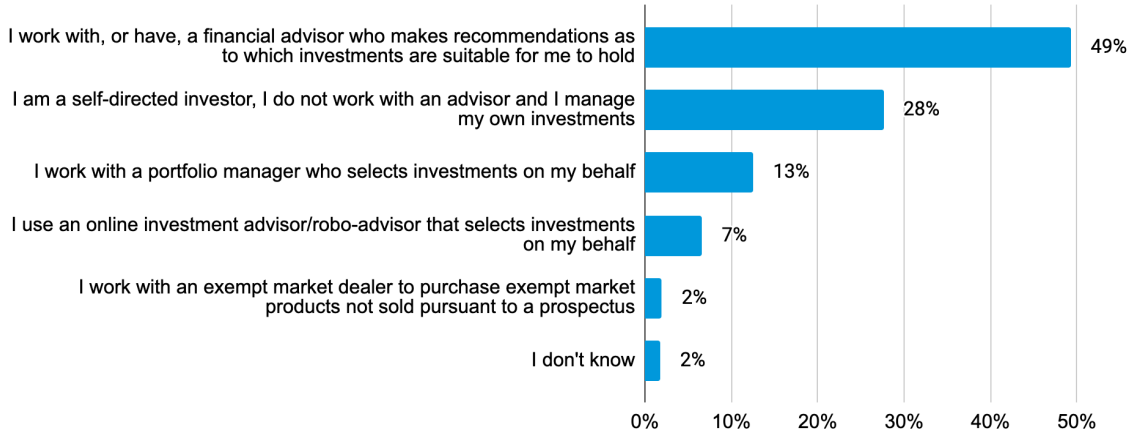

Figure 5: Management of primary account (n=604)

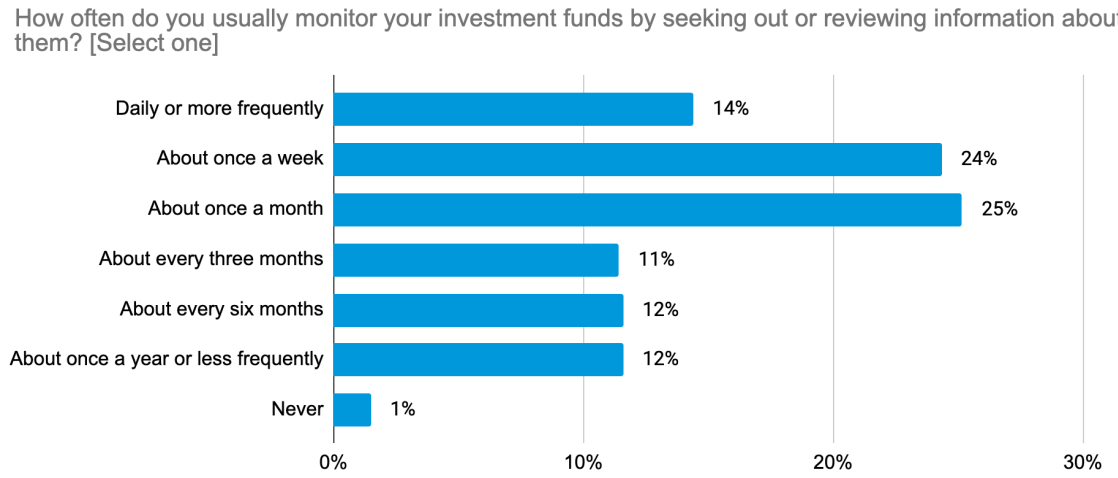

Figure 6: Frequency of monitoring investment funds (n=604)

Experience with MRFPs

Experience with, and understanding of, the MRFP was low among surveyed investors. When asked about the most commonly consulted source of information when monitoring or making trading decisions regarding one's investment fund, only 15% of investors reported consulting an MRFP (see Figure 7). When asked to select a statement most accurately describing the purpose of the MFRP, 30% of respondents reported not knowing the answer, while only 21% identified the correct answer (see Figure 8). The MRFP's purpose was most commonly confused with that of the Fund Facts document.

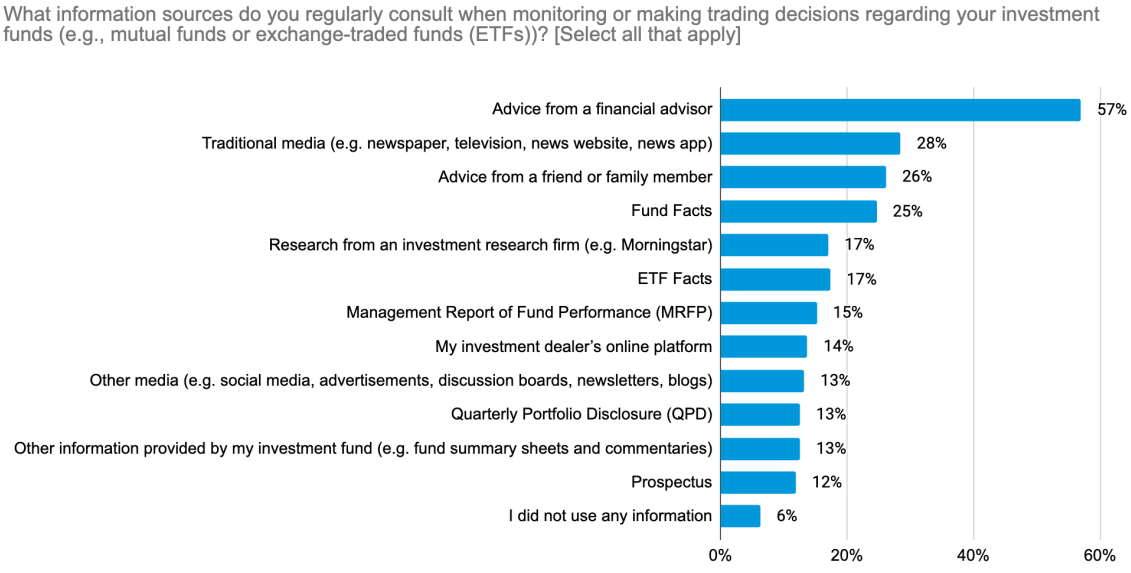

Figure 7: Source of information when monitoring or making trading decisions (n=604)

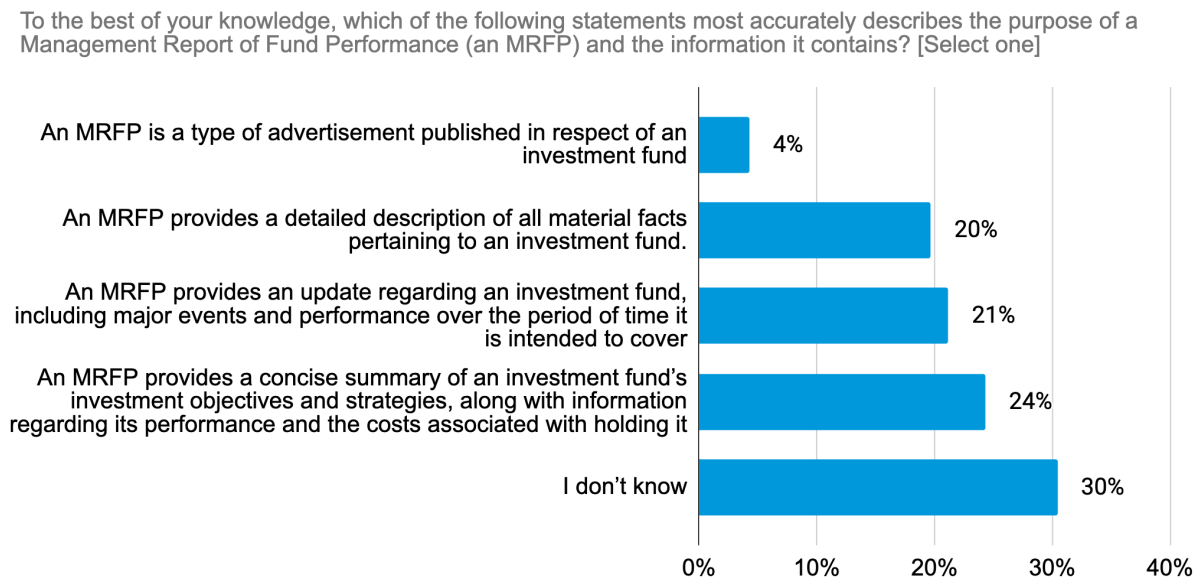

Figure 8: Knowledge of MRFP purpose (n=604)

About two-thirds of investors reported ever having received or obtained an MRFP for an investment fund (see Figure 9). Among those who did, two thirds reported reviewing it. Among those who reported receiving and reviewing an MRFP, most found the information contained in the document to be about the right amount of information, while 21% found it contained too much information (see Figure 10). Similarly, most participants (71%) found the information to be either moderately complex or mostly understandable, while 12% found it to be very complex and hard to understand (see Figure 11).

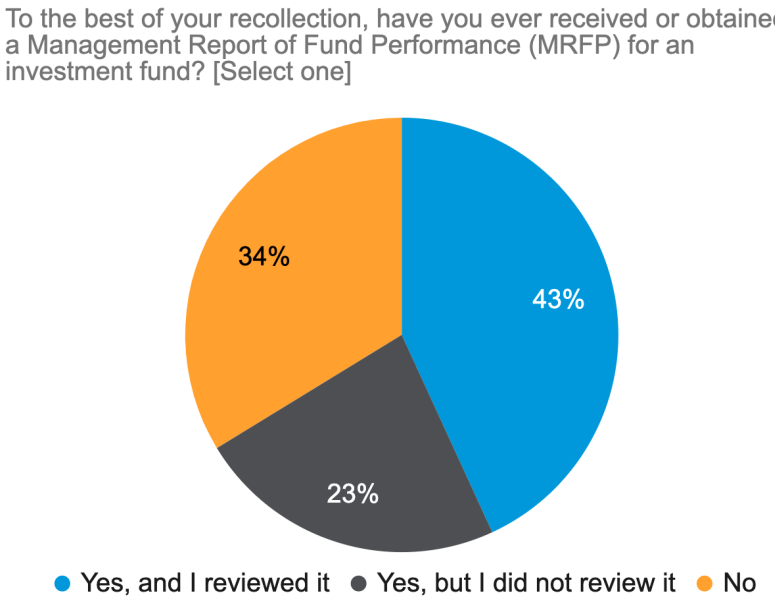

Figure 9: Experience receiving / reviewing an MRFP (n=604)

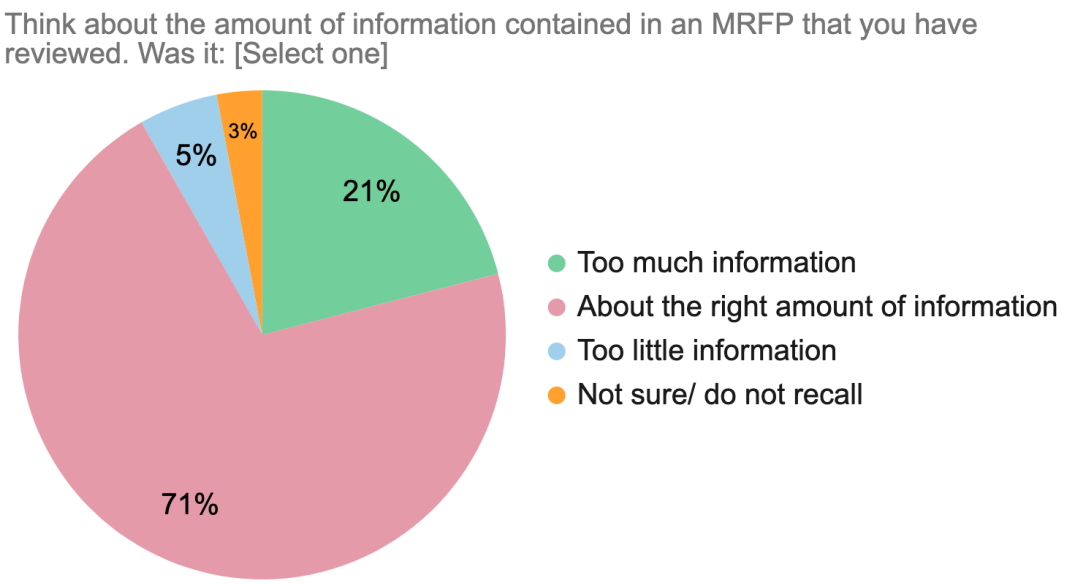

Figure 10: Perception of amount of information in an MRFP, among those who have received and reviewed one (n=267)

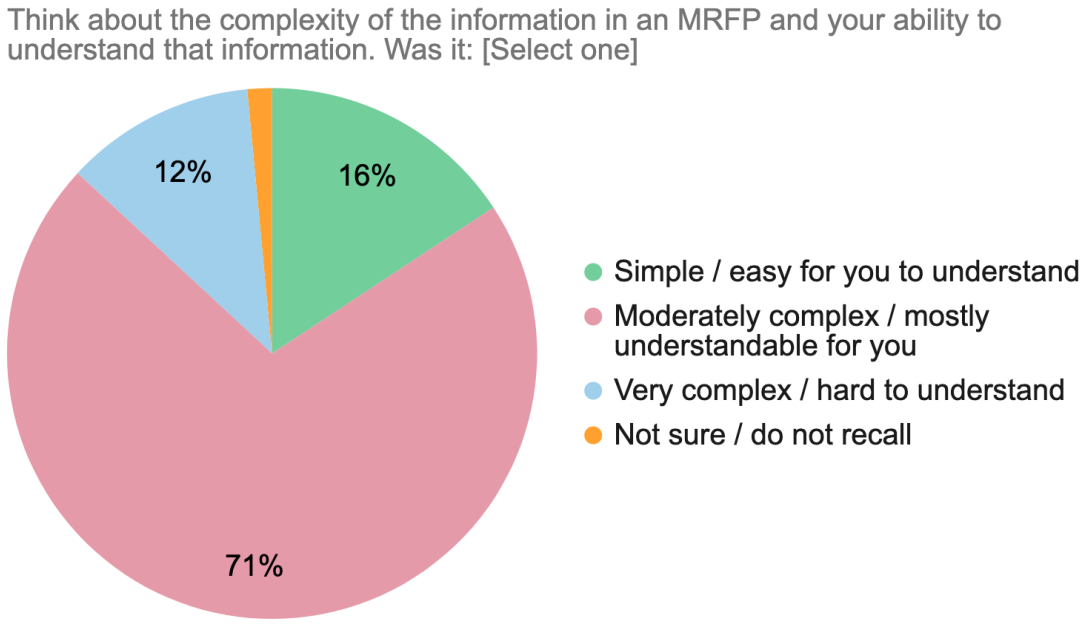

Figure 11: Perception of complexity of MRFP information, among those who received and reviewed one (n=267)

Reasons cited for not reviewing the MRFP

Among those who received an MRFP but did not review it, the most common reasons cited were a lack of time (42%) and reliance on a financial advisor to monitor portfolio holdings (30%); see Figure 12.

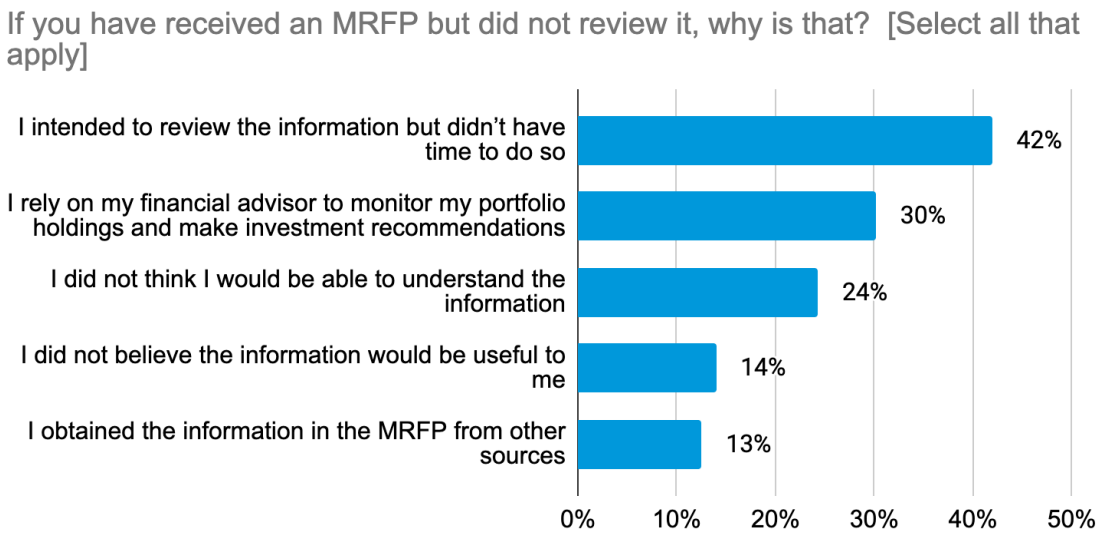

Figure 12: Reasons for not reviewing the MRFP, among those who received but did not review it (n=136)

Preferences for information contained in an MRFP

Investor preferences regarding the information that would be useful for making informed investment decisions varied widely in terms of the number of years of historical accounting information that would be useful to receive (see Figure 13), the number of months or years of past performance information that would be useful to receive (see Figure 14), and the type of metric that should be used to present past performance information (see Figure 15). Over half of surveyed investors (56%) did not flag any additional information they would find useful to periodically receive in an MRFP, regarding the investment funds they hold when given the opportunity to expand on additional information they would find useful through an open-text question. Of those who requested further information, preferences were varied, with comparisons against benchmarks and other institutions being the most frequent request (15 requests).

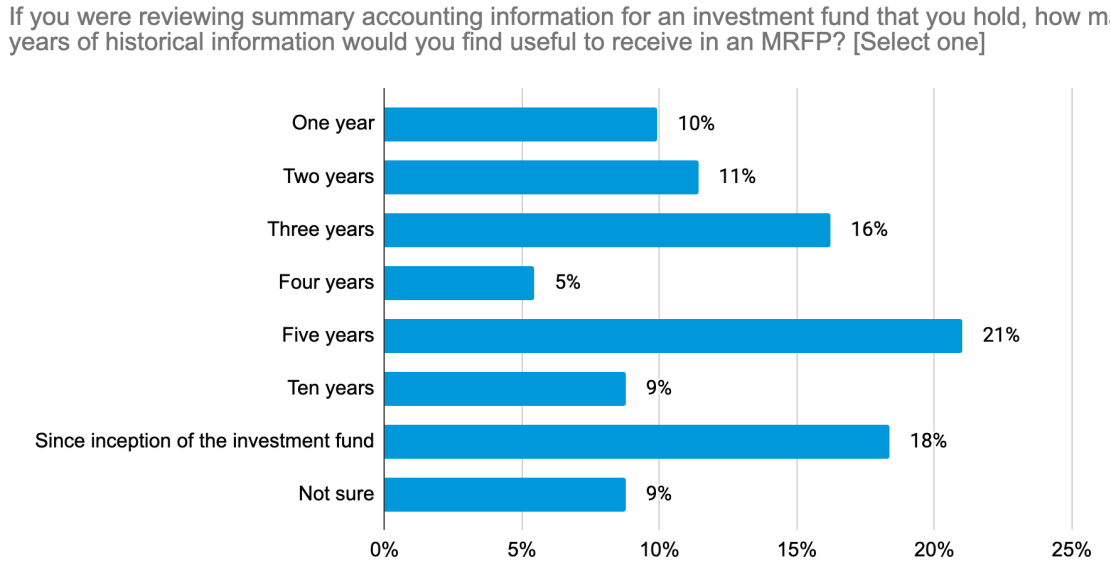

Figure 13: Preference for number of years of historical information included (n=604)

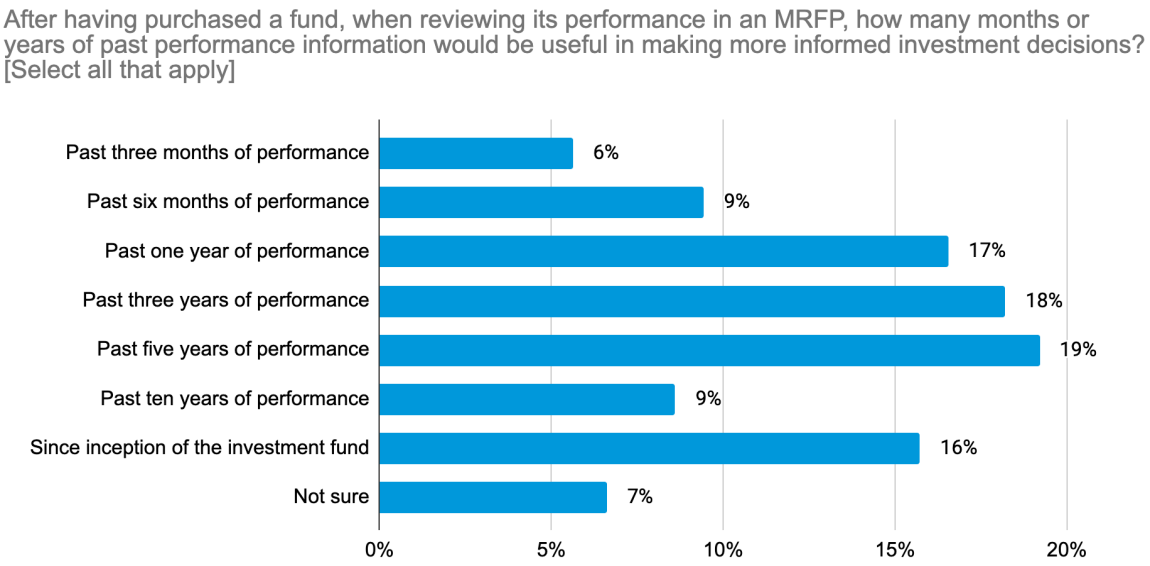

Figure 14: Preference for number of months / years of performance information (n=604)

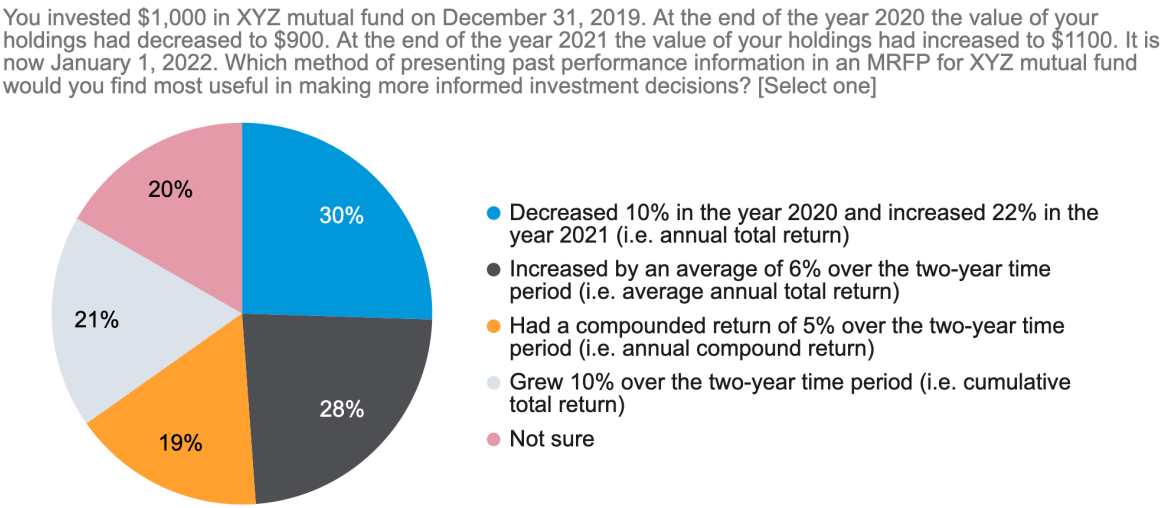

Figure 15: Preference for presentation of performance (returns) information (n=604)

When asked about the usefulness of different elements of the MRFP in making more informed investment decisions (e.g., around selling investment fund shares, buying more shares of the same investment fund, or maintaining existing investment fund shareholdings), investors reported finding all elements of the MRFP useful, with no clear difference between the various elements (see Figure 16).

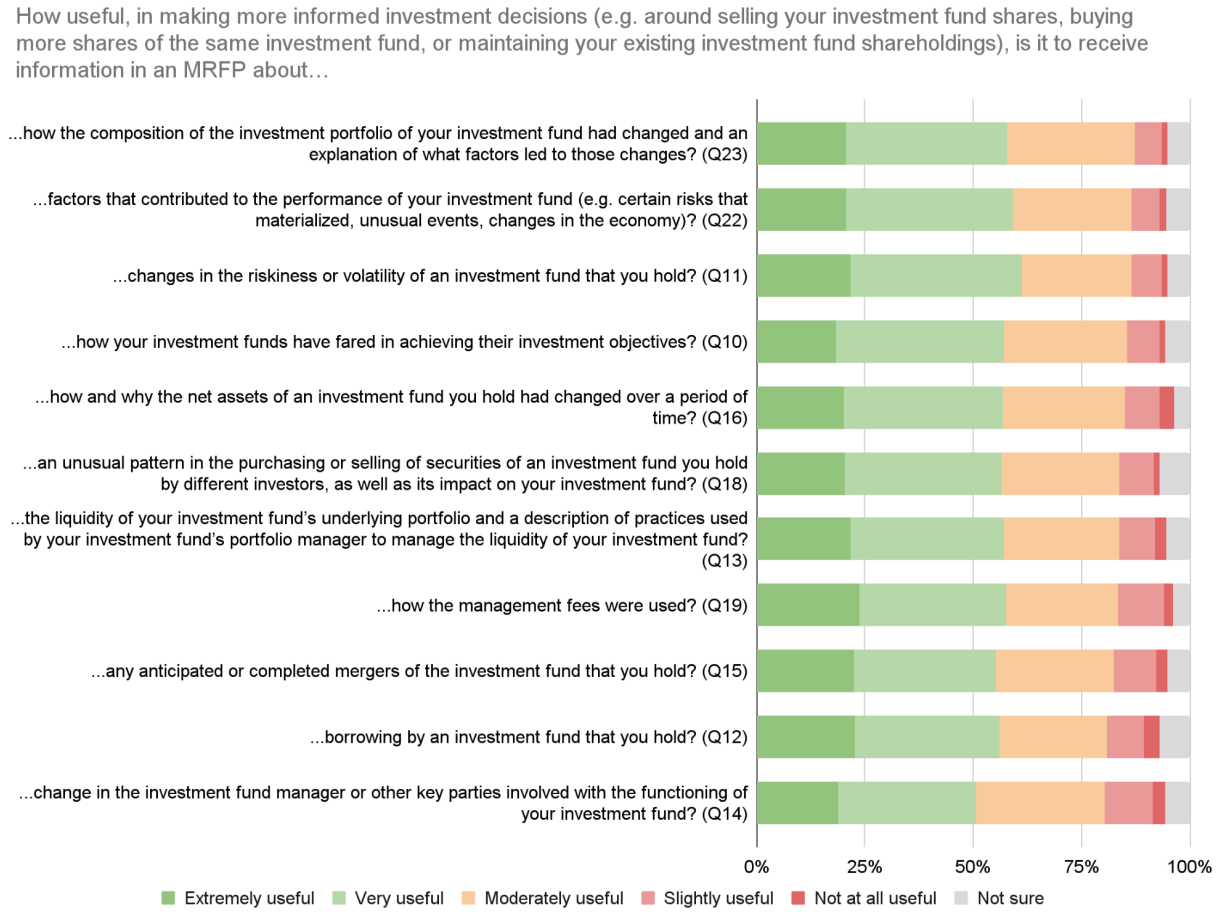

Figure 16: Relative importance of information (n=604)

The results of this investor survey, in combination with insights from the literature scan (Section 3), informed the identification of key behavioural barriers to the use and application of investment fund CD by retail investors. These barriers are described in the following section.

5. Barrier identification

Context

Drawing from the literature scan findings and the investor survey, this section summarizes the key barriers to investor use of MRFPs. It also suggests corresponding, evidence-based interventions to address the barriers, with a primary focus on options for redesign of the MRFP.

Following the literature scan, this deliverable is organized into three primary sets of barriers faced by investors:

- barriers to engagement;
- barriers to comprehension; and
- barriers to more informed decision-making.

Barriers to Engagement

According to the survey completed for this project, 44% of Canadian investors holding investment funds report ever having received or obtained, and also reviewed, an MRFP. This section summarizes key barriers that may be limiting the number of investors reviewing the MRFP and presents interventions for addressing those barriers.

Barrier: The purpose of the report is not immediately clear. Several trials conducted by BIT have illustrated the value of a clear and salient purpose statement or call to action in regulatory and government communications.[74] Our survey confirmed the relevance of this barrier for MRFPs: only 25% of respondents who had ever reviewed an MRFP (and 21% of all respondents) were able to correctly identify the purpose of the document from a list of four options.

Intervention idea:

- **Include a clear, salient statement about the purpose of the MRFP in the document.** For example, the cover page of the MRFP could include the following statement in large font: “This Management Report of Fund Performance provides important information about your investment. Use this to assess whether your investment continues to be right for you.”

Barrier: Investors may perceive the report as complex, long, or otherwise taxing to read. If investors perceive a report as complex or onerous, they will be less motivated to engage with it.[75] The SEC notes that many shareholders view funds’

[74] See, for example, The Behavioural Insights Team. (2021). *Improving Fee Disclosures for Canadian Investors.* Retrieved from: https://mfda.ca/wp-content/uploads/Improving_Fee_Disclosures.pdf, or *Making revenue collections more effective: lessons from a Nobel laureate* retrieved from: https://bloombergcities.medium.com/making-revenue-collections-more-effective-lessons-from-a-nobel-laureate-ba601001d906

[75] Loewenstein, G., Sunstein, C.R., & Golman, R. (2014). Disclosure: Psychology Changes Everything. *Annu. Rev. Econ.,* 6:391-419.

continuous disclosure documents as overly long and complex, and as a result, many shareholders do not engage with the materials.[76]

In Canada, our recent survey indicated that the most common reason investors reported for not reviewing the MFRP was not having enough time. If the report was perceived to be simpler or shorter, people would assume it required less time, addressing this barrier. Interestingly, only 21% of respondents who *had reviewed* the report felt that it contained too much information and only 12% indicated that it was very complex and hard to understand. This suggests that the *perceived* complexity of the MRFP is greater than the *actual* complexity, as more investors who did not review the report think it would take too long to review (42%) than find that it actually contains too much information (21%). It is, however, also possible that investors were reluctant to admit they could not understand the report.

An alternative or complementary explanation is that the people who do not review the MRFP (e.g., because they do not have the time) are different from the investors who do. Perhaps if that first group of investors had reviewed the report they would have been more likely to find that it contained too much information or was too complex? The survey does provide some support for this hypothesis, as investors with a higher level of self-assessed financial expertise were more likely to review the MRFP than those with a lower level of expertise. Among those who rated their knowledge as high or very high, 82% who received an MRFP said they had reviewed it, whereas only 37% did so among those who rated their knowledge as low or very low. A higher level of self-assessed knowledge likely reduces the perceived complexity of a document. Overall, the evidence suggests that both the perceived and actual length and complexity of the document are meaningful barriers to segments of the Canadian investor population.

Intervention ideas:

- **Employ a "layered" disclosure format (i.e., provide a short summary highlighting key information while also enabling investors to access more detailed information if they wish to).** "Layered" disclosures generally refer to digital disclosure formats that allow users to expand section headings or short section summaries into more detailed information by clicking an icon. However, the concept of layered disclosure approaches can also be applied to paper formats. For MRFPs, we recommend testing a 1-page summary with the most vital information bulleted or visually represented, with additional detail available in the rest of the materials. Alternatively, each section could have a bolded or otherwise visually differentiated summary statement at the beginning.

- **Add a salient statement to the MRFP indicating the time and financial knowledge required to review the report.** The statement could be on the cover of the document and say: "This document is intended for investors of all backgrounds and levels of investment experience. It takes about X minutes to review." This would give people a more realistic view of the length of the document, closing the potential gap between perceived and actual length /

[76] Securities and Exchange Commission. (2020). *Tailored Shareholder Reports, Treatment of Annual Prospectus Updates for Existing Investors, and Improved Fee and Risk Disclosure for Mutual Funds and Exchange-Traded Funds; Fee information in Investment Company Advertisements.* Retrieved from: https://www.sec.gov/rules/proposed/2020/33-10814.pdf

complexity. If this approach is implemented, it will be important to provide accurate estimates; several free, reliable tools are available to help firms estimate reading time objectively.

Barriers to Comprehension

This section summarizes the key barriers that may be limiting investors' understanding of information contained in the MRFP and presents interventions for addressing those barriers. Overall, our survey data suggests meaningful barriers to comprehension. Most respondents who reviewed an MRFP found it moderately complex (71%), with only 16% indicating that it was simple and easy to understand. Further, investors who had reviewed the MRFP had higher levels of self-reported financial expertise, suggesting that if more people reviewed the MRFP, an even higher proportion would find it moderately complex or very complex.

Barrier: Investors may not be able to understand critical but complex terminology used in the MRFP. Investor testing conducted by the SEC of selected mutual fund annual reports revealed that the majority of investors surveyed believed that the annual report is written for more advanced/experienced investors, financial professionals, or regulators than for ordinary or less experienced investors.[77] User research conducted on other disclosure documents (ETF Facts) highlighted that technical words may not always be explained.[78] With regard to MRFPs, our survey did not specifically ask questions about the use of complex terminology, but, as noted above, only 16% found it simple and easy to understand, suggesting that complex terminology may be a barrier. This view is further supported by BIT's analysis of sample MRFPs, which often included complex terms like: "excessive financial leverage" and "underweight exposure" in the management discussion of fund performance. The Flesch-Kincaid Grade Level was over 20 for the samples we reviewed, which is around the complexity of an average academic paper, requiring graduate degree level proficiency. Form 81-106F1 itself requires some language that many investors may find complex, like "net assets" and "Independent Review Committee"; unlike other complex terms like "Trading Expense Ratio," the Form does not require footnoted definitions of these terms.

Intervention ideas:

- **Update Form 81-106F1 to replace complex terms that are required to be used in an MRFP, or, where they cannot be replaced without compromising accuracy, require a footnoted definition.** In identifying complex terms, leverage research conducted by The Investment Association and the OSC's Investor Research and Behavioural Insights Team (IORBIT) regarding total cost reporting.[79]

[77] Securities and Exchange Commission. (2012). *Investor Testing of Selected Mutual Fund Annual Reports (Revised)*. Retrieved from: https://www.sec.gov/comments/s7-08-15/s70815-3.pdf
[78] Canadian Securities Administrators. (2015). *CSA Point of Sale Disclosure Project ETF Facts Document Testing*. Retrieved from: https://lautorite.qc.ca/fileadmin/lautorite/reglementation/valeurs-mobilieres/41-101/2015-06-18/2015juin18-allen-report-fnb-en.pdf
[79] The Investment Association. (2019). *Fund Communication Guidance*. Retrieved from: theia.org/sites/default/files/2019-08/20190218-fundcommunicationguidance.pdf

- Consider **establishing requirements or guidelines for overall reading ease** (i.e., set a maximum Flesh-Kincaid Grade Level).

Barrier: The volume of information (and text, in particular) may mask important information. People have limits on how much information they can process or pay attention to. As a result, people do not always review information carefully, or they may take shortcuts like skimming. This may lead investors to miss important information that may inform their investment decisions if the key information is not easy to comprehend and salient. Long, paragraphed disclosures like those included in most MRFPs are not conducive to skimming for key information. However, among survey respondents who reported reviewing an MRFP, most investors (71%) found the MRFP to contain about the right amount of information. 21% found it contained too much information and only 5% thought it contained too little. This suggests that investors may, on balance, prefer less information than is currently included. Given the strong theoretical rationale for reducing information and the somewhat supportive survey findings, we believe there is value in reducing MRFP length. We believe this can be done without omitting material information that is likely to inform investor decisions.

However, the survey did not provide clear direction on what content could be reduced. When asked about the usefulness of various types of information contained in an MRFP (e.g., factors that contributed to the performance of the investment fund, how the management fees were used, etc.), respondents consistently rated each type of information as useful, with 80% or more respondents rating each type of information as at least moderately useful.

Intervention ideas:

- Given the lack of direction from the survey on what sections of the MRFP are less useful, the CSA could **adopt a theory-driven approach on which content is less critical in helping investors make informed decisions**. Alternatively, or in addition, regulations or guidelines could **provide direction on the maximum length of each section**. The CSA may wish to consider previous CSA research on POS disclosures indicating a maximum desirable length of 3-4 pages.[80,81] These findings align with the 3-4 page length that the SEC estimates the semi-annual and annual reports will be with the new rule and form amendments.[82] However, there are differences in the content reported in each of these documents (e.g., the sample SEC report does not include a review of the investment objectives of a fund); important information should not be eliminated to reduce length.

- Reduce the amount of information contained in paragraphs and **incorporate bullets, section headers, and call outs to make key points salient and**

[80] Canadian Securities Administrators. (2015). *CSA Point of Sale Disclosure Project ETF Facts Document Testing*. Retrieved from: https://lautorite.qc.ca/fileadmin/lautorite/reglementation/valeurs-mobilieres/41-101/2015-06-18/2015juin18-allen-report-fnb-en.pdf
[81] Canadian Securities Administrators. (2012). *CSA Point of Sale Disclosure Project: Fund Facts Document Testing*. Retrieved from: https://www.osc.ca/sites/default/files/2021-05/pos_201209_fund-facts-doc-testing.pdf
[82] Securities and Exchange Commission. (2020). *Hypothetical Streamlined Shareholder Report*. Retrieved from: https://www.sec.gov/files/final_2020_im_annual-shareholder%20report.pdf

easily identifiable.[83] (As noted in the following section, the use of visualizations like graphs is also recommended.)

- See the intervention idea above on **layered disclosures**, which would also address this barrier, and is another approach taken by the SEC in its recent rule amendments.

Barrier: The text-heavy format of presented information may hinder comprehension. Visual representations, such as graphs and charts, can be beneficial in aiding comprehension of financial concepts as compared to tables or text.[84] U.S. investors have expressed a strong preference for information contained in disclosure documents to be presented visually as a way to boost comprehension.[85] This preference is likely shared by Canadians. In general, simpler graphics are more effective in boosting comprehension than more complex visualizations.[86]

The presentation of graphs and other visual representations should be considered carefully and empirically tested where possible, as the choice of presentation may influence investors' understanding[87] in ways that are hard to predict. For example, when a CEO bonus payment was disclosed in the context of strong performance by a firm, the compensation scheme was viewed more positively if it had been presented using an equation rather than a table. The study found that if firm performance was weak instead, attitudes toward the compensation did not differ based on the table / equation format.[88] This type of subtle "interaction" effect between context (firm performance) and visualization approach is challenging to anticipate. Further, formatting effects have a stronger influence on those with less financial knowledge and expertise, a particularly important segment to consider in investor protection measures.[89]

Intervention ideas:

- Consider mandating or recommending the **use of simple visualizations (e.g., basic charts) for selected content in the Financial Highlights and Past Performance** sections of the MRFP, instead of the current tabular format.

- Further consider a **simple visual indicator of changes in risk** (Item 2.2), if securities experts within the CSA believe this would be relevant and appropriate in the MRFP context. This could be the same representation found in Fund Facts disclosures.

Barrier: The most essential information is not presented up front. Information at the top of documents (or the top of sections of documents) gets more attention and is

[83] The Investment Association. (2019). *Fund Communication Guidance*. Retrieved from: theia.org/sites/default/files/2019-08/20190218-fundcommunicationguidance.pdf
[84] Stone, E. R., Yates, J. F., & Parker, A. M. (1997). Effects of numerical and graphical displays on professed risk-taking behavior. *Journal of experimental psychology: applied, 3*(4), 243.
[85] Securities and Exchange Commission. (2012). *Study Regarding Financial Literacy Among Investors*. Retrieved from: https://www.sec.gov/news/studies/2012/917-financial-literacy-study-part1.pdf
[86] See, for example, Securities and Exchange Commission. (2012). *Study Regarding Financial Literacy Among Investors*. Retrieved from: https://www.sec.gov/news/studies/2012/917-financial-literacy-study-part1.pdf
[87] Ministry of Business, Innovation & Employment. (2015). Financial Product Disclosure: Insights from Behavioural Economics. Retrieved from: https://www.mbie.govt.nz/dmsdocument/5775-financial-product-disclosure-insights-from-behavioural-economics
[88] Xia, Y., & Han, J. (2021). The Effects of Table Versus Formula Presentation Formats on Investors' Judgment about Executive Compensation. *European Accounting Review*, *30*(1), 143-173
[89] Bateman, H., Eckert, C., Geweke, J., Louviere, J., Satchell, S., & Thorp, S. (2014). Financial competence, risk presentation and retirement portfolio preferences. Journal of Pension Economics & Finance, 13(1), 27-61.

more likely to be remembered than information in the middle.[90] Today, many of the sample MRFPs that we reviewed have a cover page that only includes the name of the investment fund and boilerplate disclaimers in small print, not key information for investors. Indeed, the only requirement in Form 81-106F1 for the cover page is the disclaimer that the MRFP does not include complete financial statements. On the other hand, the first section of the body of the MRFP is the Investment Strategy and Objectives, which, in BIT's view, may provide critical context for many readers and is likely valuable to have at the beginning of the document.

Beyond shifting the order of content within a document, critical information can also be brought to the top of each section. One way to accomplish this is a layered disclosure approach, discussed above, where critical information is presented first in each section, with investors then having the choice to review more detailed information later in the document (e.g., in an Appendix) or to "double-click" into it in a digital context. Investors tend to prefer these "layered" disclosures.[91] In Canada, our recent survey indicated that investors rated all major sections of information in the MRFP as useful and thus likely many would like to have the option to review the information, in which case a layered disclosure with additional detailed information is likely desirable.

Intervention ideas:

- **Update requirements for the "cover page" to include more important information for investors** (e.g., by moving up existing content requirements, providing a high-level summary of key information / overview of the contents of the report, and/or by requiring a statement regarding the purpose / use of the document, as recommended above).
- See **intervention idea on layered disclosures**, above.
- Consider **re-ordering sections of the MRFP so that less critical information is in the middle of the document**. In particular, information contained on the first page (after the cover page) is likely to be reviewed more often.

Barrier: Our tendency to focus on recent information may bias investors' judgement. People tend to place more emphasis on recently reviewed information when making decisions, even if that information is not more relevant to the choice they are making. For example, investors will rate a potential investment more highly if the last thing they read about it is positive.[92,93] This research also suggests that the *last* information in the MRFP may also receive additional attention (at least among those who read or skim to the end).

Intervention ideas:

[90] Murdock, B. B. (1962). The serial position effect of free recall. *Journal of Experimental Psychology, 64*(5), 482–488.
[91] Securities and Exchange Commission. (2020). *Tailored Shareholder Reports, Treatment of Annual Prospectus Updates for Existing Investors, and Improved Fee and Risk Disclosure for Mutual Funds and Exchange-Traded Funds; Fee information in Investment Company Advertisements.* Retrieved from: https://www.sec.gov/rules/proposed/2020/33-10814.pdf
[92] Hellmann, A., Yeow, C., & De Mello, L. (2017). The influence of textual presentation order and graphical presentation on the judgements of non-professional investors. *Accounting and Business Research, 47*(4), 455-470.
[93] Aprayuda, R., Misra, F., & Kartika, R. (2021). Does the order of information affect investors' investment decisions? Experimental investigation. *Journal of Accounting and Investment, 22*(1), 150-172.

- **Consider the inclusion of a key message / critical content at the end of the document and/or the end of key sections of the document (e.g., if a high-level summary is added).** For example, this could *re-iterate* a message about how investors may wish to use the information in the MRFP, which we also recommend for the beginning or cover page of the document.

Barrier: The presentation of fee information may limit investors' understanding of the impact of fees over time. Many investors do not understand how to perform financial math (e.g., calculating the total cost of loans) using percentages.[94] Presenting fees in dollars rather than (or in addition to) percentages can help increase understanding of how fees add up over time.[95,96,97] Many investors also incorrectly assume that high past performance is the best guide to high future returns[98], even though minimizing fees can be a more effective strategy for increasing future expected returns for a given level of risk.[99]

Intervention ideas:

- Consider **requiring a statement that informs investors of the importance of fees**, such as: "Fees are an important factor in your long-term investment returns. Fees reduce your profit or increase your loss from investing".

Barrier: Investors may not find information meaningful without a reference point. People often rely on comparisons to understand values relative to something else when making a decision that involves weighing the costs and benefits. Without the ability to compare information on risk, fees, and performance to reference points or benchmarks (e.g., industry standards, data from previous years), investors may find it difficult to understand whether data presented in the report merits action. Form 81-106F1 states that "In addition to the appropriate broad-based securities market index, the investment fund may compare its performance to other financial or narrowly-based securities indices (or a blend of indices) that reflect the market sectors in which the investment fund invests or that provide useful comparatives to the performance of the investment fund." BIT believes that the comparison of fund performance against an appropriate benchmark is a helpful requirement for investors and should be maintained.

Barrier: Investors may not know where to find additional information to support their comprehension of the MRFP. If investors do not understand terms or concepts used in the MRFP, additional sources of information may be useful to support comprehension. However, with so many options for financial resources available on the internet, investors may be faced with choice overload[100] and become overwhelmed.

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[94] Newall, P. W. (2016). Downside financial risk is misunderstood. *Judgment and Decision Making, 11*(5), 416-423.
[95] Bertrand, M., & Morse, A. (2011). Information disclosure, cognitive biases, and payday borrowing. *The Journal of Finance, 66(6)*, 1865-1893.
[96] Hastings, J. S., & Tejeda-Ashton, L. (2008). Financial literacy, information, and demand elasticity: Survey and experimental evidence from Mexico (No. w14538). *National Bureau of Economic Research*.
[97] Newall, P. W., & Parker, K. N. (2019). Improved mutual fund investment choice architecture. *Journal of Behavioral Finance, 20*(1), 96-106.
[98] Greenwood, R., & Shleifer, A. (2014). Expectations of returns and expected returns. *The Review of Financial Studies, 27*(3), 714-746.
[99] Malkiel, B. G. (2003). The efficient market hypothesis and its critics. *Journal of economic perspectives, 17*(1), 59-82.
[100] Chernev, A., Böckenholt, U., & Goodman, J. (2015). Choice overload: A conceptual review and meta-analysis. *Journal of Consumer Psychology, 25*(2), 333-358.

Intervention idea:

- Require that the MRFP **include references to additional resources** (e.g., online glossary of terms hosted on the investor education websites of the CSA and its member jurisdictions. Unless a similar resource already exists, consider developing and providing a link to a **"How to read an MRFP" guide**. Note that adopting this idea would not reduce the importance of simplifying and clarifying terminology, which we believe is a more important intervention idea given the barrier inherent in accessing an additional resource.

Barriers to Action

Barrier: Investors are unaware of how to apply the information contained in the MRFP to their own decision making. Even where investors understand the information presented to them, they may not understand how to apply this information to their decision making. This gap explains some of the limitations observed regarding the effect of disclosures on investor decision making.[101]

Intervention idea:

- Include a simple, salient statement to outline the intended use of this document. As noted above, this could be "This Management Report of Fund Performance provides important information about your investment. Use this to assess whether your investment continues to be right for you." If there are additional actions that are important to prompt, this statement could be in bullet form to enhance comprehension. This statement should come at the beginning (e.g., cover page) (and, perhaps, the very end of the document).

Barrier: Status quo bias is a barrier to taking action in the MRFP context. Even if investors *understand* what actions they should take and *intend* to take such actions on the basis of the information provided, they may still default to continuing to hold their current investments (i.e., do nothing) after reviewing the MRFP instead of making a decision to sell or buy more of their current holding. While maintaining their current investments may be the right strategy, status quo bias will likely mean that investors maintain their investment even if it is not the best option for them *and* they recognize this fact.

Intervention idea:

- Include a checklist with concrete action items to prompt investors to review the ongoing appropriateness of holding the investment fund. This could include items like "Review the information in this MRFP", "Consider whether information contained in this MRFP, like changes in risk profile, holdings, management fees, and the fund manager's outlook mean that you should continue to hold your investment, sell some or all of your holdings, or increase your investment," and "Conduct additional research or speak with your advisor if you have any questions." Alternatively, or in addition, a prompt could be

[101] Banerjee, S., Breon-Drish, B., & Engelberg, J. (2020). Discussion of "disclosure processing costs, investors' information choice, and equity market outcomes: A review". *Journal of Accounting and Economics, 70*(2-3), 101337.

offered at the end of each section, as appropriate, with more granular prompts (e.g., consider switching to a different series of the same fund with lower fees).

The barriers identified in this phase, and corresponding evidence-based interventions to address the barriers, were important inputs to the development of three new MRFP designs. See Appendix B for an overview of the differences between each new design and a control, or “status quo” version. The three designs were empirically tested against the control version in a randomized controlled experiment, described the following section.

6. Experiment

Experimental Research Methodology

We conducted an online randomized controlled trial to assess the impact of the three newly designed versions of the MRFP on investor comprehension and other outcomes of interest. The research was executed using Predictiv, BIT's proprietary online platform for conducting behavioural experiments.

Our primary outcome measure, *core comprehension,* was based on 13 factual questions about content presented in the Fund Reports. As described below, we also measured secondary and exploratory outcomes (e.g., intent to review future MRFPs) to develop a more complete picture of the impact of different versions of the Fund Report on investor comprehension, behavioural intent, and preferences.

Figure 17 shows an overview of the flow of the experiment.

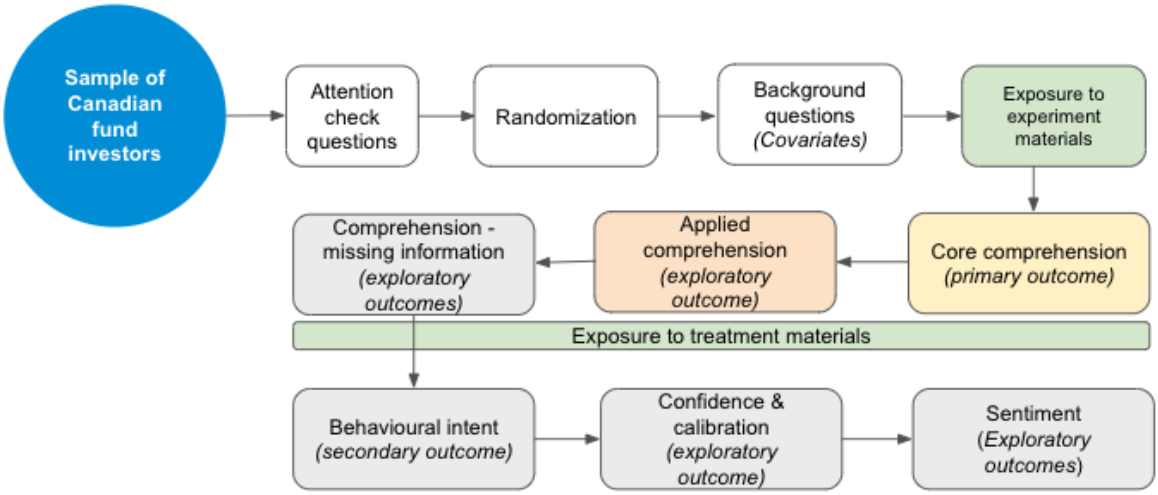

Figure 17: Overview of experiment design

First, we recruited about 2,800 Canadians who own, or have ever owned, an investment fund to participate in the trial. Then, we randomly assigned them to review one of four PDFs versions of the MRFP. The following table outlines the conditions that were tested. A full overview of the differences between conditions can be found in Appendix B. The following table provides a more concise summary of the key differences:

Condition	Description
1. Control	A combination of existing MRFPs that seeks to replicate an **"average" business-as-usual MRFP**
2. Enhanced BI (full length)	Includes **best practices in behavioural design** including **wayfinding** (via table of contents, tips for navigating the document, references to additional sources of information),

	data visualizations (charts and graphs), **easy identification of key points** (via bullets, section headers, tables), and **explanations of selected technical terms**.
3. Enhanced BI (short)	Includes the best practices in behavioural design described above in a **shortened version** (for example, includes performance information only for select series)
4. Enhanced BI (short) + section summaries	Includes the best practices in behavioural design described above (except for tips for navigating the document) and **adds 1-2 sentence summaries for each section where appropriate**.

After participants reviewed the materials, we asked them a series of questions to test their understanding of what they had reviewed and get additional feedback. To make the exercise more realistic, participants could consult the full MRFP assigned to them while answering the questions. Participants were compensated for participating in the survey. They were given more compensation for answering factual questions correctly to motivate participants to read and answer the questions carefully. The following tables outline key aspects of the design of the experiment.

Experimental Sampling, Data Collection, and Analysis	
Sampling	● 2,820 participants completed the experiment, with about 25% of the sample completing it in French. ● Participants accessing the experiment from a mobile phone were excluded from the study, due to the difficulty in switching between the MRFP and the questions on mobile devices using the online platform. ● Only adults living in Canada that currently hold, or previously held, investment funds were eligible. ● Complete details on sample composition, including investment products held, income, age, gender, and province of residence can be found in Appendix C.
Data collection	● No personally identifiable information was collected. ● Compensation ranged from $1 to $6 per complete response[102], with up to an additional $0.70 for answering the comprehension questions correctly.
Outcomes	● In accordance with research best practices, outcomes and analytical models were specified prior to data collection. ● **Primary outcome measure**: *core comprehension score* ○ The number of correct answers to 13 factual questions we constructed in coordination with the CSA. In designing these questions, our goal was to

[102] Compensation ranged significantly as it was increased over time to achieve the desired sample. In particular, costs were higher to obtain French-language responses.

	cover the most important information for a retail investor to take away from an MRFP. This included: the scope of the report, its purpose, how the fund has performed over the past year, fee structures, and a variety of other key data points. ● **Secondary outcome measure**: *intention to review a future MRFP* ○ After reviewing the MRFP and answering the comprehension questions, participants were asked how likely they would be to review the next MRFP. The goal was to pair an understanding of impact on comprehension, with an understanding of impact on intended retail investor behaviour. ● We also specified **exploratory measures**: ○ *Applied comprehension* was measured based on the number of correct responses to 5 questions that tested participants' ability make correct inferences based on MRFP information. ○ *Engagement* was measured based on the time spent completing the experiment, attrition rates during the experiment, and a survey question about how long participants would be willing to spend reviewing a Fund Report if they received one in the mail or online. ○ *Sentiment* toward the different report options was based on four questions constructed in coordination with the OSC. The questions addressed perceived complexity, volume of information, usefulness of information, and ability to navigate information. ○ *Investor confidence (and calibration)* was measured by asking participants how many comprehension questions they estimated they answered correctly in comparison to how many they actually answered correctly. ○ *Comprehension of missing components* was measured by asking participants additional comprehension questions on material that was only available in certain versions of the report, to determine a baseline comprehension of specific subject areas that were not present in all of the MRFPs tested.

Research Findings

Core comprehension

Our primary analysis measure, core comprehension, is a 13-item inventory measuring investors' ability to locate information in the MRFP (i.e., usability) and answer factual questions with some underlying understanding of the content (i.e., comprehension).

All three new Fund Report versions increased core comprehension relative to the control (business-as-usual) report.

As illustrated below, investors answered more comprehension questions correctly by a statistically significant margin when they viewed one of the three new Fund Report versions compared to the control report. The difference between the control (average of 5.34 questions answered correctly) and the best performing format, Version 3 (average of 5.93 questions answered correctly), represents a relative increase in comprehension of about 11%. The difference in comprehension between the control and Versions 1 and 2 represents a relative increase in comprehension of about 7%.

It should be noted that an observed 11% relative increase is an average effect size for effective disclosure redesigns. We are aware of four other studies that examined comprehension outcomes based on the redesign of a financial disclosure:

- Work by the OSC redesigning the Annual Fee Report led to a relative 7% increase in comprehension.[103]
- Based on proposals to expand the Annual Fee Report to include other fees (i.e., to provide "total cost reporting"), the MFDA conducted further testing, leading to a 14% increase in comprehension.[104]
- In the UK, the Financial Conduct Authority found a 14% increase in understanding which fund was the lowest cost by adding a warning about the importance of fees and a comparator chart to the disclosure.[105]
- In Canada, a redesign of the Trusted Contact Person form generated a 7% relative increase in comprehension.[106]

In our exploratory analyses, we then examined whether the differences between each of the three new Fund Report versions themselves were statistically significant. None of those comparisons was statistically significant, so we cannot have a high degree of certainty that Version 3 produces higher levels of comprehension than Versions 1 and 2.

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[103] The Behavioural Insights Team. (2019). *OSC Staff Notice 11-787: Improving Fee Disclosure Through Behavioural Insights*. Retrieved from: https://www.osc.ca/sites/default/files/pdfs/irps/sn_20190819_11-787_improving-fee-disclosure-through-behavioural-insights.pdf

[104] The Behavioural Insights Team. (2021). *Improving Fee Disclosures for Canadian Investors.* Retrieved from: https://mfda.ca/wp-content/uploads/Improving_Fee_Disclosures.pdf

[105] Financial Conduct Authority. (2018). *Now you see it: drawing attention to charges in the asset management industry.* Retrieved from: https://www.fca.org.uk/publication/occasional-papers/occasional-paper-32.pdf

[106] BEworks. (2020). *Protecting Aging Investors through Behavioural Insights.* Retrieved from: https://www.osc.ca/sites/default/files/2020-11/rule_20201109_11-790_protecting-aging-investors-through-behavioural-insights.pdf

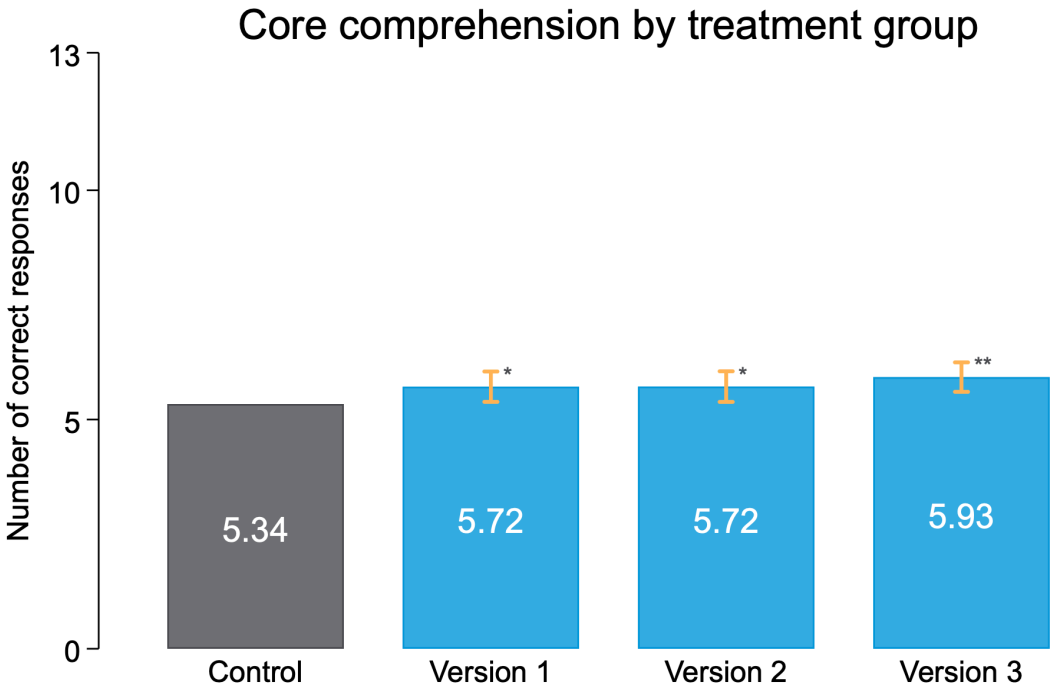


Figure 18: Core comprehension results

n = 2,820
** p < 0.017, * p <0.033, + p < 0.05
Primary analysis, controlling for age, gender, income, and experience reviewing an MRFP[107]

Increases in comprehension were broad-based across the 13-item inventory used to measure this outcome. The new versions performed better on 11 of the 13 questions, with the other two showing virtually no difference against the control. This suggests that the overall redesign of the report structure and features was the critical factor, rather than any treatment (e.g., wording changes) specific to a single section or data point. There were some commonalities to the questions that saw the largest increase: they were generally characterized by information being moved to an earlier position in the MRFP or being called out in a feature "box".

Descriptively, even the highest-performing mock-up, Version 3, generates a relatively low average score (46% of questions answered correctly). This suggests that current or previous investment fund holders, the sample for this study, may require additional support and resources to understand key parameters of the funds they hold.

Scores were particularly low on three of the questions across all versions of the MRFP, including the control.

- Participants struggled to identify the total expenses for the fund (Q9). This question required participants to add together values in two tables. While the

[107] Our thresholds for significance (p < 0.017, p < 0.033 and p <0.05) include a Benjamini-Hochberg correction for multiple comparisons and represent a more conservative approach to statistical significance compared to the usual threshold of 0.05. Error bars represent a 95% confidence interval. The control variables were included as they were hypothesized to influence the outcome variable. Including them in the regression allows us to isolate the control variable's effects from the relationship between the treatment assignment and behavioural intent.

text of the new versions clearly indicated that total expenses were composed of two types of expense (MER and TER), participants tended to answer that it was just the MER value. This suggests that total expenses should be provided as a single value, as is the case in the SEC's hypothetical streamlined shareholder report. More broadly, it suggests that requiring participants to do any mental math, even if quite simple, should be avoided.

- They also struggled to identify the factors that contributed to the performance of the fund (Q4). We do not have a strong hypothesis as to why this is the case, but the MRFPs did use the terms "overweight" and "underweight" to refer to the extent to which the fund invested in certain sectors. It may be that these terms are unfamiliar to investors and should be avoided.
- Last, participants had difficulty quantifying the underperformance of one series of the fund against the relevant benchmark over the previous 10 years (Q12). Similar to the total expenses question, answering this required simple mental math based on data pulled from tables. Further, there were many data points related to returns in the MRFPs, so answering this correctly required a close reading of both the question and the tables in the MRFP. There is not an obvious approach to address this specific gap; we believe that it would benefit from broader changes to further simplify the MRFP (e.g., reduce its length and complexity).

Behavioural intent

Our secondary measure, behavioural intent, measured the self-reported likelihood of an investor reviewing a Fund Report in the future using a 7-point Likert scale ranging from 'not at all likely' to 'definitely likely'.

Versions 2 and 3 increased the likelihood of reviewing a Fund Report in the future compared to the control.

As illustrated below, investors who viewed Versions 2 or 3 reported a higher propensity to review a Fund Report in the future compared to the control by a statistically significant margin. **The estimated impact of reviewing Version 3 instead of the Control was about 6% higher propensity to review a future Fund Report.**

Behavioural intent was descriptively higher among those who viewed Version 1 compared to the control MRFP, but the difference was not large enough to rule out that it's due to chance.

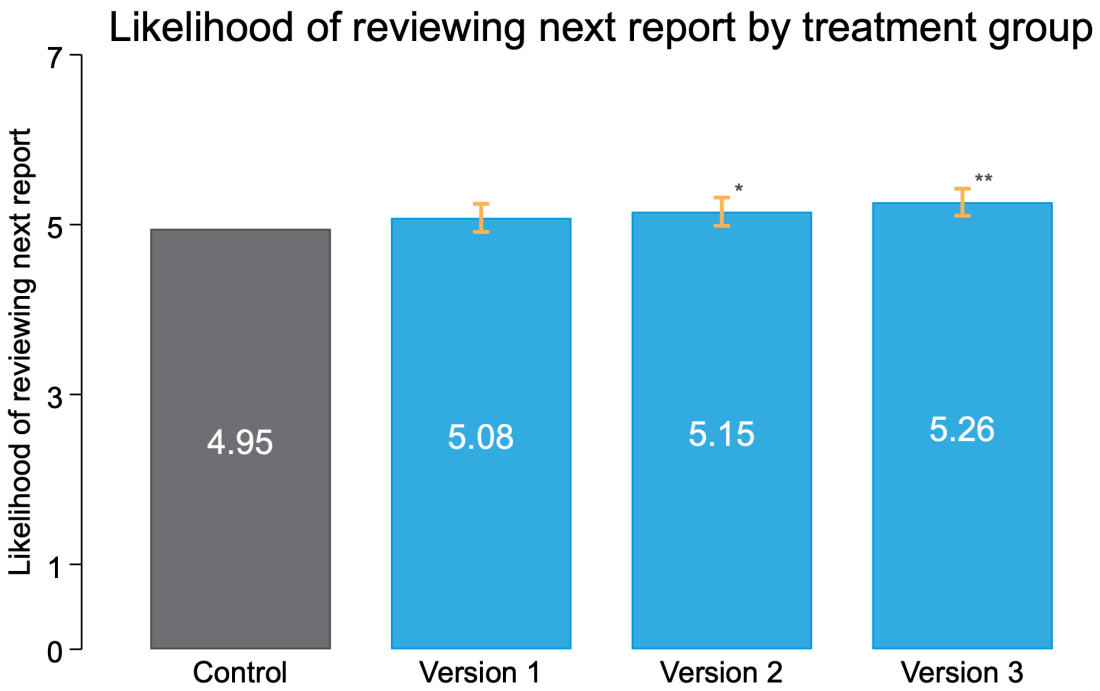


Figure 19: Intent to review future MRFP results

n = 2,820
** p < 0.017, * p <0.033, + p < 0.05
Secondary analysis, controlling for age, gender, income, and experience reviewing an MRFP[108]

Applied comprehension

We also assessed investors' applied comprehension - the ability to find and understand information, and then make correct inferences based on the newly learned information in a subsequent question.

All three new Fund Report versions increased applied comprehension relative to the control (business as usual) report.

Investors answered significantly more applied comprehension questions when they viewed one of the three new MRFP versions compared to the control. **The difference between the control (average of 3.26 questions answered correctly) and the highest performing format, Version 2 (average of 3.46 questions answered correctly), represents a relative increase in applied comprehension of approximately 6%.**

[108] Our thresholds for significance (p < 0.017, p < 0.033 and p <0.05) include a Benjamini-Hochberg correction for multiple comparisons and represent a more conservative approach to statistical significance compared to the usual threshold of 0.05. Error bars represent a 95% confidence interval. The control variables were included as they were hypothesized to influence the outcome variable. Including them in the regression allows us to isolate the control variable's effects from the relationship between the treatment assignment and core comprehension.

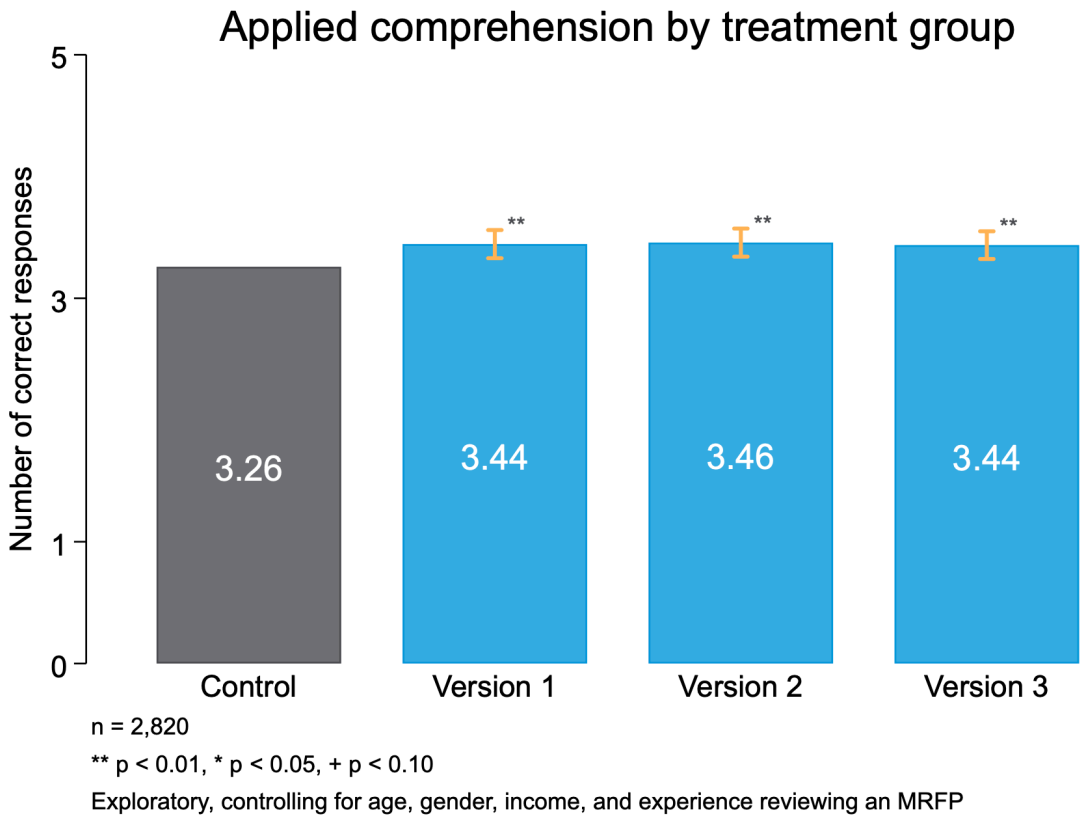


Figure 20: Applied comprehension results

Engagement

After the participants reviewed the version of the report that they were randomly assigned to, we asked them how long they would be willing to spend reviewing an MRFP. Across all groups, the mean (the average time across all participants) was about 23 minutes and the median (the time which roughly 50% of all participants responded with less time than, and roughly 50% of all participants responded with more time than) was about 16 minutes.

We also examined how long participants in each group actually spent completing the study. Across all groups, the mean completion time was 23 minutes. This is somewhat surprising given that the Control and Version 1 were both quite a bit longer than Versions 2 & 3. This suggests that **investors do not spend more time with a report that has more information** – there may be a natural amount of time that each investor is willing to spend. If the information available exceeds that amount of time, investors may stop reading or start skimming. We also looked at whether people dropped out of the experiment more in one of the groups than the others, because this would suggest that the materials assigned to that group were less engaging. However, we found that the "attrition rate" (the proportion of respondents who drop out of the study) was about 25% for each version.

While not definitive, the data suggests that, as with comprehension and behavioural intent, a briefer, less dense MRFP is desirable. This is aligned to the broader behavioural science evidence on limited attention, which indicates that engagement is higher with more brief materials.

Sentiment

After engaging with the MRFPs, investors were asked to self-report their sentiment towards the report they reviewed in terms of the following factors: complexity, volume of information, ability to locate information, and usefulness.

Complexity of information

As illustrated in the chart below, people who saw one of the new MRFPs were more likely to say that the version they reviewed was simple and easy to understand or moderately complex than people in the control group. This suggests that the work done simplifying the new versions was successful. Versions 2 and 3, which were shorter, and in the case of Version 3, provided simplified section summaries, did best on this measure. For both those Versions, the lower level of reported complexity was statistically significant from the Control group (it was not for Version 1). Compared to the control group, participants who saw Version 2 rated the information significantly less complex by 0.08 points on a scale of 1 (simple / easy to understand) to 3 (very complex / hard to understand) (p=0.016.) Participants who saw Version 3 also rated the information significantly less complex by 0.12 points compared to control group participants (p<0.000.)

Descriptively, across all conditions, about a quarter to a third of participants found the information very complex and hard to understand. This suggests the need for even greater simplification, which is challenging given the inherent complexity of investment funds, the need for additional tools and resources, or both.

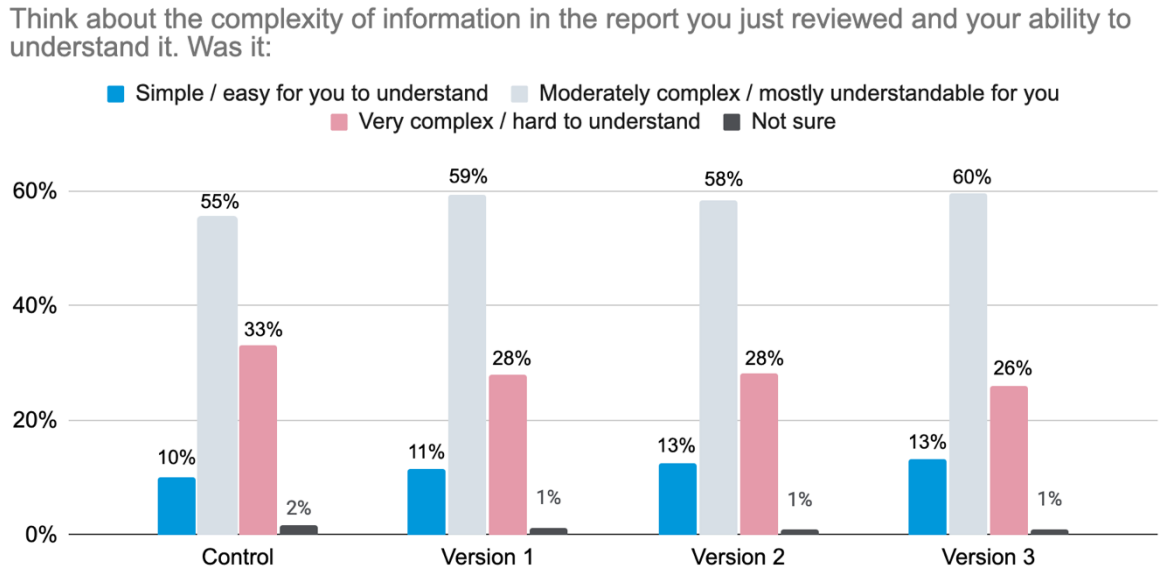


Figure 21: Complexity of information results

Amount of information

Investors who reviewed Version 2 or Version 3 of the report were more likely to say it contained about the right amount of information, compared to the control and Version 1, which were similar in length. Compared to the control group, Version 2 participants

were more likely to think that the amount of information provided was about right or too little (p=0.016). This effect was stronger for Version 3 (p<0.001).[109]

Descriptively, there is a small uptick in investors who reviewed Version 3 identifying that report as having too little information. Given the small magnitude of the increase, we believe shortening the reports as we did in Versions 2 and 3 presents very minimal risk of negatively impacting investors by removing too much information from the reports.

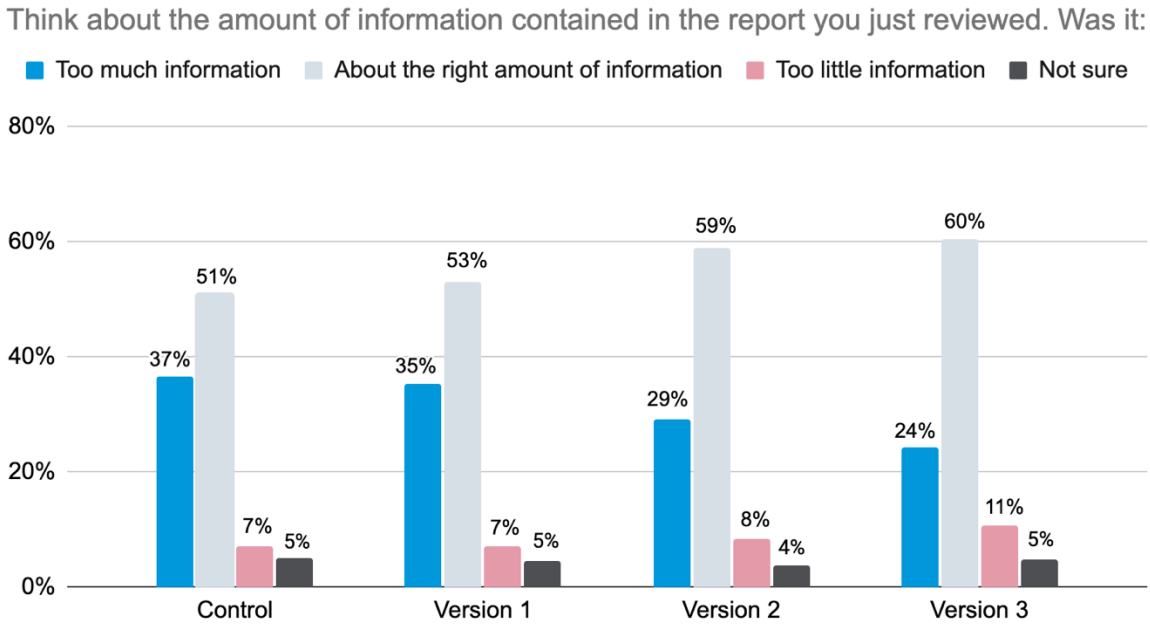


Figure 22: Amount of information results

Ease of navigation

Similar trends to the two previous sentiment questions were observed for ease of navigation. Investors who viewed one of the new versions of the report reported higher levels of ease of finding information within the reports compared to those who reviewed the control by a statistically significant amount. On a scale from 1 (Very easy to find) to 5 (Very difficult to find), treatment participants rated the difficulty of finding information significantly lower by 0.12 points for Version 1 (p=0.033), 0.21 points for Version 2 (p<0.001), and 0.25 for Version 3 (p<0.001) compared to the control group.

[109] The p-values reported in this section are based on analysis that coded "too little information" as 1, "about the right amount of information" as 2, and "too much information" as 3. Using this approach, Version 2 scored 0.08 lower than the control, and Version 3 was 0.17 lower.

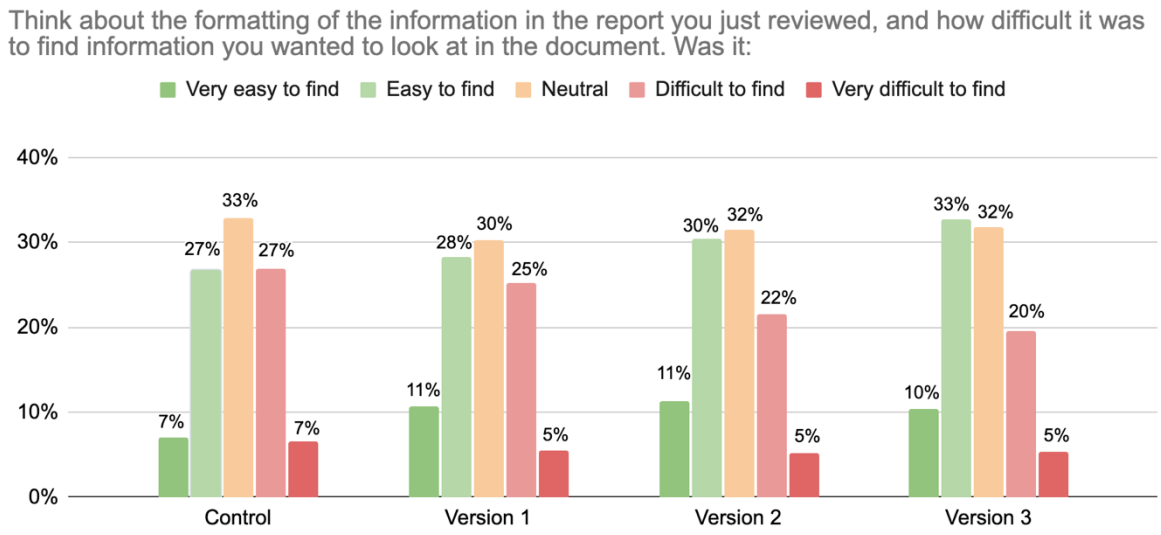


Figure 23: Ease of finding information results

Sufficient understanding

We asked participants whether they felt like they had a sufficient understanding of the fund's status to make decisions regarding their investment. One of the reasons we asked this question was to indirectly assess whether the simpler versions felt *too simple* to support investor decision-making. We do see a small down-tick in agreement with this statement in the shortened Version 3, compared to Versions 1 and 2, although Versions 1, 2 and 3 all do better than the control. On a scale from 1 (strongly disagree) to 5 (strongly agree), participants who saw Version 1 reported higher levels of agreement by 0.14 points (p=0.006), while Version 2 participants reported greater agreement by 0.15 points (p=0.003), compared to the control group. On the other hand, scores in Version 3 were not significantly different than the control group. While this is evidence of a trade-off suggesting that a small proportion of investors may find Version 3 too simple to make decisions compared to Versions 2 and 3, we believe that the benefits in terms of core comprehension, applied comprehension, and the other dimensions of sentiment more than outweigh this consideration.

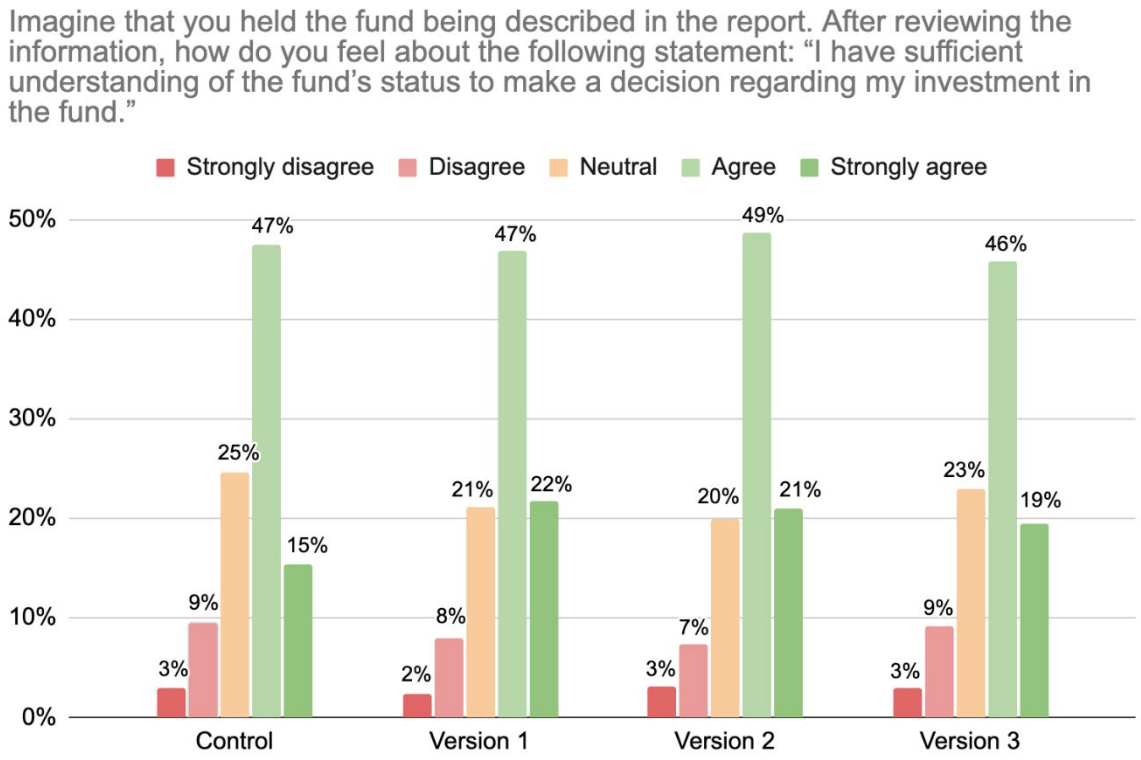


Figure 24: Sufficient understanding to make decisions results

Confidence

We were curious whether the updated MRFP versions applying behavioural insights might inadvertently increase investors' overconfidence. This could create a negative impact if those investors then choose not to seek out additional information. To assess overconfidence, we asked investors to estimate the number of questions they got right and compared that to the actual number. Across all groups, investors were highly overconfident, reflecting a widely held bias in the population. However, there was no increase in overconfidence among the groups receiving the new versions, including the most simplified versions (2 and 3). This suggests that the improvements in comprehension observed for the new versions are not offset by any increase in overconfidence.

	Mean percentage of questions answered correctly[110]		
	Estimated	**Actual**	**Difference**
Control	65%	47%	18%
Version 1	67%	52%	15%
Version 2	70%	53%	17%
Version 3	67%	53%	14%

Figure 25: Calibration results

[110] Included all comprehension questions, including core comprehension, applied comprehension, and additional comprehension questions specific to each report.

Overview of results

A summary of the results across all outcomes is presented below. All reported results are statistically significant compared to the control group. “ND” indicates result was not significantly different than the control group.

	Version 1	Version 2	Version 3
Core comprehension (13-point scale)	+0.38 points	+0.38 points	+0.59 points
Likelihood of reviewing next MRFP (7-point scale)	+0.13 points	+0.20 points	+0.31 points
Applied comprehension (5-point scale)	+0.18 points	+0.20 points	+0.18 points
Time spent completing study	ND	ND	ND
Complexity of information (3-point scale)	ND	+0.08 points	+0.12 points
Amount of information (3-point scale)	ND	+0.08 points	+0.17 points
Ease of finding information (5-point scale)	+0.12 points	+0.21 points	+0.25 points
Sufficient understanding of fund status to make a decision (5-point scale)	+0.14 points	+0.15 points	ND

Figure 26: Overview of results

Recommendations Based on Findings

Findings from this rigorous, high-quality experiment conclusively demonstrate that versions of the MRFP incorporating key behavioural science principles outperform the status quo. We can be confident in this finding because of the research design, which included a large sample size, a well-designed set of outcome measures, and the minimization of other differences between the control version and the new versions (e.g., they used the same colours, branding, etc.). The evidence further suggests, albeit less definitively, that Version 3 is best able to support investor needs. The relative increase in comprehension between the control and Version 3 was 11%, which is in-line with other successful disclosure redesign efforts in Canada and the UK (which achieved 7%-14% relative increases).

We believe that the most significant opportunity to improve comprehension is to further reduce MRFP content. This would reduce the cognitive load / attention required for investors to understand the most essential information. Determining what information, if any, to cut requires securities expertise beyond BIT’s. However, our research suggests that data tables are a particularly strong candidate for consolidation. For example, MRFPs could provide information for only one fund series and / or report total fund expenses rather than each constituent part.

Given the results summarized in Figure 26, which show Version 3 performing best on core comprehension, likelihood of reviewing a future MRFP, and multiple dimensions of investor sentiment, we recommend that the CSA circulate an MRFP substantively like Version 3, but incorporating some of the considerations above, for public comment.

Appendix A - Investor survey: demographics and other characteristics of sample

Demographics and other characteristics

	%
Gender	
Male	57%
Female	42%
Other	1%
Prefer not to say	0%
Age	
18-24 years	7%
25-34 years	18%
35-44 years	20%
45-54 years	17%
55-64 years	20%
65-74 years	16%
75+ years	3%
Province	
Ontario	44%
Quebec	17%
British Columbia	15%
Alberta	11%
Manitoba	4%
Saskatchewan	3%
Nova Scotia	3%
Newfoundland & Labrador	2%
New Brunswick	1%
Northwest Territories	0%
Yukon	0%
Portfolio value	
Less than $50,000	19%
$50,000 to $99,999	16%
$100,000 to $249,999	25%
$250,000 to $499,999	17%
$500,000 to $1,000,000	11%
Greater than $1,000,000	5%
I prefer not to answer	7%
Financial knowledge (self-report)	
Very high	6%
High	28%

Average	49%
Low	13%
Very low	4%
I don’t know	0%
Financial knowledge questions answered correctly (objective knowledge)	
0 correct	10%
1 correct	16%
2 correct	44%
3 correct	30%
N = 604	

Appendix B – Summary of key differences between different versions of the MRFP tested

The following table was prepared by the CSA to summarize key differences across versions of the Fund Report.

Section	**Version 1**	**Version 2**	**Version 3**
Top of First Page	• Text on the nature of the report and its importance in making informed decisions about one's investments • Statement regarding the target audience of the document and estimated reading time • Listing of contents	*See Version 1*	*See Version 2*

1. Investment Objective and Strategies Discussion	• Include standardized disclaimer regarding forward-looking information.
	• Present the following in a table:
	  ○ Left column: Provide a summary of the investment objective and strategies
	  ○ Middle column: Provide a discussion of how the investment fund is doing in achieving/ satisfying the investment objectives and strategies
	  ○ Right column: Discuss factors impacting the fund's ability to satisfy its investment objectives and strategies in the future
	• Incorporate the following information into the table:
	  ○ For all funds, discuss key metrics (no more than five) used to measure performance and which have been identified
		See Version 1	*See Version 2, with the following revisions:*
			
			• Design elements:
			  ○ Direct section heading
			  ○ Delete "Tips When Reviewing this Section"

	in objectives and strategies; same for performance. ○ For ESG funds, specific reference should be made to how the fund has achieved its ESG Focus (refer to SN 81-334). • Design elements: ○ Question as section heading ○ "Tips When Reviewing this Section"		
2. Portfolio Holdings	• List of top 25 holdings • Portfolio subgroup breakdown in the form of a pie chart, with title "Investment Mix" • Discussion of increased and decreased exposures, in the form of a table • Design elements: ○ Question as section heading ○ "Tips When Reviewing this Section" ○ "How to Read this Information"	*See Version 1, with the following revisions:* • List of top 10 holdings • Design elements: ○ Add "More Information" section	*See Version 2, with the following revisions:* • Delete top 10 holdings • Delete pie chart • Streamline discussion • Design elements: ○ Direct section heading ○ Summary ○ Delete "Tips When Reviewing this Section" ○ Revise content in "More Information" section
3. Costs	• Tabular presentation of MER, MER before absorption, and TER for last three years; one table per series • Design elements: ○ Question as section heading ○ "Tips When Reviewing this Section" ○ "Did you know…"	*See Version 1*	*See Version 2, with the following revisions:* • One table per statistic • Design elements: ○ Direct section heading ○ Summary ○ Delete "Tips When Reviewing this Section" but incorporate information into "Did you know…" section
4. Performance	• Description of factors impacting performance in the form of a table. • Year-by-year return bar charts, for all series	*See Version 1, with the following revisions:* • Present performance information for **only** the following series: ○ highest management fee	*See Version 2, with the following revisions:* • Present performance information for **only** the following series: ○ highest management fee

	• Annual compound returns table (1 year, 3 years, 5 years, 10 years, since inception), for all series and benchmark
	• Growth of $1000 investment line graph, for last ten years, for the following series:
	  ○ highest management fee
	  ○ lowest management fee available to a retail investor
	  ○ most popular by net assets
	  ○ if applicable, any other series for which performance would vary based on a characteristic besides fees (e.g. a currency hedged series)
	• Design elements:
	  ○ Question as section heading
	  ○ "Tips When Reviewing this Section"
	  ○ "Important"
	  ○ "Assumptions"
	  ○ "How to Read this Information"
	  ○ "More information"
		○ lowest management fee available to a retail investor
		○ most popular by net assets
		○ if applicable, any other series for which performance would vary based on a characteristic besides fees (e.g. a currency hedged series)
			○ if applicable, any other series for which performance would vary based on a characteristic besides fees (e.g. a currency hedged series)
			• Design elements:
			  ○ Direct section heading
			  ○ Summary
			  ○ Delete "Tips When Reviewing this Section"
			  ○ Delete "Assumptions"

5. NAV per Unit Change	• The Fund's Net Assets per [Unit/Share]" table, for all series
	• Design elements:
	  ○ Question as section heading
	  ○ "Tips When Reviewing this Section"
	  ○ "More Information"
		Delete	Delete

6. Statistics	• Tabular presentation of Portfolio Turnover Rate, Distributions ($), Distribution Rate (%), for last three years; one table per series
	• Design elements
	  ○ Question as section heading
	  ○ "Tips When Reviewing this Section"
	  ○ "Did you know…"
		See Version 1	*See Version 2, with the following revisions:*
			
			• Design elements
			  ○ Direct section heading
			  ○ Summary
			  ○ Delete "Tips When Reviewing this Section"

7. Risk Profile	• Discuss overall risk level changes in a sentence
	• In a table:
	  ○ advise whether risk rating changed
	  ○ advise whether risks added or removed in the prospectus
	• Design elements:
	  ○ Question as section heading
	  ○ "Tips When Reviewing this Section"
	  ○ "Did you know…"
	  ○ "More Information"
		See Version 1	*See Version 2, with the following revisions:*
			
			• Design elements:
			  ○ Direct section heading
			  ○ Delete "Tips When Reviewing this Section" but incorporate information into "Did you know…" section

8. Liquidity Profile	• Discussion of the fund's liquidity profile over the reporting period with specific reference to the fund's ability to satisfy redemptions on a timely basis. Reference the following in the discussion, if applicable:
	  ○ below graphic
	  ○ significant liquidity challenges
	  ○ changes in market conditions
	  ○ significant redemptions
	• Bar graph displaying portfolio liquidity. This will be shown as percentage of portfolio based on weighted average using NAV that can be liquidated within a specified time period. The time periods will be (note last three consolidated):
	  ○ 1 day
	  ○ 2-7 days
	  ○ 8-30 days
	  ○ 31-90 days
	  ○ 91-180 days
	  ○ 181-365 days
	  ○ Over one year
	• Design elements:
	  ○ Question as section heading
	  ○ "Tips When Reviewing this Section"
	  ○ "Did you know…"
	  ○ "How to Read this Information"
		See Version 1	*See Version 2, with the following revisions:*
			
			• Pie chart instead of bar graph
			• Design elements:
			  ○ Direct section heading
			  ○ Summary
			  ○ Delete "Tips When Reviewing this Section" but incorporate information into "Did you know…" section

9. Borrowing and Leverage	• Include disclosure required by Form 81-106F1, Part B, Items 2.3(2) and (3) even if answered in the negative
	• Design elements:
	  ○ Question as section heading
		See Version 1	*See Version 2, with the following revisions:*
			• Design elements:
			  ○ Direct section heading

10. Operations	• In the form of a table, include disclosure regarding changes to key parties, impacts of reorganizations, etc.
	• Design elements:
	  ○ Question as section heading
	  ○ "Tips When Reviewing this Section"
	  ○ "More Information"
		Deleted	Deleted

11. Other Material Information	• Discuss any other material information relating to the investment fund not otherwise covered • Design elements: ○ Question as section heading	*See Version 1*	Deleted but replace with reference to material change reports in section below
12. Additional Resources	• List other information that is available on the investment fund (e.g. prospectus) and identify location • Contact information for investment fund manager • Refer investors to Understanding mutual funds brochure • Flag date of next MRFP • Design elements: ○ Question as section heading	*See Version 1, with the following revisions:* • Delete listing of additional information documents (but still reference the financial statements and brochure)	*See Version 2* and see above.

Appendix C – Experiment demographics and other characteristics of sample

Demographics and other characteristics

	%
Language experiment was completed in	
English	75%
French	25%
Gender	
Male	59%
Female	40%
Other	1%
Prefer not to say	0%
Age	
18-24 years	6%
25-34 years	21%
35-44 years	24%
45-54 years	16%
55-64 years	17%
65-74 years	12%
75+ years	3%
Province	
Ontario	46%
Quebec	18%
British Columbia	13%
Alberta	10%
Manitoba	4%
Saskatchewan	2%
Nova Scotia	3%
Newfoundland & Labrador	1%
New Brunswick	2%
Northwest Territories	<1%
Yukon	<1%
Income	

Less than $45,000	22%
$45,000 to $90,000	36%
Over $90,000	39%
Prefer not to say	3%
N = 2,820	

Appendix D – Detailed experiment findings

Pre-screening question

Do you own any of the following investments either inside or outside of an investment account, including a registered investment account such as an RRSP, an RESP, a RRIF, or a TFSA? [Select all that apply].

	Control	Version 1	Version 2	Version 3
(a) I currently do not own any investments	-	-	-	-
(b) Stocks in individual companies	52%	50%	50%	49%
(c) Real Estate Investment Trusts (REITs)	27%	27%	28%	26%
(d) Bonds (e.g. Canada Savings Bonds) or notes	44%	42%	40%	41%
(e) Guaranteed Investment Certificates (GICs) or term deposits	53%	54%	52%	53%
(f) Mutual funds	73%	73%	75%	70%
(g) Exchange-traded funds (ETFs)	47%	49%	45%	42%
(h) Non-redeemable investment funds (e.g. closed-end funds)	12%	14%	15%	11%
(i) Investment funds other than those listed in (f)-(h) above	11%	10%	10%	9%
(j) Other types of investments not listed here (e.g. derivatives, hedge funds, crowdfunding investments)	19%	17%	18%	18%
(k) I don't know	-	-	-	-

N = 2,820

Participants had to hold at least one of the underlined response options to be included in the study.

Previous exposure to MRFP

Q1. To the best of your recollection, have you ever received or obtained a Management Report of Fund Performance (MRFP), for an investment fund that you hold?				
	Control	Version 1	Version 2	Version 3
Yes, and I reviewed it	61%	62%	63%	63%
Yes, but I did not review it	26%	26%	22%	23%
No	13%	11%	15%	14%
				N = 2,820

Core comprehension

Q1. Which of the following statements most accurately describes the purpose of the report and the information it contains?				
	Control	Version 1	Version 2	Version 3
% Correct	39%	42%	39%	44%

N = 2,820

Response options below (correct response underlined).

- It is a type of advertisement published in respect of an investment fund. It is designed to convince you to invest in the fund
- It provides a detailed description of all material facts pertaining to an investment fund. It is designed to help you decide whether to invest in the fund or not
- <u>It provides an update regarding an investment fund, including major events and performance over the period of time it is intended to cover. It is designed to help you confirm whether you want to continue to hold an investment you already own</u>
- It provides a concise summary of an investment fund's investment objectives and strategies, along with information regarding its performance and the costs associated with holding it. It is designed to help you determine whether to become an owner of the investment fund

Q2. Which of the following best describes the investment objectives and investment strategies of the fund?				
	Control	Version 1	Version 2	Version 3
% Correct	46%	50%	50%	54%

N = 2,820

Response options below (correct response underlined).

- Increase the value of your investment by investing in a broad range of equity securities of Canadian companies of any size and from any industry
- Achieve capital growth through total returns by using a strategic asset allocation approach
- To provide long-term capital growth by replicating, to the extent possible, the performance of the S&P 500 Index, net of expenses.
- To provide long-term capital growth by investing primarily in a broadly diversified portfolio of equity securities of businesses that pay or are expected to pay a dividend or distribution.

Q3. How did the performance of the fund's Series A units compare to the performance of the relevant benchmark over the last year?

	Control	Version 1	Version 2	Version 3
% Correct	38%	48%	50%	52%

N = 2,820

Response options below (correct response underlined).

- They outperformed the benchmark
- They had the same performance as the benchmark
- They underperformed the benchmark

Q4. Which of the following factors affected the fund's performance?

	Control	Version 1	Version 2	Version 3
% Correct	38%	37%	38%	35%

N = 2,820

Response options below (correct response underlined).

- The fund's higher level of investment in the energy sector contributed to its performance, while its higher level of investment in the financials sector detracted from its performance
- The fund's higher level of investment in the energy sector contributed to its performance, while its lower level of investment in the materials sector detracted from its performance
- The fund's higher level of investment in the financial sector contributed to its performance, while some investments in the materials sector detracted from its performance
- The fund's higher level of investment in financial sector contributed to its performance, while its higher level of investment in the communications sector detracted from its performance

Q5. How did the portfolio holdings change during the review period?

	Control	Version 1	Version 2	Version 3
% Correct	33%	41%	41%	52%

N = 2,820

Response options below (correct response underlined).

- The fund is now more exposed to financial industry stocks and less exposed to energy industry stocks
- <u>The fund is now more exposed to energy industry stocks and less exposed to materials sector stocks</u>
- The fund is now more exposed to energy industry stocks and less exposed to financial industry stocks
- There were no changes to the portfolio holdings

Q6. To what extent does the fund use leverage?

	Control	Version 1	Version 2	Version 3
% Correct	49%	49%	50%	53%

N = 2,820

Response options below (correct response underlined).

- The fund uses a significant amount of leverage
- The fund uses a moderate amount of leverage
- <u>The fund does not use leverage</u>

Q7. What factors does the fund's management team think may impact the fund in the future?

	Control	Version 1	Version 2	Version 3
% Correct	60%	64%	66%	63%

N = 2,820

Response options below (correct response underlined).

- <u>High inflation levels, supply-chain issues, geopolitical uncertainty, rising interest rates</u>
- Low inflation levels, resolution of supply chain issues, geopolitical stability, decreasing interest rates
- Low inflation levels, supply chain issues, geopolitical stability, increasing interest rates
- High inflation levels, supply-chain issues, geopolitical stability, decreasing interest rates

Q8. Which Series has the highest Management Expense Ratio?

	Control	Version 1	Version 2	Version 3
% Correct	53%	53%	58%	56%

N = 2,820

Response options below (correct response underlined).

- <u>Series A</u>
- Series B
- Series T5
- Series FT5
- Series D
- Series I
- Series F
- Series O

Q9. What were the fund's total expenses, as a percentage of net assets, for Series F in 2022?

	Control	Version 1	Version 2	Version 3
% Correct	16%	21%	21%	18%

N = 2,820

Response options below (correct response underlined).

- <u>0.84%</u>
- 0.77%
- 2.57%
- 0.70%

Q10. Which of the following describes the relationship between past and future performance?

	Control	Version 1	Version 2	Version 3
% Correct	56%	58%	58%	60%

N = 2,820

Response options below (correct response underlined).

- <u>Past performance does not necessarily indicate how the fund may perform in the future</u>
- Past performance is a strong predictor how the fund may perform in the future
- Recent past performance is a stronger predictor of future performance than long-term past performance

Q11. Which of the following years saw negative annual returns for Series A? [Select all that apply]

	Control	Version 1	Version 2	Version 3

% Correct	40%	40%	36%	41%

N = 2,820

Response options below (correct response underlined).

- 2013
- 2014
- 2015
- 2016
- 2017
- <u>2018</u>
- 2019
- 2020
- <u>2021</u>
- 2022

Q12. Over the last 10 years, how did Series A of the fund perform against the benchmark in terms of annual compound returns?

	Control	Version 1	Version 2	Version 3
% Correct	28%	30%	32%	31%

N = 2,820

Response options below (correct response underlined).

- Series A outperformed the benchmark by 2.0% per year
- Series A outperformed the benchmark by 1.0% per year
- Series A had the same performance as the benchmark
- Series A underperformed the benchmark by 1.0% per year
- <u>Series A underperformed the benchmark by 2.0% per year</u>

Q13. Which of the following best describes what a Portfolio Turnover Rate (PTR) represents?

	Control	Version 1	Version 2	Version 3
% Correct	40%	51%	50%	52%

N = 2,820

Response options below (correct response underlined).

- <u>How actively the fund's portfolio advisor manages its portfolio investments</u>
- How readily the portfolio assets of a fund can be converted into cash
- Total commissions and other portfolio transaction costs incurred as an annualized percentage of daily average net assets during the period
- Total of the fund's management fee (which includes the trailing commission) and operating expenses

Total core comprehension score (out of 13)

	Control	Version 1	Version 2	Version 3
Mean	5.34	5.70	5.76	5.94
				N = 2,820

Applied comprehension

Q1. A key element of your new investment strategy is to invest in actively managed mutual funds focused on equities. Would XYZ Canadian Equity Fund be aligned with your strategy?				
	Control	**Version 1**	**Version 2**	**Version 3**
% Correct	73%	77%	76%	77%
Response options below (correct response underlined). • Yes • No				**N = 2,820**

Q2. A key element of your new investment strategy is to receive distribution payments from each of your investments. Would XYZ Canadian Equity Fund be aligned with your strategy?				
	Control	**Version 1**	**Version 2**	**Version 3**
% Correct	69%	73%	77%	75%
Response options below (correct response underlined). • Yes • No				**N = 2,820**

Q3. You are reviewing your portfolio and the risk level associated with each of your investments to ensure they have not increased. Would you be comfortable with the changes in risk associated with XYZ Canadian Equity Fund?				
	Control	**Version 1**	**Version 2**	**Version 3**
% Correct	76%	78%	77%	78%
Response options below (correct response underlined). • Yes • No				**N = 2,820**

Q4. You believe that holding certain companies in the energy sector in your investment portfolio, even indirectly, does not align with your values as an investor. Based on the XYZ Canadian fund's exposure to certain sectors of the Canadian economy, is this an issue you would need to investigate further?				
	Control	Version 1	Version 2	Version 3
% Correct	72%	77%	73%	71%
Response options below (correct response underlined). • <u>Yes</u> • No				**N = 2,820**

Q5. You are reviewing the investments in your portfolio. It is your expectation that your investments would have outperformed their respective benchmarks over the past year. You hold series A units of XYZ Canadian Equity Fund. Would XYZ Canadian Equity fund satisfy your expectation?				
	Control	Version 1	Version 2	Version 3
% Correct	36%	40%	45%	41%
Response options below (correct response underlined). • Yes • <u>No</u>				**N = 2,820**

Total applied comprehension score (out of 5)				
	Control	Version 1	Version 2	Version 3
Mean	3.26	3.45	3.47	3.42
				N = 2,820

Information not available in all versions

Q1. Which of the following options best describes the liquidity profile of the fund?				
	Control	Version 1	Version 2	Version 3
% Correct	[Not available]	51%	54%	59%

N = 2,146

Response options below (correct response underlined).

- <u>Most of the fund's holdings could be converted to cash within one week</u>
- Some of the fund's holdings could be converted to cash within one week
- A few of the fund's holdings could be converted to cash within one week
- None of the fund's holdings could be converted to cash within one week

Q2. Is this fund invested in healthcare services companies?

	Control	Version 1	Version 2	Version 3
% Correct	59%	70%	69%	[Not available]

N = 2,072

Response options below (correct response underlined).

- <u>Yes</u>
- No

Q3. What was the distribution rate, as a percentage, for Series A in 2021?

	Control	Version 1	Version 2	Version 3
% Correct	[Not available]	52%	61%	64%

N = 2,146

Response options below (correct response underlined).

- <u>6.50%</u>
- 7.50%
- 8.40%
- 8.70%

Q4. Which of the following is true of the difference in performance between Series A and Series D units over any period of time?

	Control	Version 1	Version 2	Version 3
% Correct	48%	49%	[Not available]	[Not available]

N = 1,374

Response options below (correct response underlined).

- Series A outperforms Series D

- Series D outperforms Series A
- Series A and Series D have the same performance
- There is not enough information to tell which series performs better

Q5. Which of the following is not a document prepared by XYZ Canadian Equity Fund that you could reference to find more information regarding the fund?

	Control	Version 1	Version 2	Version 3
% Correct	16%	40%	[Not available]	[Not available]

N = 1,374

Response options below (correct response underlined).

- Simplified Prospectus
- Mutual Fund Proxy Voting Policies and Procedures
- Independent Review Committee Report to Securityholders
- Management's Discussion & Analysis (MD&A)

Behavioural Intent

If you received an annual report on an investment fund you hold in the mail or online, how long would you be willing to spend reviewing it? [Sliding scale]

	Control	Version 1	Version 2	Version 3
Mean (minutes)	22.48	24.08	22.91	22.25

N = 2,820

After reading this report, how likely would you be to review the next report for XYZ Canadian Equity Fund? (Scale: 1 (not at all) - 7 (definitely)

	Control	Version 1	Version 2	Version 3
Mean (minutes)	4.95	5.10	5.18	5.26

N = 2,820

Confidence

You just answered [20 (Version 3)/ 21 (Control, Version 2) / 23 (Version 1)] questions. How many of those questions do you estimate you answered correctly?

	Control	Version 1	Version 2	Version 3
Mean (%)	65%	67%	70%	67%
				N = 2,820

Sentiment

Think about the complexity of information in the report you just reviewed and your ability to understand it. Was it:				
	Control	**Version 1**	**Version 2**	**Version 3**
Simple / easy for you to understand	10%	11%	13%	13%
Moderately complex / mostly understandable for you	55%	59%	58%	60%
Very complex / hard to understand	33%	28%	28%	26%
Not sure	2%	1%	1%	1%
				N = 2,820

Think about the amount of information contained in the report you just reviewed. Was it:				
	Control	**Version 1**	**Version 2**	**Version 3**
Too much information	37%	35%	29%	24%
About the right amount of information	51%	53%	58%	60%
Too little information	7%	7%	8%	11%
Not sure	5%	5%	4%	5%
				N = 2,820

Think about the formatting of the information in the report you just reviewed, and how difficult it was to find information you wanted to look at in the document. Was it:

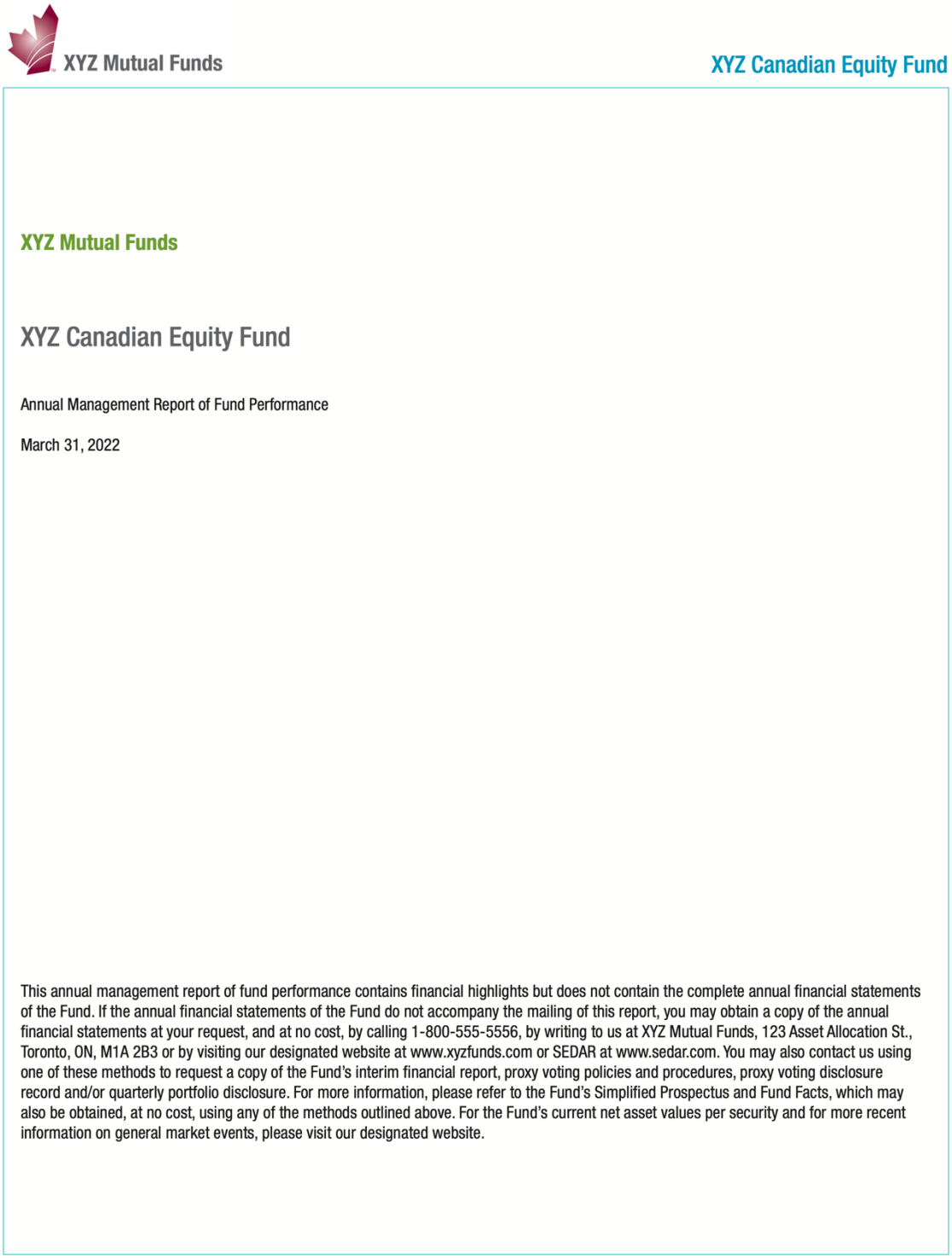
	Control	Version 1	Version 2	Version 3
Very easy to find	7%	11%	11%	10%
Easy to find	27%	28%	30%	32%
Neutral	33%	30%	32%	42%
Difficult to find	27%	25%	22%	20%
Very difficult to find	7%	5%	5%	5%
				N = 2,820

Imagine that you held the fund being described in the report. After reviewing the information, how do you feel about the following statement: "I have sufficient understanding of the fund's status to make a decision regarding my investment in the fund."

	Control	Version 1	Version 2	Version 3
Strongly agree	15%	22%	20%	19%
Agree	48%	47%	49%	46%
Neutral	25%	21%	20%	23%
Disagree	10%	8%	7%	9%
Strongly disagree	3%	2%	3%	3%
				N = 2,820

Appendix E – MRFP versions tested

Control Version (English)



XYZ Mutual Funds

XYZ Canadian Equity Fund

XYZ Mutual Funds

XYZ Canadian Equity Fund

Annual Management Report of Fund Performance

March 31, 2022

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Fund. If the annual financial statements of the Fund do not accompany the mailing of this report, you may obtain a copy of the annual financial statements at your request, and at no cost, by calling 1-800-555-5556, by writing to us at XYZ Mutual Funds, 123 Asset Allocation St., Toronto, ON, M1A 2B3 or by visiting our designated website at www.xyzfunds.com or SEDAR at www.sedar.com. You may also contact us using one of these methods to request a copy of the Fund's interim financial report, proxy voting policies and procedures, proxy voting disclosure record and/or quarterly portfolio disclosure. For more information, please refer to the Fund's Simplified Prospectus and Fund Facts, which may also be obtained, at no cost, using any of the methods outlined above. For the Fund's current net asset values per security and for more recent information on general market events, please visit our designated website.

Annual Management Report of Fund Performance 1

XYZ Mutual Funds

XYZ Canadian Equity Fund

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements that reflect our current expectations or forecasts of future events. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", "preliminary", "typical" and other similar expressions or negative versions thereof.

In addition, these statements may relate to future corporate actions, future financial performance of a fund or a security and their future investment strategies and prospects. Forward-looking statements are inherently subject to, among other things, risks, uncertainties and assumptions that could cause actual events, results, performance or prospects to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and assumptions include, without limitation, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, the volatility of global equity and capital markets, business competition, technological change, changes in government regulations, changes in securities laws and regulations, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, outbreaks of disease or pandemics (such as COVID-19), and the ability of XYZ Mutual Funds to attract or retain key employees.

It should be stressed that the above-mentioned list of important factors is not exhaustive. You are encouraged to consider these and other factors carefully before making any investment decisions and you are urged to avoid placing undue reliance on forward-looking statements. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility. Further, you should be aware of the fact that the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance.

XYZ Mutual Funds

XYZ Canadian Equity Fund

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

as at March 31, 2022

XYZ Canadian Equity Fund

Management Discussion of Fund Performance

This Management Discussion of Fund Performance presents the portfolio management team's view on the significant factors and developments that have affected the Fund's performance and outlook in the year ended March 31, 2022.

Investment Objective and Strategies

Investment Objective

Increase the value of your investment by investing in a broad range of equity securities of Canadian companies.

Strategies

The portfolio manager invests in Canadian equity securities of any size and from any industry. The portfolio manager employs a systematic model based on fundamental equity analysis to identify and select equities that trade below their intrinsic value, demonstrate superior earnings growth and positive price momentum. The portfolio manager also uses a responsible investment approach in the security selection process.

Risk

The risks associated with an investment in the Fund remain as disclosed in the Fund's most recent simplified prospectus or any amendments thereto and its most recent Fund Facts. During the period, there were no changes to the Fund that materially affected the overall risk level associated with an investment in the Fund. The Manager reviewed the Fund using the standardized investment risk classification methodology prescribed by National Instrument 81-102 *Investment Funds* and determined on January 31, 2022 that the risk rating of the Fund had not changed. The Manager reviews the Fund's investment risk level and reference index, if any, at least annually.

The suitability of the Fund for investors remains as discussed in the Fund's most recent Fund Facts.

Results of Operations

During the period, the net asset value of the Fund increased from $1.05 billion to $1.2 billion due to positive performance, partially offset by net redemptions.

Market Overview

The following comparison to market indices is intended to help investors understand the Fund's performance relative to the general performance of the markets. However, the Fund's mandate may be different from that of the indices shown.

Over the period, the Fund's Series A units gained 26.2%, which was lower than the 27.5% rise in the S&P/TSX Composite Total Return Index benchmark. The Fund's return is after the deduction of fees and expenses, while benchmark returns do not include any costs of investing.

See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

Canadian equities rose strongly over the period, driven by investor rotation into accelerating cyclical sectors and higher commodity prices. Canada's largest sectors, financials and energy, performed particularly well. Financials benefited from share buybacks and from the lifting of restraints on cash reserves and dividend increases that had been implemented as a result of government policy changes. Energy companies were bolstered by a sharp rise in commodity prices.

Factors Affecting Performance

The Fund's overweight allocation to the Financials sector contributed to performance. For example, exposure to Canada-based banking firms Royal Bank of Canada, Toronto-Dominion Bank and The Bank of Nova Scotia contributed to relative returns. Exposure to certain stocks in the information technology sector, such as Canada-based software and services firm Dye & Durham and Canada-based software and services firm Docebo, also contributed to relative returns.

The Fund's performance was limited by investments in certain stocks in the materials sector, such as Canada-based gold firms Barrick Gold Corp. and Agnico-Eagle Mines, as well as underweight allocation to the communication services sector, for example to Canada-based telecommunication services firm BCE Inc. and Canada-based media and entertainment firm Quebecor Inc.

Portfolio Changes

During the review period, the investment team increased the Fund's exposure to the energy industry. For example, a new position in AltaGas Ltd. was added to the Fund. AltaGas Ltd. is a diversified energy infrastructure company with a balanced exposure to U.S.-regulated gas distribution utilities and North American midstream assets. The stock's solid earnings quality, management quality, valuation and strong market sentiment were attractive to the portfolio manager, as was the company's improved regulated

utility business.

Exposure to the materials sector was decreased due to an expected slowdown in that sector. In particular, the investment team reduced exposure to Canada-based gold firm Barrick Gold Corp.

For information on the Fund's performance and composition, please refer to the Past Performance section and Summary of Investment Portfolio section of this report.

Borrowing

The Fund may borrow cash in accordance with the restrictions in National Instrument 81-102 *Investment Funds*, and, in accordance with the terms of exemptive relief, as a temporary measure to fund the portion of any distributions payable to unitholders that represent amounts that have not yet been received by the Fund. Pursuant to such relief, the borrowing may not be for a period longer than 45 days, and the Fund is limited to borrowing up to the amount of the distribution that is payable to, but has not yet been received, by the Fund and, in any event, not more than 5% of the net assets of the Fund. For the year ended March 31, 2022, the Fund did not borrow any cash.

Leverage

This fund is not permitted to use leverage.

Recent Developments

The portfolio management team remains positive on the long-term prospects for Canadian equities. However, given the strong equity market performance in the period coupled with full valuation levels across most sectors, the team expects more modest returns. In the team's opinion, equity markets and the global economy may be challenged by high inflation levels, continued supply-chain issues, geopolitical uncertainty and rising interest rates. In addition, the team believes there is risk related to U.S. Federal Reserve policy, which could slow growth by raising interest rates too quickly or could fail to contain inflation by raising them too slowly, leading to larger rate increases.

Effective January 18, 2022, Ms. Jane Doe resigned from the Independent Review Committee (the "IRC"). Effective February 12, 2022, Mr. John Doe was appointed to the IRC.

Related Party Transactions

Trustee

XYZ Mutual Funds is the trustee of the Fund. The trustee holds legal title to the Fund's investments in trust for securityholders. XYZ Mutual Funds, as trustee, earns a fee, which is paid from the fixed administration fee paid by the Fund.

Manager

XYZ Mutual Funds is the Manager of the Fund. The Manager is responsible for the provision of all general management and administrative services required by the Fund in its day-to-day operations, including providing or arranging for the provision of investment advice, bookkeeping, recordkeeping and other administrative services for the Fund. XYZ Mutual Funds is paid a management fee by the Fund as compensation for its services. The Fund also pays a fixed administration fee to XYZ Mutual Funds, which, in turn, pays certain operating expenses of the Fund (the "Fund Expenses"). Fund Expenses, include expenses incurred in respect of preparing and distributing Fund Facts, interest or other borrowing expenses, all reasonable costs and expenses incurred in relation to compliance with National Instrument 81-107 *Independent Review Committee for Investment Funds*, including compensation and expenses payable to the Fund's IRC members, and taxes to which the Fund is or might be subject. Fund Expenses are allocated proportionately among the relevant series. If the Fund Expenses are specific to a series, the Fund Expenses are allocated to that series. Both the management fee and fixed administration fee are calculated and accrued daily as a percentage of the net asset value of each series of units of the Fund. Further details about the fixed administration fee and Fund Expenses can be found in the Fund's most recent simplified prospectus at www.xyzfunds.com or www.sedar.com.

From time to time, the Manager may, on behalf of the Fund, enter into transactions or arrangements with or involving persons or companies that are related or connected to the Manager (each a "Related Party"). The purpose of this section is to provide a brief description of any transaction involving the Fund and a Related Party.

Portfolio Manager

The Fund's portfolio manager is Capital Asset Management Ltd., an affiliate of the Manager. Capital Asset Management Ltd. provides portfolio management services to the Fund. The portfolio manager is responsible for managing the investment portfolio of the Fund directly or through sub-advisors. Capital Asset Management Ltd. receives from the Manager a management fee based on assets under management, calculated daily and payable monthly.

Distributors

XYZ Mutual Funds is the principal distributor of certain series of units of the Fund. Dealers may receive an ongoing commission based on the total value of their clients' investment in certain series of units of the Fund.

Registrar

XYZ Mutual Funds is the registrar of the Fund and keeps records of who owns units of the Fund. The registrar earns a fee, which is paid

XYZ Mutual Funds

XYZ Canadian Equity Fund

by the Manager from the fixed administration fee paid by the Fund.

Brokers and Dealers

The Fund has established standard brokerage and dealing agreements at market rates with related parties. For the periods ended March 31, 2021 and March 31, 2022, the related-party commissions were $171,000 (2020 - $145,000) or 26% (2020 - 22%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

During the period, the Fund relied on standing instructions provided by the IRC for any of the following related party transactions that may have occurred in the Fund:

(a) investments in securities issued by an affiliate of the Manager, or any other issuer related to the Manager;

(b) investments in a class of non-government debt securities and/or equity securities of an issuer during the period of distribution of those securities to the public and/or the 60-day period following the distribution period where any affiliate of the Manager acted as an underwriter in the distribution;

(c) trades in debt securities in the secondary market with an affiliate of the Manager, that is trading with the Fund as principal; and

(d) inter-fund trades

(each, a "Related Party Transaction").

In accordance with the IRC's standing instructions, in making a decision to cause the Fund to enter into a Related Party Transaction, the Manager and the portfolio manager of the Fund are required to comply with the Manager's written policies and procedures governing the Related Party Transaction and report periodically to the IRC, describing each instance that the Manager relied on the standing instructions and its compliance or non-compliance with the governing policies and procedures. The governing policies and procedures are designed to ensure that each Related Party Transaction (i) is made free from any influence of any affiliates of the Manager or any affiliate/associate of such parties, and without taking into account any considerations relevant to any affiliates of the Manager or any affiliate/associate of such parties; (ii) represents the business judgment of the Manager, uninfluenced by considerations other than the best interests of the Fund; and (iii) achieves a fair and reasonable result for the Fund.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the period end of the years shown. This information is derived from the Fund's audited annual and/or unaudited semi-annual financial statements. Please see the front page for information about how you can obtain the Fund's annual or semi-annual financial statements.

The Fund's Net Assets per Security ($)[1]

Series A

Series A	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2018
Net Assets, Beginning of Period	**10.68**	11.49	9.94	8.01	10.38
Increase (Decrease) from Operations					
Total Revenue (Loss)	**0.35**	0.43	–	0.37	0.33
Total Expenses	**-0.25**	-0.21	–	-0.23	-0.24
Realized Gains (Losses)	**1.11**	0.55	–	0.63	1.04
Unrealized Gains (Losses)	**2.47**	-1.01	1.98	1.70	-2.53
Total (2)	**3.68**	-0.25	1.98	2.47	-1.40
Distributions					
From Income (Excluding Dividends)	**–**	–	–	–	–
From Dividends	**-0.06**	-0.21	-0.14	-0.11	-0.05
From Capital Gains	**-0.82**	-0.36	-0.30	-0.42	-0.93
Return of Capital	**–**	–	–	–	–
Total (3)	**-0.88**	-0.57	-0.43	-0.53	-0.98
Net Assets, End of Period	**13.48**	10.68	11.49	9.94	8.01

Series B

Series B	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2018
Net Assets, Beginning of Period	**10.77**	11.58	10.00	8.06	10.45
Increase (Decrease) from Operations					
Total Revenue (Loss)	**0.36**	0.43	–	0.37	0.34
Total Expenses	**-0.25**	-0.21	–	-0.23	-0.24
Realized Gains (Losses)	**1.11**	0.55	–	0.63	1.05
Unrealized Gains (Losses)	**2.48**	-1.01	2.01	1.71	-2.56
Total (2)	**3.70**	-0.24	2.01	2.48	-1.41
Distributions					
From Income (Excluding Dividends)	**–**	–	–	–	–
From Dividends	**-0.06**	-0.21	-0.14	-0.11	-0.05
From Capital Gains	**-0.82**	-0.36	-0.30	-0.43	-0.93
Return of Capital	**–**	–	–	–	–
Total (3)	**-0.88**	-0.57	-0.43	-0.54	-0.98
Net Assets, End of Period	**13.58**	10.77	11.58	10.00	8.06

XYZ Mutual Funds

XYZ Canadian Equity Fund

Series T5

Series T5	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2018
Net Assets, Beginning of Period	**10.32**	11.10	9.59	7.72	10.12
Increase (Decrease) from Operations					
Total Revenue (Loss)	**0.34**	0.41	–	0.36	0.28
Total Expenses	**-0.23**	-0.19	–	-0.21	-0.19
Realized Gains (Losses)	**1.05**	0.52	–	0.61	0.87
Unrealized Gains (Losses)	**2.42**	-0.93	2.03	1.72	-2.28
Total (2)	**3.58**	-0.19	2.03	2.47	-1.33
Distributions					
From Income (Excluding Dividends)	**–**	–	–	–	-0.01
From Dividends	**-0.07**	-0.20	-0.12	-0.11	-0.04
From Capital Gains	**-0.80**	-0.32	-0.22	–	-1.03
Return of Capital	**–**	-0.08	-0.19	-0.50	–
Total (3)	**-0.87**	-0.60	-0.52	-0.61	-1.08
Net Assets, End of Period	**13.03**	10.32	11.10	9.59	7.72

Series F

Series F	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2018
Net Assets, Beginning of Period	**11.72**	12.45	10.63	8.49	10.85
Increase (Decrease) from Operations					
Total Revenue (Loss)	**0.40**	0.48	–	0.41	0.38
Total Expenses	**-0.12**	-0.10	–	-0.10	-0.11
Realized Gains (Losses)	**1.23**	0.61	–	0.70	1.17
Unrealized Gains (Losses)	**2.89**	-0.94	2.46	1.87	-2.54
Total (2)	**4.40**	0.05	2.46	2.88	-1.10
Distributions					
From Income (Excluding Dividends)	**-0.01**	-0.01	-0.01	–	–
From Dividends	**-0.24**	-0.38	-0.31	-0.27	-0.22
From Capital Gains	**-0.92**	-0.40	-0.33	-0.48	-1.04
Return of Capital	**–**	–	–	–	–
Total (3)	**-1.17**	-0.78	-0.64	-0.74	-1.26
Net Assets, End of Period	**14.95**	11.72	12.45	10.63	8.49

Series D

Series D	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2018
Net Assets, Beginning of Period	**10.85**	11.57	9.91	7.94	10.17
Increase (Decrease) from Operations					
Total Revenue (Loss)	**0.36**	0.44	–	0.38	0.34
Total Expenses	**-0.14**	-0.12	–	-0.13	-0.14
Realized Gains (Losses)	**1.14**	0.56	–	0.64	1.07
Unrealized Gains (Losses)	**2.63**	-0.91	2.22	1.73	-2.40
Total (2)	**3.98**	-0.04	2.22	2.62	-1.12
Distributions					
From Income (Excluding Dividends)	**-0.01**	-0.01	-0.01	–	–
From Dividends	**-0.18**	-0.31	-0.25	-0.21	-0.16
From Capital Gains	**-0.85**	-0.37	-0.31	-0.44	-0.96
Return of Capital	**–**	–	–	–	–
Total (3)	**-1.03**	-0.68	-0.56	-0.65	-1.12
Net Assets, End of Period	**13.80**	10.85	11.57	9.91	7.94

Series FT5

Series FT5	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2018
Net Assets, Beginning of Period	**11.24**	11.94	10.20	8.15	10.55
Increase (Decrease) from Operations					
Total Revenue (Loss)	**0.37**	0.45	–	0.40	0.31
Total Expenses	**-0.11**	-0.09	–	-0.10	-0.09
Realized Gains (Losses)	**1.16**	0.58	–	0.68	0.98
Unrealized Gains (Losses)	**2.80**	-0.89	2.82	1.75	-2.27
Total (2)	**4.23**	0.04	2.82	2.73	-1.07
Distributions					
From Income (Excluding Dividends)	**–**	–	–	–	-0.01
From Dividends	**-0.23**	-0.33	-0.29	-0.24	-0.15
From Capital Gains	**-0.90**	-0.42	-0.78	–	-1.17
Return of Capital	**–**	–	–	-0.44	–
Total (3)	**-1.13**	-0.75	-1.07	-0.68	-1.33
Net Assets, End of Period	**14.34**	11.24	11.94	10.20	8.15

XYZ Mutual Funds

XYZ Canadian Equity Fund

Series I

Series I	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2018
Net Assets, Beginning of Period	**11.69**	12.36	10.49	8.35	10.57
Increase (Decrease) from Operations					
Total Revenue (Loss)	**0.40**	0.48	–	0.42	0.38
Total Expenses	**-0.04**	-0.03	–	-0.04	-0.04
Realized Gains (Losses)	**1.24**	0.61	–	0.70	1.18
Unrealized Gains (Losses)	**2.96**	-0.87	2.59	1.87	-2.39
Total (2)	**4.56**	0.19	2.59	2.95	-0.88
Distributions					
From Income (Excluding Dividends)	**-0.01**	-0.01	-0.01	-0.01	–
From Dividends	**-0.33**	-0.45	-0.39	-0.33	-0.30
From Capital Gains	**-0.93**	-0.41	-0.33	-0.48	-1.05
Return of Capital	**–**	–	–	–	–
Total (3)	**-1.26**	-0.86	-0.72	-0.81	-1.35
Net Assets, End of Period	**14.99**	11.69	12.36	10.49	8.35

Series O

Series O	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2018
Net Assets, Beginning of Period	**9.62**	10.15	8.59	6.83	8.62
Increase (Decrease) from Operations					
Total Revenue (Loss)	**0.33**	0.40	–	0.34	0.31
Total Expenses	**-0.01**	–	–	–	-0.01
Realized Gains (Losses)	**1.02**	0.51	–	0.58	0.97
Unrealized Gains (Losses)	**2.48**	-0.70	2.18	1.54	-1.90
Total (2)	**3.82**	0.21	2.18	2.46	-0.63
Distributions					
From Income (Excluding Dividends)	**-0.01**	-0.01	-0.01	-0.01	–
From Dividends	**-0.30**	-0.40	-0.35	-0.30	-0.29
From Capital Gains	**-0.77**	-0.34	-0.28	-0.40	-0.88
Return of Capital	**–**	–	–	–	–
Total (3)	**-1.07**	-0.74	-0.63	-0.70	-1.16
Net Assets, End of Period	**12.37**	9.62	10.15	8.59	6.83

(1) These calculations are prescribed by securities regulations and are not intended to be a reconciliation between opening and closing net assets per security. This information is derived from the Fund's audited annual financial statements. The net assets per security presented in the financial statements may differ from the net asset value per security calculated for fund pricing purposes. An explanation of these differences, if any, can be found in the Notes to the Financial Statements.

(2) Net assets and distributions are based on the actual number of securities outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of securities outstanding over the fiscal period.

(3) Distributions were paid in cash/reinvested in additional securities of the Fund, or both.

Ratios and Supplemental Data

Series A

Series A	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2018
Net Asset Value Per Unit ($)	**13.48**	10.68	11.49	9.94	8.01
Net Asset Value ($000s) (1)	**694705**	582364	663181	642996	569814
Number of Units Outstanding (000s) (1)	**51536**	54521	57741	64717	71173
Management Expense Ratio (%) (2)	**2.5**	2.48	2.48	2.47	2.47
MER Before Absorption (%) (2)	**2.5**	2.48	2.48	2.47	2.47
Portfolio Turnover Rate (%) (3)	**39.97**	40.8	21.64	34.22	40.35
Trading Expense Ratio (%) (4)	**0.07**	0.08	0.06	0.09	0.1

Series B

Series B	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2018
Net Asset Value Per Unit ($)	**13.58**	10.77	11.58	10.00	8.06
Net Asset Value ($000s) (1)	**1276**	1206	5475	5633	5123
Number of Units Outstanding (000s) (1)	**94**	112	473	563	636
Management Expense Ratio (%) (2)	**2.4**	2.48	2.48	2.47	2.47
MER Before Absorption (%) (2)	**2.4**	2.48	2.48	2.47	2.47
Portfolio Turnover Rate (%) (3)	**39.97**	40.8	21.64	34.22	40.35
Trading Expense Ratio (%) (4)	**0.07**	0.08	0.06	0.09	0.1

Series T5

Series T5	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2018
Net Asset Value Per Unit ($)	**13.03**	10.32	11.10	9.59	7.72
Net Asset Value ($000s) (1)	**39**	21	22	19	8
Number of Units Outstanding (000s) (1)	**3**	2	2	2	1
Management Expense Ratio (%) (2)	**1.81**	1.82	1.83	1.8	1.79
MER Before Absorption (%) (2)	**1.81**	1.82	1.83	1.8	1.79
Portfolio Turnover Rate (%) (3)	**39.97**	40.8	21.64	34.22	40.35
Trading Expense Ratio (%) (4)	**0.07**	0.08	0.06	0.09	0.1

XYZ Mutual Funds

XYZ Canadian Equity Fund

Series D

Series D	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2018
Net Asset Value Per Unit ($)	**13.80**	10.85	11.57	9.91	7.94
Net Asset Value ($000s) (1)	**64060**	50101	54986	49436	40033
Number of Units Outstanding (000s) (1)	**4642**	4618	4754	4988	5045
Management Expense Ratio (%) (2)	**1.05**	1.05	1.05	1.05	1.05
MER Before Absorption (%) (2)	**1.07**	1.07	1.07	1.07	1.07
Portfolio Turnover Rate (%) (3)	**39.97**	40.8	21.64	34.22	40.35
Trading Expense Ratio (%) (4)	**0.07**	0.08	0.06	0.09	0.1

Series F

Series F	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2018
Net Asset Value Per Unit ($)	**14.95**	11.72	12.45	10.63	8.49
Net Asset Value ($000s) (1)	**122784**	88798	91539	66082	36425
Number of Units Outstanding (000s) (1)	**8213**	7579	7352	6215	4289
Management Expense Ratio (%) (2)	**0.77**	0.77	0.77	0.77	0.77
MER Before Absorption (%) (2)	**0.77**	0.77	0.77	0.77	0.77
Portfolio Turnover Rate (%) (3)	**39.97**	40.8	21.64	34.22	40.35
Trading Expense Ratio (%) (4)	**0.07**	0.08	0.06	0.09	0.1

Series FT5

Series FT5	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2018
Net Asset Value Per Unit ($)	**14.34**	11.24	11.94	10.20	8.15
Net Asset Value ($000s) (1)	**272**	270	72	51	8
Number of Units Outstanding (000s) (1)	**19**	24	6	5	1
Management Expense Ratio (%) (2)	**0.77**	0.75	0.75	0.77	0.74
MER Before Absorption (%) (2)	**0.77**	0.75	0.75	0.77	0.74
Portfolio Turnover Rate (%) (3)	**39.97**	40.8	21.64	34.22	40.35
Trading Expense Ratio (%) (4)	**0.07**	0.08	0.06	0.09	0.1

Series I

Series I	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2018
Net Asset Value Per Unit ($)	**14.99**	11.69	12.36	10.49	8.35
Net Asset Value ($000s) (1)	**124432**	90162	90661	75063	57633
Number of Units Outstanding (000s) (1)	**8301**	7711	7335	7154	6899
Management Expense Ratio (%) (2)	**0.25**	0.24	0.25	0.24	0.25
MER Before Absorption (%) (2)	**0.25**	0.24	0.25	0.24	0.25
Portfolio Turnover Rate (%) (3)	**39.97**	40.8	21.64	34.22	40.35
Trading Expense Ratio (%) (4)	**0.07**	0.08	0.06	0.09	0.1

Series O

Series O	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2018
Net Asset Value Per Unit ($)	**12.37**	9.62	10.15	8.59	6.83
Net Asset Value ($000s) (1)	**188789**	160033	150084	128234	91946
Number of Units Outstanding (000s) (1)	**15268**	16631	14786	14920	13458
Management Expense Ratio (%) (2)	**0.02**	0.02	0.02	0.02	0.02
MER Before Absorption (%) (2)	**0.02**	0.02	0.02	0.02	0.02
Portfolio Turnover Rate (%) (3)	**39.97**	40.8	21.64	34.22	40.35
Trading Expense Ratio (%) (4)	**0.07**	0.08	0.06	0.09	0.1

(1) This information is provided as at the end of the fiscal period shown.

(2) Management expense ratio ("MER") is based on total expenses, excluding commissions and other portfolio transaction costs, income taxes and withholding taxes, for the stated period and is expressed as an annualized percentage of daily average net assets during the period, except as noted. In the period a series is established, the MER is annualized from the date of inception to the end of the period. Where the Fund directly invests in securities of another fund (including exchange-traded funds or ETFs), the MERs presented for the Fund include the portion of MERs of the other fund(s) attributable to this investment. Any income distributions received from ETFs managed by the Manager, with the intention of offsetting fees paid within those ETFs but which are not considered to be duplicative fees under regulatory requirements, are treated as waived expenses for MER purposes. The Manager may waive or absorb operating expenses at its discretion and stop waiving or absorbing such expenses at any time without notice.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund. The portfolio turnover rate is not provided when the Fund is less than one year old. The value of any trades to realign the Fund's portfolio after a fund merger, if any, is excluded from the portfolio turnover rate.

XYZ Mutual Funds

XYZ Canadian Equity Fund

(4) The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs incurred as an annualized percentage of daily average net assets during the period. Where the Fund invests in securities of another fund (including exchange-traded funds or ETFs), the TERs presented for the Fund include the portion of TERs of the other fund(s) attributable to this investment.

Management Fees

The Manager is responsible for the day-to-day management of the business and operations of the Fund. As compensation for its services, the Manager is entitled to receive a management fee. Management fees pay for portfolio and investment advisory services, oversight of any service providers, marketing and promotional activities, arranging for the distribution and sale of securities of the Fund, general administration of Fund operations and sales and trailing commissions paid to dealers.

The percentages and major services paid for out of the management fees are set out below:

	Management Fees (%)	Dealer Compensation (%)	Investment Management, Administration and Other (%)
Series A	1.60	63	37
Series B	1.50	63	37
Series T5	1.50	63	37
Series D	0.85	29	71
Series F	0.60	–	100
Series FT5	0.60	–	100
Series I	0.20	–	100
Series O	N/A	N/A	N/A

Series O management fees are not paid by the Fund. Series O investors pay management fees directly to the Manager.

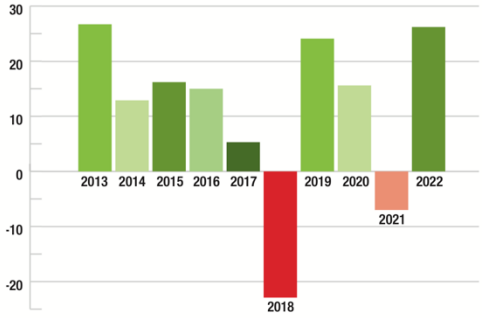
Past Performance

The performance information shown is based on the net asset value of the Fund and assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

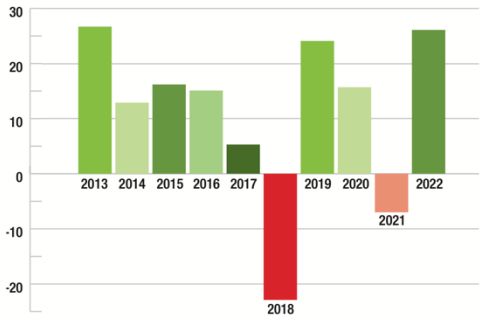
Year-by-Year Returns

The following bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the Fund's performance changed from year-to-year. In percentage terms, the bar chart shows how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

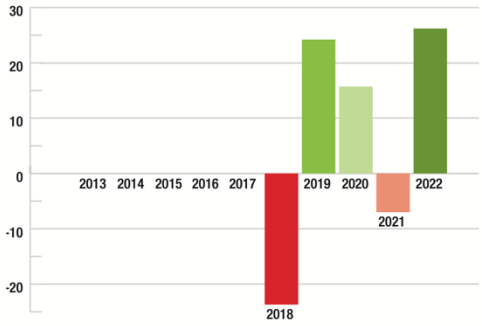
Series A (%)



Series B (%)



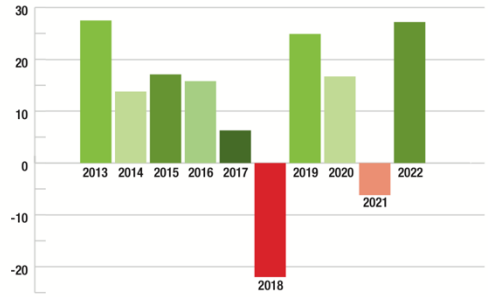
Series T5 (%)



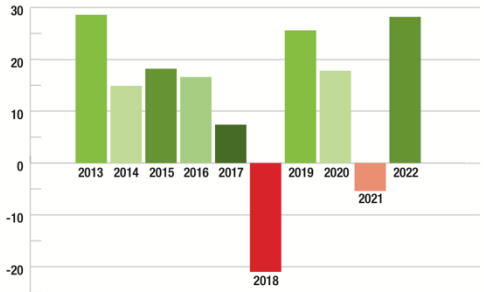
XYZ Mutual Funds

XYZ Canadian Equity Fund

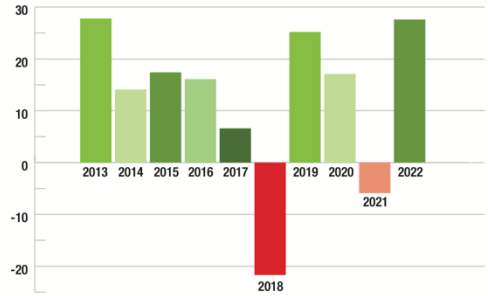
Series D (%)



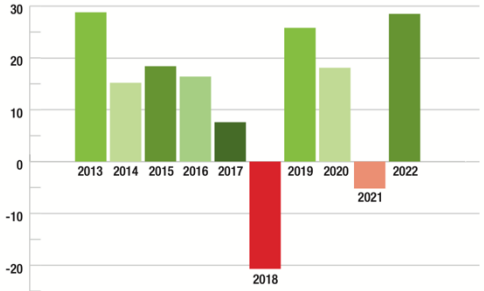
Series I (%)



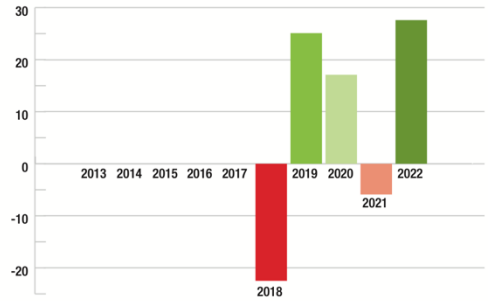
Series F (%)



Series O (%)



Series FT5 (%)



Annual Compound Returns

This table shows the Fund's historical annual compound total returns for the periods indicated, compared with its benchmark, the S&P/ TSX Composite Total Return Index, a broad-based index. The S&P/ TSX Composite Total Return Index is a market capitalization-weighted index of securities of the largest and most liquid companies on the Toronto Stock Exchange. Investors cannot invest in an index without incurring fees, expenses and commissions, which are not reflected in these performance figures.

All index returns are calculated in Canadian dollars on a total return basis, meaning that all dividend payments, interest income accruals and interest payments are reinvested.

XYZ Mutual Funds

XYZ Canadian Equity Fund

Percentage Return (1)	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception (2)
Series A	26.2	8.3	13.9	11.3	
Series B	26.1	8.3	13.9	11.3	
Series T5	26.2	8.3	14.0	N/A	6.5
Series D	27.2	9.2	14.8	12.3	
Series F	27.6	9.6	15.2	12.6	
Series FT5	27.6	9.6	15.2	N/A	8.1
Series I	28.2	10.1	15.7	13.4	
Series O	28.5	10.4	16.0	13.6	
S&P/TSX Composite Total Return Index	27.5	9.4	15.9	13.3	Note (3)

(1) The percentage return differs for each series because the management fee rate and expenses differ for each series.

(2) The return since inception for each series will differ when the inception date differs and is only provided when a series has been active for a period of less than 10 years.

(3) The return of the S&P/TSX Composite Total Return Index since inception for Series T5 and FT5 is 3.9%.

Summary of Investment Portfolio

As at March 31, 2022

Portfolio Allocation	% of Net Asset Value
Financial Services	**32.0**
Energy	**26.8**
Industrial Goods	**18.5**
Business Services	**6.4**
Telecommunication	**4.9**
Hardware	**3.7**
Healthcare Services	**3.3**
Consumer Services	**2.2**
Media	**1.8**
Consumer Goods	**0.4**
Total Portfolio Allocation	**100.0**

Top 25 Holdings Issuer	% of Net Asset Value
Royal Bank of Canada	**7.8**
Toronto-Dominion Bank	**7.6**
Canadian Natural Resources	**5.9**
The Bank of Nova Scotia	**4.5**
Cenovus Energy Inc.	**3.6**
Suncor Energy Inc.	**3.4**
Enbridge Inc.	**3.3**
Canada Imperial Bank of Commerce	**2.8**
Manulife Financial Corporation	**2.5**
Canadian National Railway Company	**1.8**
Dye & Durham	**1.6**
Shopify Inc., Class A	**1.5**
Constellation Software Inc.	**1.5**
Bank of Montreal	**1.3**
Docebo	**1.3**
TFI International Inc.	**1.3**
Brookfield Asset Management Inc., Class A	**1.2**
National Bank of Canada	**1.2**
Empire Company Limited, Class A	**1.2**
AltaGas Ltd.	**1.0**
Northland Power Inc.	**0.9**
BCE Inc.	**0.9**
Barrick Gold Corp.	**0.9**
Agnico-Eagle Mines	**0.7**
Quebecor Inc.	**0.7**
Top Holdings as a Percentage of Total Net Asset Value	**60.4**

Where applicable, the information in the above tables includes the Fund's pro-rata share of the investment in any XYZ Mutual Funds-managed underlying fund.

All tables within the Summary of Investment Portfolio section, except the Top Issuers table, contain audited annual information.

The summary of investment portfolio may change due to the Fund's ongoing portfolio transactions. Updates are available quarterly.

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Version Habituelle (Français)

OPC XYZ

Fonds d'actions canadiennes XYZ (« Fonds »)

Rapport annuel de la direction sur le rendement du Fonds

31 mars 2022

Le présent rapport annuel de la direction sur le rendement du Fonds contient des faits saillants financiers. Si le présent rapport n'est pas accompagné des états financiers annuels du Fonds, vous pouvez les obtenir sur demande et sans frais en composant le 1-800-555-5556, en nous écrivant à OPC XYZ, 123, rue Asset Allocation, Toronto (Ontario) M1A 2B3, en visitant notre site Web désigné à l'adresse www.xyzfunds.com ou SEDAR à l'adresse www.sedar.com. Vous pouvez également communiquer avec nous par l'une de ces méthodes pour demander un exemplaire du rapport financier intermédiaire du Fonds, des politiques et procédures de vote par procuration, du dossier de divulgation des votes par procuration et/ou de l'information trimestrielle sur le portefeuille. Pour de plus amples renseignements, veuillez-vous reporter au prospectus simplifié du Fonds et à l'aperçu du Fonds, que vous pouvez également obtenir, sans frais, en utilisant l'une des méthodes décrites ci-dessus. Pour connaître les valeurs liquidatives actuelles par titre du Fonds et obtenir des renseignements plus récents sur les événements généraux du marché, veuillez consulter notre site Web désigné.

OPC XYZ

MISE EN GARDE CONCERNANT LES DÉCLARATIONS PROSPECTIVES

Ce rapport peut contenir des déclarations prospectives qui reflètent nos attentes ou prévisions actuelles concernant des événements à venir. Les déclarations prospectives comprennent des déclarations de nature prédictive, qui dépendent d'événements ou de conditions futures ou s'y réfèrent, ou comprennent des termes tels que « s'attendre à », « anticiper », « avoir l'intention de », « planifier », « croire », « estimer », « préliminaire », « typique » et d'autres expressions ou des expressions en négation avec des significations similaires.

Ces déclarations peuvent porter sur des actions futures de l'entreprise, sur le rendement financier futur d'un Fonds ou d'un titre et sur leurs stratégies et perspectives d'investissement futures. Les énoncés prospectifs sont intrinsèquement assujettis, entre autres, à des risques, à des incertitudes et à des hypothèses qui pourraient faire en sorte que les événements, les résultats, le rendement ou les perspectives réels diffèrent considérablement de ceux exprimés ou sous-entendus dans ces énoncés prospectifs. Ces risques, incertitudes et hypothèses comprennent, entre autre, les facteurs économiques, politiques et commerciaux de l'ordre général en Amérique du Nord et à l'échelle internationale, les taux d'intérêt et de change, la volatilité des marchés boursiers et financiers mondiaux, la concurrence commerciale, les changements technologiques, les changements dans la réglementation, les changements dans les lois et règlements sur les valeurs mobilières, les changements dans les lois fiscales, les procédures judiciaires ou réglementaires inattendues, les catastrophes, les épidémies ou les pandémies (comme le COVID-19) et la capacité de Fonds d'actions canadiennes XYZ à attirer ou à conserver des employés clés.

Il est à noter que les facteurs importants mentionnée ci-dessus ne constitue pas une liste complète. Nous vous invitons à examiner attentivement ces facteurs ainsi que tout autre information pertinente, avant de prendre toute décision d'investissement et nous vous conseillons vivement de ne pas vous fier indûment aux déclarations prospectives. Toutes les opinions contenues dans les déclarations prospectives sont susceptibles d'être modifiées sans préavis et sont fournies de bonne foi mais sans responsabilité juridique. De plus, vous devez savoir que le Fonds n'a pas l'intention de mettre à jour les énoncés prospectifs, que ce soit à la suite de nouvelles informations, d'événements futurs ou autres, avant la publication du prochain rapport de la direction sur le rendement du Fonds.

OPC XYZ

RAPPORT ANNUEL DE LA DIRECTION SUR LE RENDEMENT DU FONDS

31 mars 2022

Fonds d'actions canadiennes XYZ

Analyse du rendement par la direction

La présente analyse du rendement du Fonds par la direction présente le point de vue de l'équipe de gestion du portefeuille sur les facteurs et les développements importants qui ont influencé le rendement et les perspectives du Fonds au cours de l'exercice terminé le 31 mars 2022.

Objectif et stratégies de placement

Objectif de placement

Augmenter la valeur de votre placement en investissant dans un large éventail de titres de participation de sociétés canadiennes.

Stratégies

Le gestionnaire de portefeuille investit dans des titres de participation des émetteurs canadiens de toutes tailles et de tous secteurs. Le gestionnaire de portefeuille utilise un modèle systématique fondé sur l'analyse fondamentale afin de repérer et de choisir des titres qui se négocient en deçà de leur valeur intrinsèque, qui affichent une croissance supérieure des bénéfices et dont le cours est positif. Le gestionnaire de portefeuille utilise également une approche d'investissement responsable dans le processus de sélection des titres.

Risque

Les risques associés à un placement dans le Fonds demeurent tels qu'ils sont présentés dans le prospectus simplifié le plus récent du Fonds en prenant compte des modifications et dans son aperçu du Fonds le plus récent. Le Fonds n'a pas subi de changement pouvant affecter son portrait du risque global de façon importante au cours de la période. Le gestionnaire a procédé à l'examen du niveau du risque du Fonds selon la méthode de classification du risque uniformisée prévue au *Règlement 81-101 sur le régime de prospectus des organismes de placement collectif* en date du 31 janvier 2022 pour déterminer que la cote de risque du Fonds n'a pas changée. Le gestionnaire procède à l'examen du niveau de risque du Fonds et à l'examen de son indice de référence, le cas échéant, au moins tous les ans.

La convenance du Fonds pour les investisseurs reste tel que discuté dans le dernier aperçu du fonds.

Résultats d'exploitation

Au cours de la période, la valeur liquidative totale du Fonds est passée de 1,05 milliard de dollars à 1,2 milliard de dollars en raison d'un rendement positif, malgré l'impact d'un plus grand nombre de demandes de rachat par rapport aux souscriptions.

Aperçu du marché

La comparaison suivante avec les indices boursiers a pour but d'aider les investisseurs à comprendre la performance du Fonds par rapport à la performance générale des marchés. Toutefois, les objectifs du Fonds peuvent être différent de ceux des indices.

Au cours de la période, les titres de la série A du Fonds ont apprécié de 26,2 %, ce qui est inférieur à la hausse de 27,5 % de l'indice composé S&P/TSX. Une déduction pour les frais et dépenses du Fonds diminue le rendement du Fonds, tandis que le mouvement de l'indice de référence ne comprend pas de coûts d'investissement.

Voir la section Faits saillants financiers pour les ratios des frais de gestion et la section Rendement passé pour les rendements de toute autre série. Ces informations peuvent varier en raison des différences dans les frais de gestion et les dépenses.

Les titres d'émetteur canadiens ont enregistré une forte hausse au cours de la période, les investisseurs s'étant tournés vers des secteurs cycliques en pleine accélération et les prix des produits de base ayant été élevés. Les plus importants secteurs du Canada, soit les services financiers et l'énergie, ont particulièrement bien performé.

Le secteur des services financiers a profité des rachats de titres et de la levée des restrictions relatives aux réserves et aux augmentations de dividendes qui avaient été mises en œuvre à la suite de changements des politiques gouvernementales. Les sociétés du secteur de l'énergie ont été soutenues par la forte montée des prix des produits de base.

Facteurs influant sur les performances

La performance relative du Fonds a été favorisée par la surpondération du secteur des services financiers. La surpondération de la Banque Royale du Canada, la Banque Toronto-Dominion et la Banque de Nouvelle-Écosse a contribué au rendement relatif. Les postions dans certains titres du secteur des technologies de l'information, tels que les sociétés de logiciels et de services, Dye & Durham et Docebo, toutes deux du Canada, ont eu un apport favorable au rendement relatif.

Le Fonds a tiré de l'arrière par rapport à son indice de référence, principalement en raison d'une sous-pondération de certains titres du secteur des matériaux, tels que ceux des compagnies aurifères canadiennes, Société aurifère Barrick et Mines Agnico Eagle. En outre, dans le secteur des services de communication, la faible participation

OPC XYZ

dans les fournisseurs canadiens de services de télécommunication, BCE Inc. et Québecor inc., ont entravé les résultats comparés à l'index de référence.

Changements de portefeuille

Au cours de la période, l'équipe de placement a augmenté l'exposition du Fonds au secteur de l'énergie. Le titre d'AltaGas Ltd. a été ajouté au Fonds. AltaGas Ltd. est une société d'infrastructures énergétiques diversifiée dont les activités s'équilibrent entre des services de distribution de gaz réglementés aux États-Unis et des actifs intermédiaires nord-américains. L'excellente qualité des bénéfices, la qualité de l'équipe de direction, la valorisation intéressante et l'amélioration des activités réglementées dans les services aux collectivités de cette société, ont suscité l'intérêt du gestionnaire de portefeuille.

En revanche, l'exposition aux secteurs des aurifères et des services financiers diversifiés a été revue à la baisse. Dans le secteur des aurifères, l'équipe de placement a diminué sa participation dans la société d'extraction d'or canadienne Société aurifère Barrick.

Pour tout renseignement sur le rendement du Fonds et la composition du portefeuille, veuillez consulter les sections Rendement passé et Résumé du portefeuille du présent document.

Emprunts

Le Fonds peut emprunter des fonds conformément aux exigences du *Règlement 81-102 sur les fonds d'investissement* et, conformément aux conditions stipulées dans sa dispense, à titre de mesure temporaire pour financer la partie des distributions payables aux porteurs de titres lorsque les montants n'ont pas encore été reçus par le Fonds. Conformément à cette dispense, le terme du prêt ne peut dépasser 45 jours. Dans tous les cas, le montant emprunté ne peut ni dépasser 5 pourcents de la valeur nette du Fond, ni le montant à recevoir par le Fonds. Pour l'exercice terminant le 31 mars 2022, le Fonds n'a pas emprunté de liquidité.

Effet de levier

Le Fonds n'est pas autorisé à utiliser l'effet de levier.

Développements récents

L'équipe de gestion du portefeuille demeure optimiste à l'égard des perspectives à long terme des titres canadiennes. Cependant, compte tenu du solide rendement du marché boursier au cours de la période, combiné aux évaluations élevées dans la majorité des secteurs, l'équipe s'attende à des rendements plus modestes. Selon l'équipe, les marchés boursiers et l'économie mondiale pourraient être confronté à l'inflation élevés, des problèmes persistants de la chaîne d'approvisionnement, à l'incertitude géopolitique et à la hausse des taux d'intérêt. De plus, l'équipe estime que la politique de la Réserve fédérale américaine comporte des risques. Si elle devait relever les taux d'intérêt trop rapidement, elle pourrait ralentir la croissance ou encore, si elle les augmente trop lentement, elle pourrait ne pas parvenir à contenir l'inflation, ce qui donnerait lieu à davantage de hausses de taux.

Le 18 janvier 2022, Mme Jane Doe a démissionné du comité d'examen indépendant (le « CEI »). En date du 12 février 2022, M. John Doe a été nommé au CEI.

Transactions entre parties liées

Fiduciaire

OPC XYZ est le fiduciaire du Fonds. Le fiduciaire détient le titre légal des placements du Fonds en fiducie pour les porteurs de titres. OPC XYZ, à titre de fiduciaire, perçoit des honoraires, qui sont payés à partir des frais d'administration fixes du Fonds.

Gestionnaire

OPC XYZ est le gestionnaire du Fonds. Le gestionnaire est responsable de la prestation de tous les services généraux de gestion et d'administration, y compris la prestation ou la procuration des contrats de service pour des conseils en placement, de services de tenue de livres et de registres et d'autres services administratifs afférents au Fonds. Le Fonds verse des honoraires à OPC XYZ à partir des frais de gestion fixe du Fonds. Le Fonds verse également des frais d'administration fixes à OPC XYZ, qui, à son tour, paie certains des frais d'opération du Fonds (les « frais du Fonds »). Les frais du Fonds comprennent les frais engagés pour la préparation et la distribution des aperçus du Fonds, les intérêts ou autres frais d'emprunt, tous les coûts et frais raisonnables engagés pour se conformer au *Règlement 81-107 sur le comité d'examen indépendant des Fonds d'investissement*, y compris la rémunération et les frais payables aux membres du CEI du Fonds et les taxes applicables au Fonds. Les frais du Fonds sont répartis proportionnellement entre les séries pertinentes. Si certains frais du Fonds sont spécifiques à une série, ces frais sont attribués à cette série. Les frais de gestion et les frais d'administration fixes sont calculés et comptabilisés quotidiennement en pourcentage de la valeur liquidative par titre de chaque série du Fonds. Vous trouverez de plus amples renseignements sur les frais d'administration fixes et les frais du Fonds dans le plus récent prospectus simplifié du Fonds, à l'adresse www.xyzfunds.com ou www.sedar.com.

Le gestionnaire peut, de temps à autre, conclure au nom du Fonds des transactions ou des accords avec ou mettant en cause des personnes physiques ou morales apparentées ou liées au gestionnaire (chacune étant une « partie liée »). Cette section décrit brièvement les opérations entre le Fonds et une partie liée.

OPC XYZ

Fonds d'actions canadiennes XYZ

Gestionnaire de portefeuille

Capital Asset Management Ltd., une société affiliée du gestionnaire, est le gestionnaire de portefeuille du Fonds. Capital Asset Management Ltd. offre des services de gestion de portefeuille au Fonds. Le gestionnaire de portefeuille est chargé de gérer le portefeuille de placements du Fonds, directement ou par l'intermédiaire de sous-conseillers. Le gestionnaire verse à Capital Asset Management Ltd. des frais de gestion fondés sur l'actif sous gestion, calculés quotidiennement et payables mensuellement.

Placeurs

OPC XYZ est le placeur principal de certaines catégories de titres du Fonds. Les courtiers peuvent recevoir une commission de suivi en fonction de la valeur totale des placements de leurs clients dans certaines séries de parts du Fonds.

Registraire

OPC XYZ est l'agent chargé de la tenue des registres du Fonds et tient les registres des porteurs de parts du Fonds. Le gestionnaire paie des honoraires à l'agent chargé de la tenue des registres à même les frais d'administration fixes qui lui ont été versés par le Fonds.

Courtiers

Le Fonds a conclu des ententes de courtage standard aux taux du marché avec des parties liées. Pour les périodes closes les 31 mars 2021 et 31 mars 2022, les commissions des parties liées se sont chiffrées à 171 000 $ (145 000 $ en 2020), soit 26 % (22 % en 2020) du total des coûts de transactions pour le Fonds.

Autres opérations entre parties liées

Au cours de la période, le Fonds s'est fondé sur les instructions permanentes suivantes du CEI au sujet des opérations entre parties liées :

(a) des placements dans des titres d'une société affiliée du gestionnaire, ou de tout autre émetteur lié au gestionnaire ;

(b) des placements dans une catégorie de titres de créance non gouvernementales ou de titres d'un émetteur, pendant la période de placement de ces titres auprès du public ou pendant la période de 60 jours suivant la période de placement, alors qu'une société affiliée du gestionnaire, agissait à titre de preneur ferme dans le cadre du placement de ces titres ;

(c) des opérations sur le marché secondaire, sur des titres de créance pour lesquels un membre du groupe du gestionnaire, agit à titre de contrepartiste ; et

(d) des opérations inter fonds

(chacune, une « opération avec des parties liées »).

Conformément aux instructions permanentes du CEI, le gestionnaire et le gestionnaire de portefeuille du Fonds sont tenus de se conformer aux politiques et procédures écrites du gestionnaire régissant l'opération entre apparentés et de faire rapport périodiquement au CEI lorsqu'ils décident d'effectuer une opération entre parties liées, décrivant chaque cas où le gestionnaire s'est appuyé sur les instructions permanentes et en précisant si l'opération visée a été conformité aux politiques et procédures applicables. Les politiques et procédures applicables visent à assurer que chaque opération avec des parties liés (i) est effectuée sans aucune l'influence d'un membre du groupe du gestionnaire ou d'un membre du groupe/associé de ces parties, et sans tenir compte de considérations pertinentes pour un membre du groupe du gestionnaire ou un membre du groupe/associé de ces parties ; (ii) représente un jugement porté par le gestionnaire, sans autre considération que l'intérêts du Fonds ; et (iii) aboutit à un résultat juste et raisonnable pour le Fonds.

Faits saillants financiers

Les tableaux suivants présentent les principales informations concernant le Fonds et ont pour but de vous aider à comprendre les résultats financiers du Fonds pour les périodes indiquées. Ces informations sont tirées des états financiers annuels audités et/ou semestriels non audités du Fonds. Veuillez consulter la première page pour savoir comment obtenir les états financiers annuels ou semestriels du Fonds.

La valeur liquidative par titre du Fonds ($)[1]

Série A

Série A	31 mars 2022	31 mars 2021	31 mars 2020	31 mars 2019	31 mars 2018
Valeur liquidative à l'ouverture de l'exercice	**10,68**	11,49	9,94	8,01	10,38
Augmentation (diminution) liée aux activités					
Total des revenus (pertes)	**0,35**	0,43	-	0,37	0,33
Total des charges	**(0,25)**	(0,21)	-	(0,23)	(0,24)
Gains réalisés (pertes)	**1,11**	0,55	-	0,63	1,04
Gains latents (pertes)	**2,47**	(1,01)	1,98	1,70	(2,53)
Total (2)	**3,68**	(0,25)	1,98	2,47	(1,40)
Distributions					
Revenus nets de placement (à l'exclusion des dividendes)	**-**	-	-	-	-
Dividendes	**(0,06)**	(0,21)	(0,14)	(0,11)	(0,05)
Gains en capital (pertes)	**(0,82)**	(0,36)	(0,30)	(0,42)	(0,93)
Remboursement de capital	**-**	-	-	-	-
Total (3)	**(0,88)**	(0,57)	(0,43)	(0,53)	(0,98)
Valeur liquiditqtive à la fin de l'exercice	**13,48**	10,68	11,49	9,94	8,01

OPC XYZ

Fonds d'actions canadiennes XYZ

Série B

Série B	31 mars 2022	31 mars 2021	31 mars 2020	31 mars 2019	31 mars 2018
Valeur liquidative à l'ouverture de l'exercice	**10,77**	11,58	10,00	8,06	10,45
Augmentation (diminution) liée aux activités					
Total des revenus (pertes)	**0,36**	0,43	-	0,37	0,34
Total des charges	**(0,25)**	(0,21)	-	(0,23)	(0,24)
Gains réalisés (pertes)	**1,11**	0,55	-	0,63	1,05
Gains latents (pertes)	**2,48**	(1,01)	2,01	1,71	(2,56)
Total (2)	**3,70**	(0,24)	2,01	2,48	(1,41)
Distributions					
Revenus nets de placement (à l'exclusion des dividendes)	**-**	-	-	-	-
Dividendes	**(0,06)**	(0,21)	(0,14)	(0,11)	(0,05)
Gains en capital (pertes)	**(0,82)**	(0,36)	(0,30)	(0,43)	(0,93)
Remboursement de capital	**-**	-	-	-	-
Total (3)	**(0,88)**	(0,57)	(0,43)	(0,54)	(0,98)
Valeur liquidative à la fin de l'exercice	**13,58**	10,77	11,58	10,00	8,06

Série D

Série D	31 mars 2022	31 mars 2021	31 mars 2020	31 mars 2019	31 mars 2018
Valeur liquidative à l'ouverture de l'exercice	**10,85**	11,57	9,91	7,94	10,17
Augmentation (diminution) liée aux activités					
Total des revenus (pertes)	**0,36**	0,44	-	0,38	0,34
Total des charges	**(0,14)**	(0,12)	-	(0,13)	(0,14)
Gains réalisés (pertes)	**1,14**	0,56	-	0,64	1,07
Gains latents (pertes)	**2,63**	(0,91)	2,22	1,73	(2,40)
Total (2)	**3,98**	(0,04)	2,22	2,62	(1,12)
Distributions					
Revenus nets de placement (à l'exclusion des dividendes)	**(0,01)**	(0,01)	(0,01)	-	-
Dividendes	**(0,18)**	(0,31)	(0,25)	(0,21)	(0,16)
Gains en capital (pertes)	**(0,85)**	(0,37)	(0,31)	(0,44)	(0,96)
Remboursement de capital	**-**	-	-	-	-
Total (3)	**(1,03)**	(0,68)	(0,56)	(0,65)	(1,12)
Valeur liquidative à la fin de l'exercice	**13,80**	10,85	11,57	9,91	7,94

Série T5

Série T5	31 mars 2022	31 mars 2021	31 mars 2020	31 mars 2019	31 mars 2018
Valeur liquidative à l'ouverture de l'exercice	**10,32**	11,10	9,59	7,72	10,12
Augmentation (diminution) liée aux activités					
Total des revenus (pertes)	**0,34**	0,41	-	0,36	0,28
Total des charges	**(0,23)**	(0,19)	-	(0,21)	(0,19)
Gains réalisés (pertes)	**1,05**	0,52	-	0,61	0,87
Gains latents (pertes)	**2,42**	(0,93)	2,03	1,72	(2,28)
Total (2)	**3,58**	(0,19)	2,03	2,47	(1,33)
Distributions					
Revenus nets de placement (à l'exclusion des dividendes)	**-**	-	-	-	(0,01)
Dividendes	**(0,07)**	(0,20)	(0,12)	(0,11)	(0,04)
Gains en capital (pertes)	**(0,80)**	(0,32)	(0,22)	-	(1,03)
Remboursement de capital	**-**	(0,08)	(0,19)	(0,50)	-
Total (3)	**(0,87)**	(0,60)	(0,52)	(0,61)	(1,08)
Valeur liquidative à la fin de l'exercice	**13,03**	10,32	11,10	9,59	7,72

Série F

Série F	31 mars 2022	31 mars 2021	31 mars 2020	31 mars 2019	31 mars 2018
Valeur liquidative à l'ouverture de l'exercice	**11,72**	12,45	10,63	8,49	10,85
Augmentation (diminution) liée aux activités					
Total des revenus (pertes)	**0,40**	0,48	-	0,41	0,38
Total des charges	**(0,12)**	(0,10)	-	(0,10)	(0,11)
Gains réalisés (pertes)	**1,23**	0,61	-	0,70	1,17
Gains latents (pertes)	**2,89**	(0,94)	2,46	1,87	(2,54)
Total (2)	**4,40**	0,05	2,46	2,88	(1,10)
Distributions					
Revenus nets de placement (à l'exclusion des dividendes)	**(0,01)**	(0,01)	(0,01)	-	-
Dividendes	**(0,24)**	(0,38)	(0,31)	(0,27)	(0,22)
Gains en capital (pertes)	**(0,92)**	(0,40)	(0,33)	(0,48)	(1,04)
Remboursement de capital	**-**	-	-	-	-
Total (3)	**(1,17)**	(0,78)	(0,64)	(0,74)	(1,26)
Valeur liquidative à la fin de l'exercice	**14,95**	11,72	12,45	10,63	8,49

OPC XYZ

Fonds d'actions canadiennes XYZ

Série FT5

Série FT5	31 mars 2022	31 mars 2021	31 mars 2020	31 mars 2019	31 mars 2018
Valeur liquidative à l'ouverture de l'exercice	**11,24**	11,94	10,20	8,15	10,55
Augmentation (diminution) liée aux activités					
Total des revenus (pertes)	**0,37**	0,45	-	0,40	0,31
Total des charges	**(0,11)**	(0,09)	-	(0,10)	(0,09)
Gains réalisés (pertes)	**1,16**	0,58	-	0,68	0,98
Gains latents (pertes)	**2,80**	(0,89)	2,82	1,75	(2,27)
Total (2)	**4,23**	0,04	2,82	2,73	(1,07)
Distributions					
Revenus nets de placement (à l'exclusion des dividendes)	**-**	-	-	-	(0,01)
Dividendes	**(0,23)**	(0,33)	(0,29)	(0,24)	(0,15)
Gains en capital (pertes)	**(0,90)**	(0,42)	(0,78)	-	(1,17)
Remboursement de capital	**-**	-	-	(0,44)	-
Total (3)	**(1,13)**	(0,75)	(1,07)	(0,68)	(1,33)
Valeur liquidative à la fin de l'exercice	**14,34**	11,24	11,94	10,20	8,15

Série I

Série I	31 mars 2022	31 mars 2021	31 mars 2020	31 mars 2019	31 mars 2018
Valeur liquidative à l'ouverture de l'exercice	**11,69**	12,36	10,49	8,35	10,57
Augmentation (diminution) liée aux activités					
Total des revenus (pertes)	**0,40**	0,48	-	0,42	0,38
Total des charges	**(0,04)**	(0,03)	-	(0,04)	(0,04)
Gains réalisés (pertes)	**1,24**	0,61	-	0,70	1,18
Gains latents (pertes)	**2,96**	(0,87)	2,59	1,87	(2,39)
Total (2)	**4,56**	0,19	2,59	2,95	(0,88)
Distributions					
Revenus nets de placement (à l'exclusion des dividendes)	**(0,01)**	(0,01)	(0,01)	(0,01)	-
Dividendes	**(0,33)**	(0,45)	(0,39)	(0,33)	(0,30)
Gains en capital (pertes)	**(0,93)**	(0,41)	(0,33)	(0,48)	(1,05)
Remboursement de capital	**-**	-	-	-	-
Total (3)	**(1,26)**	(0,86)	(0,72)	(0,81)	(1,35)
Valeur liquidative à la fin de l'exercice	**14,99**	11,69	12,36	10,49	8,35

Série O

Série O	31 mars 2022	31 mars 2021	31 mars 2020	31 mars 2019	31 mars 2018
Valeur liquidative à l'ouverture de l'exercice	**9,62**	10,15	8,59	6,83	8,62
Augmentation (diminution) liée aux activités					
Total des revenus (pertes)	**0,33**	0,40	-	0,34	0,31
Total des charges	**(0,01)**	-	-	-	(0,01)
Gains réalisés (pertes)	**1,02**	0,51	-	0,58	0,97
Gains latents (pertes)	**2,48**	(0,70)	2,18	1,54	(1,90)
Total (2)	**3,82**	0,21	2,18	2,46	(0,63)
Distributions					
Revenus nets de placement (à l'exclusion des dividendes)	**(0,01)**	(0,01)	(0,01)	(0,01)	-
Dividendes	**(0,30)**	(0,40)	(0,35)	(0,30)	(0,29)
Gains en capital (pertes)	**(0,77)**	(0,34)	(0,28)	(0,40)	(0,88)
Remboursement de capital	**-**	-	-	-	-
Total (3)	**(1,07)**	(0,74)	(0,63)	(0,70)	(1,16)
Valeur liquidative à la fin de l'exercice	**12,37**	9,62	10,15	8,59	6,83

(1) Ces calculs sont prescrits par les lois et règlements sur les valeurs mobilières et ne sont pas censé être un rapprochement entre l'actif net par titre à l'ouverture et à la clôture. Ces renseignements proviennent des états financiers annuels audités du Fonds. L'actif net par titre présenté dans les états financiers peut différer de la valeur liquidative par titre calculée aux fins de l'évaluation du Fonds. Une explication de ces différences, le cas échéant, se trouve dans les notes aux états financiers.

(2) L'actifs nets et les distributions sont fonction du nombre réel de titres en circulation au moment considéré. L'augmentation ou la diminution liée aux activités d'exploitation est fonction du nombre moyen pondéré de titres en circulation au cours de l'exercice.

(3) Les distributions ont été payées en espèces ou réinvesties en titres additionnels du Fonds, ou les deux.

OPC XYZ

Fonds d'actions canadiennes XYZ

Ratios et données supplémentaires

Série A

Série A	31 mars 2022	31 mars 2021	31 mars 2020	31 mars 2019	31 mars 2018
Valeur liquidative par titre ($)	**13,48**	10,68	11,49	9,94	8,01
Valeur liquidative totale (en milliers de dollars) (1)	**694 705**	582 364	663 181	642 996	569 814
Titres en circulation (en milliers) (1)	**51 536**	54 521	57 741	64 717	71 173
Ratio des frais de gestion (%) (2)	**2,5**	2,48	2,48	2,47	2,47
Ratio des frais de gestion avant renonciations ou prise en charge (%) (2)	**2,5**	2,48	2,48	2,47	2,47
Taux de rotation du portefeuille (%) (3)	**39,97**	40,8	21,64	34,22	40,35
Ratio des frais de négociation (%) (4)	**0,07**	0,08	0,06	0,09	0,1

Série B

Série B	31 mars 2022	31 mars 2021	31 mars 2020	31 mars 2019	31 mars 2018
Valeur liquidative par titre ($)	**13,58**	10,77	11,58	10,00	8,06
Valeur liquidative totale (en milliers de dollars) (1)	**1 276**	1 206	5 475	5 633	5 123
Titres en circulation (en milliers) (1)	**94**	112	473	563	636
Ratio des frais de gestion (%) (2)	**2,4**	2,48	2,48	2,47	2,47
Ratio des frais de gestion avant renonciations ou prise en charge (%) (2)	**2,4**	2,48	2,48	2,47	2,47
Taux de rotation du portefeuille (%) (3)	**39,97**	40,8	21,64	34,22	40,35
Ratio des frais de négociation (%) (4)	**0,07**	0,08	0,06	0,09	0,1

Série T5

Série T5	31 mars 2022	31 mars 2021	31 mars 2020	31 mars 2019	31 mars 2018
Valeur liquidative par titre ($)	**13,03**	10,32	11,10	9,59	7,72
Valeur liquidative totale (en milliers de dollars) (1)	**39**	21	22	19	8
Titres en circulation (en milliers) (1)	**3**	2	2	2	1
Ratio des frais de gestion (%) (2)	**1,81**	1,82	1,83	1,8	1,79
Ratio des frais de gestion avant renonciations ou prise en charge (%) (2)	**1,81**	1,82	1,83	1,8	1,79
Taux de rotation du portefeuille (%) (3)	**39,97**	40,8	21,64	34,22	40,35
Ratio des frais de négociation (%) (4)	**0,07**	0,08	0,06	0,09	0,1

Série D

Série D	31 mars 2022	31 mars 2021	31 mars 2020	31 mars 2019	31 mars 2018
Valeur liquidative par titre ($)	**13,80**	10,85	11,57	9,91	7,94
Valeur liquidative totale (en milliers de dollars) (1)	**64 060**	50 101	54 986	49 436	40 033
Titres en circulation (en milliers) (1)	**4 642**	4 618	4 754	4 988	5 045
Ratio des frais de gestion (%) (2)	**1,05**	1,05	1,05	1,05	1,05
Ratio des frais de gestion avant renonciations ou prise en charge (%) (2)	**1,07**	1,07	1,07	1,07	1,07
Taux de rotation du portefeuille (%) (3)	**39,97**	40,8	21,64	34,22	40,35
Ratio des frais de négociation (%) (4)	**0,07**	0,08	0,06	0,09	0,1

Série F

Série F	31 mars 2022	31 mars 2021	31 mars 2020	31 mars 2019	31 mars 2018
Valeur liquidative par titre ($)	**14,95**	11,72	12,45	10,63	8,49
Valeur liquidative totale (en milliers de dollars) (1)	**122 784**	88 798	91 539	66 082	36 425
Titres en circulation (en milliers) (1)	**8 213**	7 579	7 352	6 215	4 289
Ratio des frais de gestion (%) (2)	**0,77**	0,77	0,77	0,77	0,77
Ratio des frais de gestion avant renonciations ou prise en charge (%) (2)	**0,77**	0,77	0,77	0,77	0,77
Taux de rotation du portefeuille (%) (3)	**39,97**	40,8	21,64	34,22	40,35
Ratio des frais de négociation (%) (4)	**0,07**	0,08	0,06	0,09	0,1

Série FT5

Série FT5	31 mars 2022	31 mars 2021	31 mars 2020	31 mars 2019	31 mars 2018
Valeur liquidative par titre ($)	**14,34**	11,24	11,94	10,20	8,15
Valeur liquidative totale (en milliers de dollars) (1)	**272**	270	72	51	8
Titres en circulation (en milliers) (1)	**19**	24	6	5	1
Ratio des frais de gestion (%) (2)	**0,77**	0,75	0,75	0,77	0,74
Ratio des frais de gestion avant renonciations ou prise en charge (%) (2)	**0,77**	0,75	0,75	0,77	0,74
Taux de rotation du portefeuille (%) (3)	**39,97**	40,8	21,64	34,22	40,35
Ratio des frais de négociation (%) (4)	**0,07**	0,08	0,06	0,09	0,1

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Fonds d'actions canadiennes XYZ

Série I

Série I	31 mars 2022	31 mars 2021	31 mars 2020	31 mars 2019	31 mars 2018
Valeur liquidative par titre ($)	**14,99**	11,69	12,36	10,49	8,35
Valeur liquidative totale (en milliers de dollars) (1)	**124 432**	90 162	90 661	75 063	57 633
Titres en circulation (en milliers) (1)	**8 301**	7 711	7 335	7 154	6 899
Ratio des frais de gestion (%) (2)	**0,25**	0,24	0,25	0,24	0,25
Ratio des frais de gestion avant renonciations ou prise en charge (%) (2)	**0,25**	0,24	0,25	0,24	0,25
Taux de rotation du portefeuille (%) (3)	**39,97**	40,8	21,64	34,22	40,35
Ratio des frais de négociation (%) (4)	**0,07**	0,08	0,06	0,09	0,1

Série O

Série O	31 mars 2022	31 mars 2021	31 mars 2020	31 mars 2019	31 mars 2018
Valeur liquidative par titre ($)	**12,37**	9,62	10,15	8,59	6,83
Valeur liquidative totale (en milliers de dollars) (1)	**188 789**	160 033	150 084	128 234	91 946
Titres en circulation (en milliers) (1)	**15 268**	16 631	14 786	14 920	13 458
Ratio des frais de gestion (%) (2)	**0,02**	0,02	0,02	0,02	0,02
Ratio des frais de gestion avant renonciations ou prise en charge (%) (2)	**0,02**	0,02	0,02	0,02	0,02
Taux de rotation du portefeuille (%) (3)	**39,97**	40,8	21,64	34,22	40,35
Ratio des frais de négociation (%) (4)	**0,07**	0,08	0,06	0,09	0,1

(1) Données à la clôture de la période comptable indiquée.

(2) Le ratio des frais de gestion (« RFG ») est établi d'après le total des charges (exception faite des courtages et des autres coûts de transaction du portefeuille, de l'impôt sur le revenu et des retenues d'impôt) pour la période indiquée et est exprimé en pourcentage annualisé de l'actif net moyen quotidien pour la période, sauf indication contraire. Pour une période au cours de laquelle une série est créée, le RFG est annualisé depuis la date de création de la série jusqu'à la clôture de la période. Lorsqu'un Fonds investit directement dans des titres d'un autre Fonds (y compris les Fonds négociés en bourse, ou FNB), les RFG présentés pour le Fonds comprennent la tranche des RFG de tout autre Fonds attribuable à ce placement. Toute distribution de revenu de FNB gérés par des sociétés affiliées au gestionnaire reçue dans le but de compenser des frais payés à l'égard de ces FNB, mais qui ne sont pas considérés comme étant imputés en double aux termes des exigences réglementaires, est traitée à titre de charge ayant fait l'objet d'une renonciation aux fins du RFG. Le gestionnaire peut renoncer aux frais d'exploitation ou les absorber à son gré et supprimer la renonciation ou les prises en charge de ces frais en tout temps sans préavis.

(3) Le taux de rotation du portefeuille du Fonds indique dans quelle mesure le gestionnaire de portefeuille du Fonds gère activement les placements de celui-ci. Un taux de rotation de 100 % signifie que le Fonds achète et vend tous les titres de son portefeuille une fois au cours de la période. Plus le taux de rotation du Fonds au cours d'une période est élevé, plus les coûts de transaction payables par le Fonds sont élevés au cours de la période et plus il est probable qu'un investisseur réalisera des gains en capital imposables au cours de l'exercice. Il n'y a pas nécessairement de lien entre un taux de rotation élevé et le rendement d'un Fonds. Le taux de rotation du portefeuille n'est pas indiqué lorsqu'un Fonds existe depuis moins d'un an. La valeur de toute opération visant à réaligner le portefeuille du Fonds après une fusion, le cas échéant, est exclue du taux de rotation du portefeuille.

(4) Le ratio des frais de négociation représente le total des frais de courtage et des autres coûts de transaction du portefeuille engagés et est exprimé en pourcentage annualisé de l'actif net moyen quotidien pour la période. Lorsqu'un Fonds investit dans des titres d'un autre Fonds (y compris les Fonds négociés en bourse, ou « FNB »), les ratios des frais de négociation présentés pour le Fonds comprennent la tranche des ratios des frais de négociation de tout autre Fonds attribuable à ce placement.

Frais de gestion

Le gestionnaire est responsable de la gestion quotidienne des activités et des opérations du Fonds. En contrepartie de ses services, le gestionnaire a le droit de recevoir des frais de gestion. Les frais de gestion servent à payer les services de conseil en portefeuille et placement, la supervision de tout prestataire de services, les activités de marketing et de promotion, la planification des placements et la vente des titres du Fonds, les services d'administration générale du Fonds ainsi que les commissions de vente et de suivi versées aux courtiers.

Les pourcentages et les principaux services payés à même les frais de gestion sont indiqués ci-dessous :

	Frais de gestion (%)	Rémunération du placeur (%)	Gestion des investissements, administration et autres (%)
Série A	1,60	63	37
Série B	1,50	63	37
Série T5	1,50	63	37
Série D	0,85	29	71
Série F	0,60	-	100
Série FT5	0,60	-	100
Série I	0,20	-	100
Série O	s/o	s/o	s/o

Les frais de gestion de la série O ne sont pas payés par le Fonds. Les épargnants qui achètent des titres de la série O paient plutôt les frais de gestion directement au gestionnaire.

Rendement passé

Les données sur le rendement figurant ci-dessous sont fondées sur la valeur liquidative du Fonds et sur l'hypothèse que toutes les distributions versées par le Fonds au cours des exercices indiqués ont été réinvesties dans des titres additionnels de celui-ci. Ces données ne tiennent pas compte des frais d'achat, de rachat, de distribution ou d'autres frais facultatifs qui auraient pour effet de réduire le rendement. La performance antérieure du Fonds n'indique pas nécessairement comment celui-ci se comportera à l'avenir.

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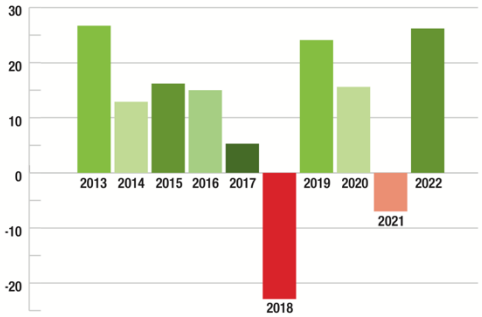
Fonds d'actions canadiennes XYZ

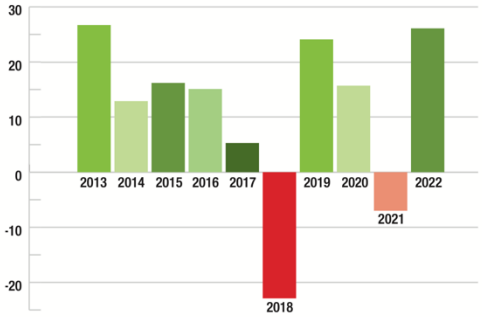
Rendements annuels

Le graphique à bandes illustre le rendement du Fonds pour chacun des exercices présentés et fait ressortir la variation du rendement du Fonds d'un exercice à l'autre. Il présente, sous forme de pourcentage, la variation à la hausse ou à la baisse, à la clôture de l'exercice, d'un placement effectué le premier jour de chaque exercice.

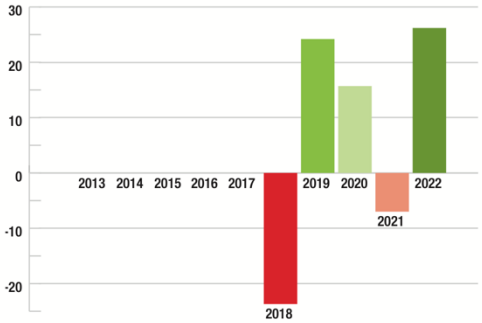
Série A (%)



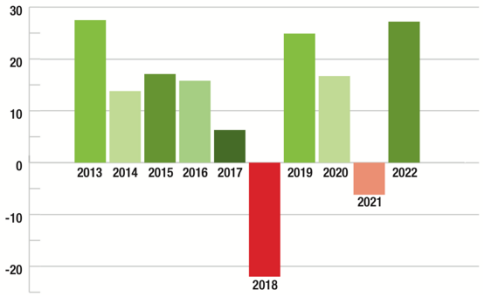
Série B (%)



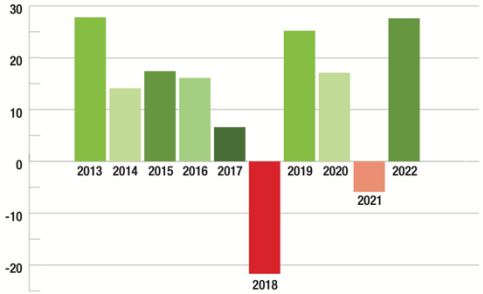
Série T5 (%)



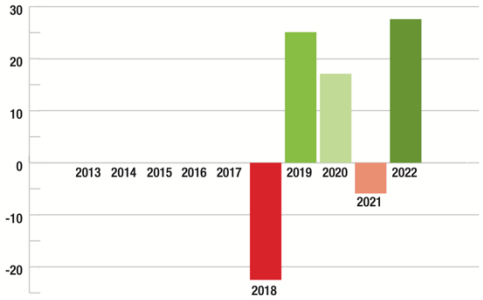
Série D (%)



Série F (%)



Série FT5 (%)



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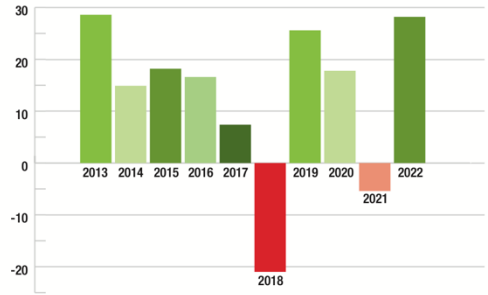
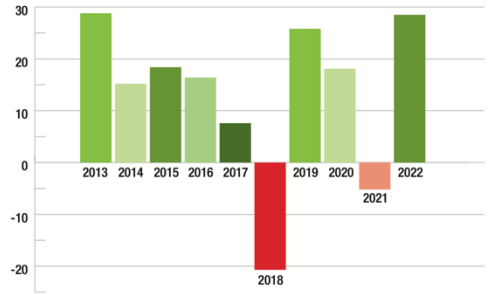
Fonds d'actions canadiennes XYZ

Série I (%)



Série O (%)



Rendement en pourcentage (1)	1 an	3 ans	5 ans	10 ans	Depuis la création (2)
Série A	26,2	8,3	13,9	11,3	
Série B	26,1	8,3	13,9	11,3	
Série T5	26,2	8,3	14,0	N/A	6,5
Série D	27,2	9,2	14,8	12,3	
Série F	27,6	9,6	15,2	12,6	
Série FT5	27,6	9,6	15,2	N/A	8,1
Série I	28,2	10,1	15,7	13,4	
Série O	28,5	10,4	16,0	13,6	
Indice composé S&P/TSX	27,5	9,4	15,9	13,3	Note (3)

(1) Le rendement en pourcentage diffère pour chaque série, car le taux des frais de gestion et les charges varient pour chaque série.

(2) Le rendement depuis la création pour chaque série diffère lorsque la date de création diffère et n'est indiqué que lorsque la série est active depuis moins de 10 ans.

(3) Les rendements de l'indice composé S&P/TSX depuis la création des séries T5 et FT5 est de 3,9 %.

Rendement annuel composé

Le tableau ci-dessous compare les rendements annuels composés passés du Fonds à ceux de son indice de référence, l'indice composé S&P/TSX (rendement total) (S&P/TSX).

L'indice S&P/TSX est un indice pondéré en fonction de la capitalisation boursière composé de titres des sociétés les plus importantes et les plus liquides inscrites à la cote de la Bourse de Toronto (TSX). Les investisseurs ne peuvent investir dans un indice sans engager des frais, charges et commissions, les-quels ne sont pas reflétés dans les présentes données de rendement.

Tous les rendements des indices sont calculés en dollars canadiens en fonction du rendement global, ce qui signifie que tous les versements de dividendes, les revenus d'intérêts courus et les paiements d'intérêt sont réinvestis.

OPC XYZ

Fonds d'actions canadiennes XYZ

Résumé du portefeuille

Au 31 mars 2022

Répartition de la valeur liquidative	% de la valeur liquidative
Services financiers	32,0
Énergie	26,8
Produits industriels	18,5
Services aux entreprises	6,4
Télécommunication	4,9
Matériel informatique	3,7
Services de santé	3,3
Services aux consommateurs	2,2
Médias	1,8
Biens de consommation	0,4
Allocation totale du portefeuille	**100,0**

Les 25 positions principales Émetteurs	% de la valeur liquidative
Banque Royale du Canada	7,8
Banque Toronto-Dominion	7,6
Ressources naturelles canadiennes	5,9
La Banque de Nouvelle-Écosse	4,5
Cenovus Energy Inc.	3,6
Suncor Energy Inc.	3,4
Enbridge Inc.	3,3
Banque Impériale de Commerce du Canada	2,8
Société Financière Manuvie	2,5
Compagnie des chemins de fer nationaux du Canada	1,8
Dye & Durham	1,6
Shopify Inc, Classe A	1,5
Constellation Software Inc.	1,5
Banque de Montréal	1,3
Docebo	1,3
TFI International Inc.	1,3
Brookfield Asset Management Inc. classe A	1,2
Banque nationale du Canada	1,2
Empire Company Limited, Classe A	1,2
AltaGas Ltd.	1,0
Northland Power Inc.	0,9
BCE Inc.	0,9
Société aurifère Barrick	0,9
Mines Agnico-Eagle	0,7
Quebecor Inc.	0,7
Principales participations en pourcentage de la valeur nette d'inventaire totale	**60,4**

Les renseignements présentés dans les tableaux ci-dessus tiennent compte, le cas échéant, de la quote-part du placement du Fonds dans tout Fonds sous-jacent géré par OPC XYZ.

Tous les tableaux de la section Résumé du portefeuille, à l'exception du tableau des principaux émetteurs, contiennent des informations auditées.

Le résumé du portefeuille de placements peut changer en raison des opérations continues du portefeuille du Fonds. Des mises à jour sont disponibles sur une base trimestrielle.

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Version 1 (English)

XYZ Mutual Funds

XYZ Canadian Equity Fund

ANNUAL FUND REPORT (for the 12-month period ended March 31, 2022)

XYZ Mutual Funds | XYZ Canadian Equity Fund | www.xyzfunds.com

Purpose and Content

This Annual Fund Report provides important information about your fund. **Use this and speak with your representative to assess whether your fund continues to be right for you.** This document is intended for investors of all backgrounds and levels of investment experience. It takes about **19 minutes** to review, and includes the following information about your fund:

1. How did the fund do in meeting its investment objectives and strategies? What factors may impact how it does going forward?
2. What did the fund invest in?
3. What costs are associated with investing in this fund?
4. How did the fund perform?
5. How did the fund's net assets per unit change?
6. What are some key fund statistics?
7. How has the fund's risk profile changed?
8. What is the fund's liquidity profile?
9. Did the fund borrow money or use leverage?
10. What operational changes should I be aware of?
11. Is there any other important information to know as part of this update?
12. Where can I find additional resources?

Important: This Fund Report may contain forward-looking statements that reflect current forecasts of future events. Due to many factors, such as general economic and political conditions in Canada and internationally, actual events may differ materially from those expressed in, or implied by, these forward-looking statements. Do not rely too much on forward-looking statements when making investment decisions.

1. How did the fund do in meeting its investment objectives and strategies? What factors may impact how it does going forward?

Tips When Reviewing This Section:

- Understand the investment objectives of the fund and how they align with your investment approach.
- Consider how well the fund has done at achieving its investment objectives and how it may do going forward.

Summary of Investment Objectives and Strategies	Fund's satisfaction of its Investment Objectives and Strategies during the last 12 months	Factors that may impact the fund's satisfaction of its Investment Objectives and Strategies going forward
• This fund aims to increase the value of your investment by investing in a broad range of equity securities of Canadian companies of any size and from any industry. • Equities are selected that trade below their intrinsic value, demonstrate superior earnings growth and positive price momentum.	• During the period, the net asset value of the fund increased from $1.05 billion to $1.2 billion due to positive performance, partially offset by net redemptions.	• While long-term prospects for Canadian equities are positive, strong equity market performance in the period covered by this Fund Report, coupled with full valuation levels across most sectors, is likely to lead to more modest returns. • Equity markets and the global economy may be challenged by high inflation levels, continued supply-chain issues, geopolitical uncertainty and rising interest rates. • Risk related to U.S. Federal Reserve policy could slow growth by raising interest rates too quickly or could fail to contain inflation by raising them too slowly, leading to larger rate increases.

XYZ Mutual Funds

XYZ Canadian Equity Fund

2. What did the fund invest in?

Tips When Reviewing This Section:

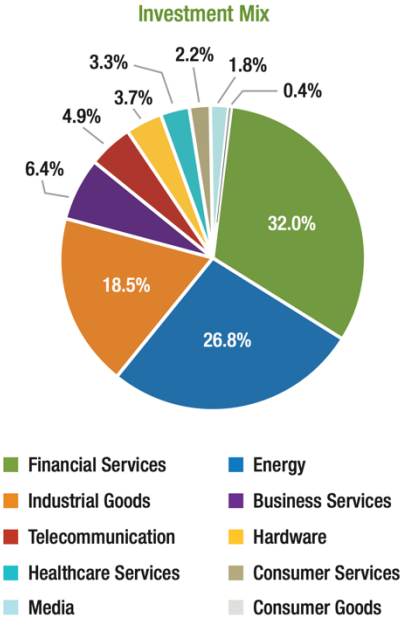
- Understand how your fund's investment portfolio changed during the period covered by this report.

Increased Exposure	Decreased Exposure
• Increased the fund's exposure to the energy industry (e.g., AltaGas Ltd.) to take advantage of rising commodity prices.	• Exposure to the materials sector was decreased (e.g., Barrick Gold Corp.) due to an expected slowdown in that sector.

How to Read This Information: The table and chart below give you a snapshot of the fund's investments on March 30, 2022. The fund's investments and their proportions of the portfolio holdings will change over time due to a variety of factors including changes in asset prices, and the addition or removal of securities from the portfolio by the portfolio manager.

Top 25 Holdings Issuer	% of Net Asset Value
Royal Bank of Canada	7.8
Toronto-Dominion Bank	7.6
Canadian Natural Resources	5.9
The Bank of Nova Scotia	4.5
Cenovus Energy Inc.	3.6
Suncor Energy Inc.	3.4
Enbridge Inc.	3.3
Canada Imperial Bank of Commerce	2.8
Manulife Financial Corporation	2.5
Canadian National Railway Company	1.8
Dye & Durham	1.6
Shopify Inc., Class A	1.5
Constellation Software Inc.	1.5
Bank of Montreal	1.3
Docebo	1.3
TFI International Inc.	1.3
Brookfield Asset Management Inc., Class A	1.2
National Bank of Canada	1.2
Empire Company Limited, Class A	1.2
AltaGas Ltd.	1.0
Northland Power Inc.	0.9
BCE Inc.	0.9
Barrick Gold Corp.	0.9
Agnico-Eagle Mines	0.7
Quebecor Inc.	0.7
Top Holdings as a Percentage of Total Net Asset Value	**60.4**

Investment Mix



XYZ Mutual Funds

XYZ Canadian Equity Fund

3. What costs are associated with investing in this fund? *(information is provided as of the end of the fiscal period shown)*

Tips When Reviewing This Section:

- Each investment fund can have different "series" with different costs and therefore different returns – make sure you know which series you hold.
- Fund costs reduce the return on your investment.

Did you know...

A fund's management expense ratio ("MER") is the total of the fund's management fee (which includes the trailing commission) and operating expenses. Where a fund's "MER Before Absorption" is higher than its "MER", that means the manager waived some of the fund's expenses.

A fund's trading expense ratio ("TER") represents the fund's trading costs.

A fund's total expenses is the combination of its MER (after absorption) and TER.

Series A	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Management Expense Ratio (%)	**2.5**	2.48	2.48
MER Before Absorption (%)	**2.5**	2.48	2.48
Trading Expense Ratio (%)	**0.07**	0.08	0.06

Series F	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Management Expense Ratio (%)	**0.77**	0.77	0.77
MER Before Absorption (%)	**0.77**	0.77	0.77
Trading Expense Ratio (%)	**0.07**	0.08	0.06

Series B	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Management Expense Ratio (%)	**2.4**	2.48	2.48
MER Before Absorption (%)	**2.4**	2.48	2.48
Trading Expense Ratio (%)	**0.07**	0.08	0.06

Series FT5	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Management Expense Ratio (%)	**0.77**	0.75	0.75
MER Before Absorption (%)	**0.77**	0.75	0.75
Trading Expense Ratio (%)	**0.07**	0.08	0.06

Series T5	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Management Expense Ratio (%)	**1.81**	1.82	1.83
MER Before Absorption (%)	**1.81**	1.82	1.83
Trading Expense Ratio (%)	**0.07**	0.08	0.06

Series I	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Management Expense Ratio (%)	**0.25**	0.24	0.25
MER Before Absorption (%)	**0.25**	0.24	0.25
Trading Expense Ratio (%)	**0.07**	0.08	0.06

Series D	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Management Expense Ratio (%)	**1.05**	1.05	1.05
MER Before Absorption (%)	**1.07**	1.07	1.07
Trading Expense Ratio (%)	**0.07**	0.08	0.06

Series O	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Management Expense Ratio (%)	**0.02**	0.02	0.02
MER Before Absorption (%)	**0.02**	0.02	0.02
Trading Expense Ratio (%)	**0.07**	0.08	0.06

XYZ Mutual Funds

XYZ Canadian Equity Fund

4. How did the fund perform?

Tips When Reviewing This Section:

- Pay attention to how the fund performed against its benchmark.

Did you know... A benchmark is typically a market or sector index against which the performance of a mutual fund can be measured. By comparing a fund to an appropriate benchmark, you can see how the investments held by the fund performed compared to the market or sector in general.

Important:

- Returns provided are after expenses have been deducted. These expenses reduce the fund's returns, and they negatively compound over time since the money deducted is not able to grow.
- Past performance does not necessarily indicate how the fund may perform in the future. For example, a fund with strong recent performance may underperform expectations in the future.
- The fund's benchmark is the S&P/TSX Composite Total Return Index. The S&P/TSX Composite Total Return Index is a market capitalization-weighted index of securities of the largest and most liquid companies on the Toronto Stock Exchange.

Assumptions:

- Benchmark returns do not include any costs of investing.
- The performance information assumes that all distributions made by the fund in the periods shown were reinvested in additional units of the fund and would be lower if distributions were not reinvested.
- The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance.
- A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Performance Against Benchmark	Contributors to Performance	Detractors from Performance
• The fund's Series A units gained 26.2%, which was lower than the 27.5% rise in the S&P/TSX Composite Total Return Index benchmark.	• Overweight allocation to the financial sector (e.g., Royal Bank of Canada, Toronto-Dominion Bank, The Bank of Nova Scotia). • Exposure to certain stocks in the information technology sector (e.g., Dye & Durham).	• Investments in certain stocks in the materials sector (e.g., Barrick Gold Corp.). • Underweight allocation to the communication services sector (e.g., BCE Inc.).

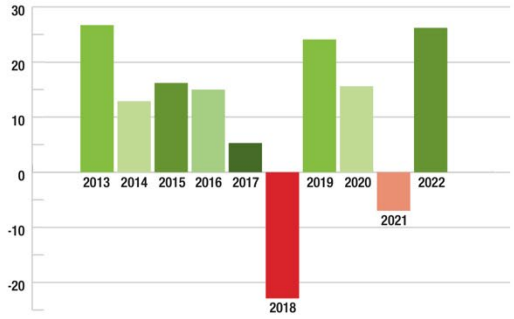
XYZ Mutual Funds

XYZ Canadian Equity Fund

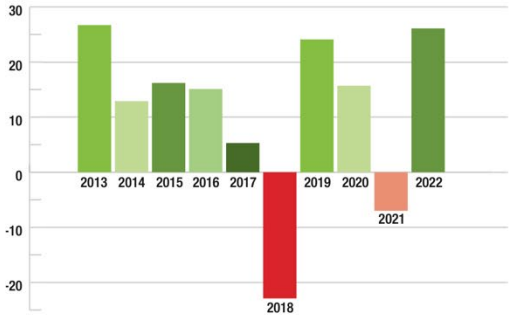
A) Year-by-Year Returns

How to Read This Information: The following bar chart shows the fund's annual performance for each of the years shown.

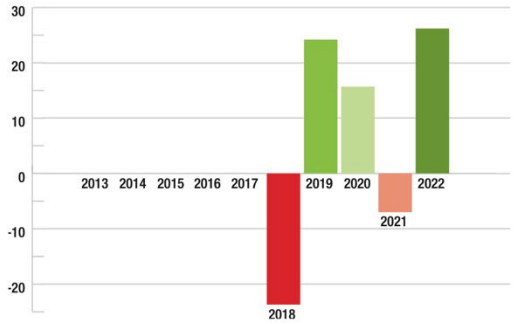
Series A (%)



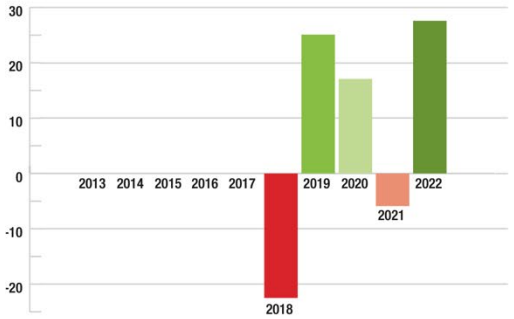
Series B (%)



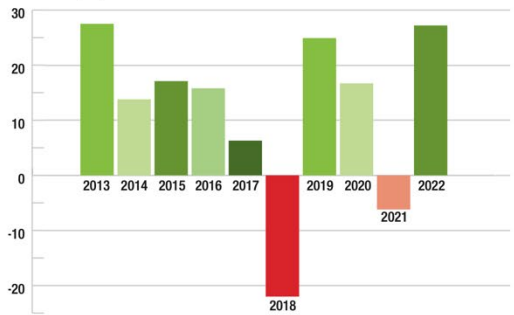
Series T5 (%)



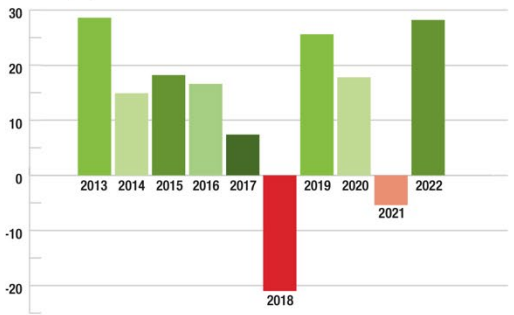
Series FT5 (%)



Series D (%)



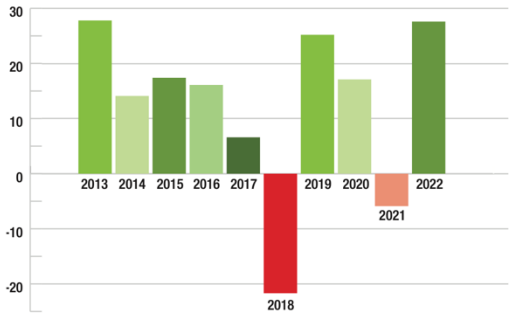
Series I (%)



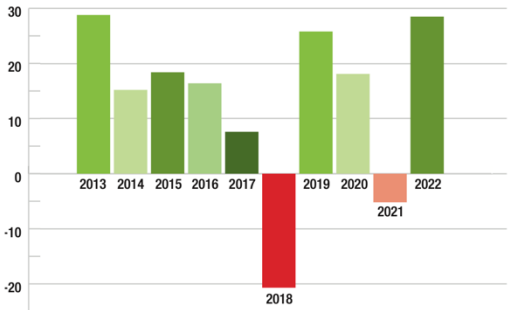
XYZ Mutual Funds

XYZ Canadian Equity Fund

Series F (%)



Series O (%)



B) Annual Compound Returns

How to Read This Information:

- This table shows the fund's annual compound total returns for the periods indicated, compared with its benchmark.
- All benchmark returns are calculated in Canadian dollars on a total return basis, meaning that all dividend payments, interest income accruals and interest payments are reinvested.

Annual Compound Return (%) (1)	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception (2)
Series A	26.2	8.3	13.9	11.3	
Series B	26.1	8.3	13.9	11.3	
Series T5	26.2	8.3	14.0	N/A	6.5
Series D	27.2	9.2	14.8	12.3	
Series F	27.6	9.6	15.2	12.6	
Series FT5	27.6	9.6	15.2	N/A	8.1
Series I	28.2	10.1	15.7	13.4	
Series O	28.5	10.4	16.0	13.6	
S&P/TSX Composite Total Return Index	27.5	9.4	15.9	13.3	Note (3)

(1) The percentage return differs for each series because the management fee rate and expenses differ for each series.
(2) The return since inception for each series will differ when the inception date differs and is only provided when a series has been active for a period of less than 10 years.
(3) The return of the S&P/TSX Composite Total Return Index since inception for Series T5 and FT5 is 3.9%.

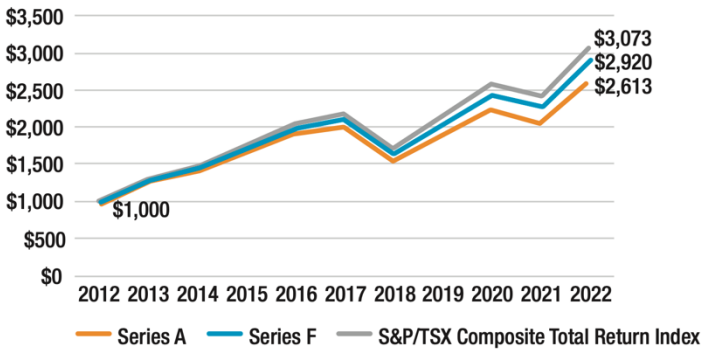
XYZ Mutual Funds

XYZ Canadian Equity Fund

C) Growth of a $1000 Investment

How to Read This Information:

- The following line graph illustrates the growth of a $1000 investment in this fund. Comparison is provided against the fund's benchmark.
- **Performance of the series of units that you hold may not be reflected in this line graph. Information is only presented in respect of the series with the highest management fee (Series A), lowest management fee available to retail investors (Series F) and largest net assets (Series A).**



More Information:

- If performance information for your series is not available here, consult the performance information in the Fund Facts for that series.
- Find more information about the expenses associated with your fund in its Fund Facts.

XYZ Mutual Funds

XYZ Canadian Equity Fund

5. How did the fund's net assets per unit change? ($)[1]

Tips When Reviewing This Section:

- Understand how your fund's net asset value per unit changed from the start of its financial year to the end, and review the sources of your fund's distributions.

Series A	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2018
Net Assets, Beginning of Period	**10.68**	11.49	9.94	8.01	10.38
Increase (Decrease) from Operations					
Total Revenue (Loss)	**0.35**	0.43	–	0.37	0.33
Total Expenses	**-0.25**	-0.21	–	-0.23	-0.24
Realized Gains (Losses)	**1.11**	0.55	–	0.63	1.04
Unrealized Gains (Losses)	**2.47**	-1.01	1.98	1.70	-2.53
Total	**3.68**	-0.25	1.98	2.47	-1.40
Distributions					
From Income (Excluding Dividends)	**–**	–	–	–	–
From Dividends	**-0.06**	-0.21	-0.14	-0.11	-0.05
From Capital Gains	**-0.82**	-0.36	-0.30	-0.42	-0.93
Return of Capital	**–**	**–**	**–**	**–**	**–**
Total	**-0.88**	-0.57	-0.43	-0.53	-0.98
Net Assets, End of Period	**13.48**	10.68	11.49	9.94	8.01

Series B	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2018
Net Assets, Beginning of Period	**10.77**	11.58	10.00	8.06	10.45
Increase (Decrease) from Operations					
Total Revenue (Loss)	**0.36**	0.43	–	0.37	0.34
Total Expenses	**-0.25**	-0.21	–	-0.23	-0.24
Realized Gains (Losses)	**1.11**	0.55	–	0.63	1.05
Unrealized Gains (Losses)	**2.48**	-1.01	2.01	1.71	-2.56
Total	**3.70**	-0.24	2.01	2.48	-1.41
Distributions					
From Income (Excluding Dividends)	**–**	–	–	–	–
From Dividends	**-0.06**	-0.21	-0.14	-0.11	-0.05
From Capital Gains	**-0.82**	-0.36	-0.30	-0.43	-0.93
Return of Capital	**–**	–	–	–	–
Total	**-0.88**	-0.57	-0.43	-0.54	-0.98
Net Assets, End of Period	**13.58**	10.77	11.58	10.00	8.06

Series T5	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2018
Net Assets, Beginning of Period	**10.32**	11.10	9.59	7.72	10.12
Increase (Decrease) from Operations					
Total Revenue (Loss)	**0.34**	0.41	–	0.36	0.28
Total Expenses	**-0.23**	-0.19	–	-0.21	-0.19
Realized Gains (Losses)	**1.05**	0.52	–	0.61	0.87
Unrealized Gains (Losses)	**2.42**	-0.93	2.03	1.72	-2.28
Total	**3.58**	-0.19	2.03	2.47	-1.33
Distributions					
From Income (Excluding Dividends)	**–**	**–**	–	–	-0.01
From Dividends	**-0.07**	-0.20	-0.12	-0.11	-0.04
From Capital Gains	**-0.80**	-0.32	-0.22	–	-1.03
Return of Capital	**–**	-0.08	-0.19	-0.50	–
Total	**-0.87**	-0.60	-0.52	-0.61	-1.08
Net Assets, End of Period	**13.03**	10.32	11.10	9.59	7.72

Series D	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2018
Net Assets, Beginning of Period	**10.85**	11.57	9.91	7.94	10.17
Increase (Decrease) from Operations					
Total Revenue (Loss)	**0.36**	0.44	–	0.38	0.34
Total Expenses	**-0.14**	-0.12	–	-0.13	-0.14
Realized Gains (Losses)	**1.14**	0.56	–	0.64	1.07
Unrealized Gains (Losses)	**2.63**	-0.91	2.22	1.73	-2.40
Total	**3.98**	-0.04	2.22	2.62	-1.12
Distributions					
From Income (Excluding Dividends)	**-0.01**	-0.01	-0.01	–	–
From Dividends	**-0.18**	-0.31	-0.25	-0.21	-0.16
From Capital Gains	**-0.85**	-0.37	-0.31	-0.44	-0.96
Return of Capital	**–**	–	–	–	–
Total	**-1.03**	-0.68	-0.56	-0.65	-1.12
Net Assets, End of Period	**13.80**	10.85	11.57	9.91	7.94

XYZ Mutual Funds

XYZ Canadian Equity Fund

Series F	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2018
Net Assets, Beginning of Period	**11.72**	12.45	10.63	8.49	10.85
Increase (Decrease) from Operations					
Total Revenue (Loss)	**0.40**	0.48	–	0.41	0.38
Total Expenses	**-0.12**	-0.10	–	-0.10	-0.11
Realized Gains (Losses)	**1.23**	0.61	–	0.70	1.17
Unrealized Gains (Losses)	**2.89**	-0.94	2.46	1.87	-2.54
Total	**4.40**	0.05	2.46	2.88	-1.10
Distributions					
From Income (Excluding Dividends)	**-0.01**	-0.01	-0.01	–	–
From Dividends	**-0.24**	-0.38	-0.31	-0.27	-0.22
From Capital Gains	**-0.92**	-0.40	-0.33	-0.48	-1.04
Return of Capital	–	–	–	–	–
Total	**-1.17**	-0.78	-0.64	-0.74	-1.26
Net Assets, End of Period	**14.95**	11.72	12.45	10.63	8.49

Series FT5	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2018
Net Assets, Beginning of Period	**11.24**	11.94	10.20	8.15	10.55
Increase (Decrease) from Operations					
Total Revenue (Loss)	**0.37**	0.45	–	0.40	0.31
Total Expenses	**-0.11**	-0.09	–	-0.10	-0.09
Realized Gains (Losses)	**1.16**	0.58	–	0.68	0.98
Unrealized Gains (Losses)	**2.80**	-0.89	2.82	1.75	-2.27
Total	**4.23**	0.04	2.82	2.73	-1.07
Distributions					
From Income (Excluding Dividends)	–	–	–	–	-0.01
From Dividends	**-0.23**	-0.33	-0.29	-0.24	-0.15
From Capital Gains	**-0.90**	-0.42	-0.78	–	-1.17
Return of Capital	–	–	–	-0.44	–
Total	**-1.13**	-0.75	-1.07	-0.68	-1.33
Net Assets, End of Period	**14.34**	11.24	11.94	10.20	8.15

Series I	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2018
Net Assets, Beginning of Period	**11.69**	12.36	10.49	8.35	10.57
Increase (Decrease) from Operations					
Total Revenue (Loss)	**0.40**	0.48	–	0.42	0.38
Total Expenses	**-0.04**	-0.03	–	-0.04	-0.04
Realized Gains (Losses)	**1.24**	0.61	–	0.70	1.18
Unrealized Gains (Losses)	**2.96**	-0.87	2.59	1.87	-2.39
Total	**4.56**	0.19	2.59	2.95	-0.88
Distributions					
From Income (Excluding Dividends)	**-0.01**	-0.01	-0.01	-0.01	–
From Dividends	**-0.33**	-0.45	-0.39	-0.33	-0.30
From Capital Gains	**-0.93**	-0.41	-0.33	-0.48	-1.05
Return of Capital	–	–	–	–	–
Total	**-1.26**	-0.86	-0.72	-0.81	-1.35
Net Assets, End of Period	**14.99**	11.69	12.36	10.49	8.35

Series O	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2018
Net Assets, Beginning of Period	**9.62**	10.15	8.59	6.83	8.62
Increase (Decrease) from Operations					
Total Revenue (Loss)	**0.33**	0.40	–	0.34	0.31
Total Expenses	**-0.01**	–	–	–	-0.01
Realized Gains (Losses)	**1.02**	0.51	–	0.58	0.97
Unrealized Gains (Losses)	**2.48**	-0.70	2.18	1.54	-1.90
Total	**3.82**	0.21	2.18	2.46	-0.63
Distributions					
From Income (Excluding Dividends)	**-0.01**	-0.01	-0.01	-0.01	–
From Dividends	**-0.30**	-0.40	-0.35	-0.30	-0.29
From Capital Gains	**-0.77**	-0.34	-0.28	-0.40	-0.88
Return of Capital	–	–	–	–	–
Total	**-1.07**	-0.74	-0.63	-0.70	-1.16
Net Assets, End of Period	**12.37**	9.62	10.15	8.59	6.83

(1) See the notes to the fund's financial statements for information regarding any potential differences between the information here and the net assets per security as presented in the financial statements.

More Information:

- See the fund's financial statements (annual and interim) for more detailed information.
- See the fund's simplified prospectus for information about the differences between the series.

XYZ Mutual Funds

XYZ Canadian Equity Fund

6. What are some key fund statistics? *(information is provided as of the end of the fiscal period shown)*

Tips When Reviewing This Section:

- Key fund statistics are defined and presented below; understanding these terms and their values for your fund can help you make better decisions.

Did you know...

A fund's portfolio turnover rate ("PTR") represents how actively the fund's portfolio advisor manages its portfolio investments (i.e. how frequently the portfolio manager buys and sells securities).

A fund's distributions can consist of dividends, interest, capital gains, return of capital or other income the fund earns on its investments.

A fund's distribution rate represents its distributions as a percentage of its net asset value per unit.

Series A	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Portfolio Turnover Rate (%)	**39.97**	40.8	21.64
Distributions ($)	**0.88**	0.57	0.43
Distribution Rate (%)	**6.5**	5.3	3.7

Series F	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Portfolio Turnover Rate (%)	**39.97**	40.8	21.64
Distributions ($)	**1.17**	0.78	0.64
Distribution Rate (%)	**7.8**	6.7	5.1

Series B	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Portfolio Turnover Rate (%)	**39.97**	40.8	21.64
Distributions ($)	**0.88**	0.57	0.43
Distribution Rate (%)	**6.5**	5.2	3.7

Series FT5	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Portfolio Turnover Rate (%)	**39.97**	40.8	21.64
Distributions ($)	**1.13**	0.75	1.07
Distribution Rate (%)	**7.8**	6.7	9.0

Series T5	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Portfolio Turnover Rate (%)	**39.97**	40.8	21.64
Distributions ($)	**0.87**	0.60	0.52
Distribution Rate (%)	**6.6**	5.8	4.7

Series I	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Portfolio Turnover Rate (%)	**39.97**	40.8	21.64
Distributions ($)	**1.26**	0.86	0.72
Distribution Rate (%)	**8.4**	7.4	5.8

Series D	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Portfolio Turnover Rate (%)	**39.97**	40.8	21.64
Distributions ($)	**1.03**	0.68	0.56
Distribution Rate (%)	**7.5**	6.3	4.8

Series O	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Portfolio Turnover Rate (%)	**39.97**	40.8	21.64
Distributions ($)	**1.07**	0.74	0.63
Distribution Rate (%)	**8.7**	7.6	6.2

7. How has the fund's risk profile changed?

Tips When Reviewing This Section:
- Information about changes in the risks associated with investing in your fund is provided below. It can help you make decisions about whether this fund continues to be appropriate for you.

- During the period covered, there were no changes to the fund that materially affected the overall risk level associated with an investment in the fund.

Did you know... A mutual fund's risk rating is based on how much the fund's returns have changed from year to year. If the fund's returns vary a lot, it may be considered higher risk because its performance can change quickly up or down. The rating can change over time.

Risk Rating Change (since the last Fund Report dated September 30, 2021)	**Added or Removed Risks** (since the last Fund Report dated September 30, 2021)
• No change	• No new risks identified and no existing risks removed

More Information:
- Find your fund's current risk rating in its most recent Fund Facts document.
- Find a discussion of the risks applicable to your fund in the most recent simplified prospectus.

8. What is the fund's liquidity profile?

Tips When Reviewing This Section:
- Decide whether you're comfortable with the fund's ability to satisfy your request if you want to sell your shares in the future.

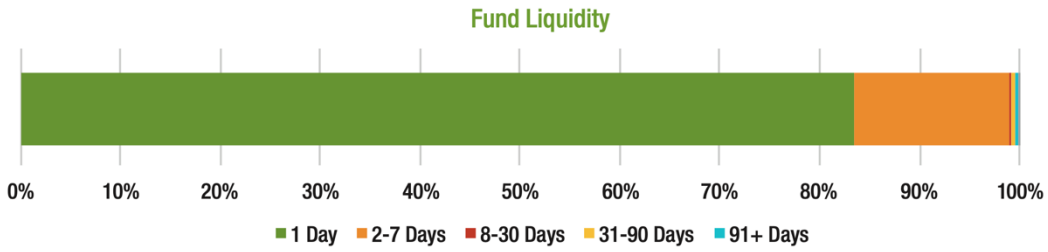
Did you know... A fund's liquidity profile shows how readily the portfolio assets of a fund can be converted into cash. The more liquid your fund, the easier it will be to sell your holdings at a fair price. This can be particularly important during periods of greater than usual market volatility.

- The fund did not face any significant liquidity challenges during the reporting period.
- Market conditions did not produce any adverse impacts to the fund's liquidity profile.
- As set out in the chart below, the fund is able to liquidate nearly all (99.02%) of its holdings within a one-week period if required.
- There were no significant redemptions from the fund during the reporting period.

XYZ Mutual Funds

XYZ Canadian Equity Fund

How to Read This Information: The following bar chart illustrates the number of days needed to convert the fund's portfolio holdings into cash. The more of a fund's portfolio holdings that can be converted into cash within a short timeframe, the more liquid it is.



9. Did the fund borrow money or use leverage?

A) Borrowing

This fund does not engage in borrowing.

B) Leverage

This fund is not permitted to use leverage.

10. What operational changes should I be aware of?

Tips When Reviewing This Section:

- Information on key operational changes to your fund is presented below. It can help you make decisions about whether this fund continues to be appropriate for you.

Changes to Manager, Portfolio Advisor, or Independent Review Committee (since the last Fund Report dated September 30, 2021)	Effects of any Actual or Planned Reorganizations, Mergers or Similar Transactions (since the last Fund Report dated September 30, 2021)
• Effective January 18, 2022, Ms. Jane Doe resigned from the Independent Review Committee (the "IRC"). • Effective February 12, 2022, Mr. John Doe was appointed to the IRC.	• No such transactions have occurred or are contemplated at this time.

More Information:

- Find more information about key parties associated with the operation of your investment fund in the most recent simplified prospectus under "Responsibility for Mutual Fund Administration".

11. Is there any other important information to know as part of this update?

On January 5, 2022, the minimum balance amount for Series I increased to $200,000.

12. Where can I find additional resources?

Additional information about the fund can be found in the following documents:

- Simplified Prospectus
- Fund Facts
- Financial Statements
- Standardized Risk Classification Methodology
- Mutual Fund Proxy Voting Policies and Procedures
- Mutual Fund Proxy Voting Record
- Independent Review Committee Report to Securityholders

Contact XYZ Mutual Funds for a copy of this fund's regulatory documents or for questions about the contents of this Fund Report:

XYZ Mutual Funds
123 Asset Allocation St.
Toronto, ON M1A 2B3

Phone: (416) 555-5555
Toll-free: 1-800-555-5556
E-mail: investing@xyzfunds.com
www.xyzfunds.com

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

Your next Fund Report will be prepared for the 6-month period ended **September 30, 2022.**

Version 1 (Français)

OPC XYZ

Fonds d'actions canadiennes XYZ

RAPPORT ANNUEL DU FONDS (POUR LA PÉRIODE DE 12 MOIS SE TERMINANT LE 31 MARS 2022)

OPC XYZ | Fonds d'actions canadiennes XYZ | www.fondsxyz.com

Objectif et contenu

Le présent rapport annuel du fonds fournit des renseignements importants sur votre fonds. **Utilisez-le et parlez-en à votre représentant pour évaluer si votre fonds vous convient toujours.** Ce document est destiné aux investisseurs de tous horizons et de tous niveaux d'expérience en matière de placement. Il prend environ **19 minutes** à examiner et comprend les renseignements suivants sur votre fonds :

1. Comment le fonds a-t-il atteint ses objectifs et stratégies de placement ? Quels sont les facteurs susceptibles d'influencer ses résultats futurs ?
2. Dans quoi le fonds a-t-il investi ?
3. Quels sont les coûts associés à un investissement dans ce fonds ?
4. Quel était le rendement du fonds ?
5. Comment l'actif net par part du fonds a-t-il évolué ?
6. Quelles sont les principales statistiques du fonds ?
7. Comment le profil de risque du fonds a-t-il changé ?
8. Quel est le profil de liquidité du fonds ?
9. Le fonds a-t-il emprunté de l'argent ou utilisé un effet de levier ?
10. Quels sont les changements opérationnels dont je dois être conscient ?
11. Y a-t-il d'autres informations importantes à connaître dans le cadre de cette mise à jour ?
12. Où puis-je trouver des ressources supplémentaires ?

Important : Le présent rapport du fonds peut contenir des déclarations prospectives qui reflètent les prévisions actuelles d'événements futurs. En raison de nombreux facteurs, tels que les conditions économiques et politiques générales au Canada et à l'échelle internationale, les événements réels peuvent différer sensiblement de ceux exprimés ou sous-entendus dans ces déclarations prospectives. Le lecteur est prié de ne pas se fier indûment à ces déclarations lorsqu'il prend des décisions de placement.

1. Comment le fonds a-t-il atteint ses objectifs et stratégies de placement ? Quels sont les facteurs susceptibles d'influencer ses résultats futurs ?

Conseils pour l'examen de cette section :

- Comprenez les objectifs de placement du fonds et comment ils s'alignent avec votre approche d'investissement.
- Examinez dans quelle mesure le fonds a réussi à atteindre ses objectifs de placement et comment il pourrait atteindre ses objectifs à l'avenir.

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Fonds d'actions canadiennes XYZ

Résumé des objectifs et stratégies de placement	Réalisation des objectifs et stratégies de placement du fonds au cours des 12 derniers mois	Facteurs pouvant avoir un impact sur la réalisation des objectifs et stratégies de placement du fonds à l'avenir
• Ce fonds vise à augmenter la vleur de votre investissement en investissant dans un large éventail de titres de participation de sociétés canadiennes de toute taille et de tout secteur. • Les actions sélectionnées sont celles qui se négocient en dessous de leur valeur intrinsèque, qui affichent une croissance supérieure des bénéfices et une dynamique positive des cours.	• Au cours de la période, la valeur liquidative du fonds est passée de 1,05 milliard de dollars à 1,2 milliard de dollars en raison d'un rendement positif, malgré l'impact d'un plus grand nombre de rachats par rapport aux souscriptions.	• L'équipe de gestion du portefeuille demeure optimiste à l'égard des perspectives à long terme des titres canadiens. Cependant, compte tenu du solide rendement du marché boursier au cours de la période, combiné aux évaluations élevées dans la majorité des secteurs, l'équipe s'attend à des rendements plus modestes. • Les marchés boursiers et l'économie mondiale pourraient être confrontés à l'inflation élevée, des problèmes persistants de la chaîne d'approvisionnement, à l'incertitude géopolitique et à la hausse des taux d'intérêt. • La politique de la Réserve fédérale américaine comporte des risques. Si elle devait relever les taux d'intérêt trop rapidement, elle pourrait ralentir la croissance ou encore, si elle les augmente trop lentement, elle pourrait ne pas parvenir à contenir l'inflation, ce qui donnerait lieu à davantage de hausses de taux.

2. Dans quoi le fonds a-t-il investi ?

Conseils pour la lecture de cette section :
- Comprendre comment le portefeuille de votre fonds a changé pendant la période couverte par ce rapport.

Augmentation de l'exposition	Diminution de l'exposition
• Augmentation de l'exposition du fonds au secteur de l'énergie (par exemple, AltaGas Ltd.) pour profiter de la forte montée des prix des produits de base.	• L'exposition aux secteurs aurifères (par exemple, Barrick Gold Corp.) a été revue à la baisse, en raison d'un ralentissement prévu dans ce secteur.

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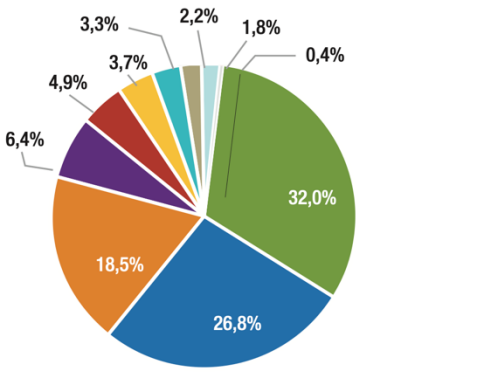
Fonds d'actions canadiennes XYZ

Comment lire ces informations : Le tableau et le graphique ci-dessous donnent un aperçu des placements du fonds en date du 30 mars 2022. Les placements du fonds et leur proportion dans les avoirs du portefeuille changeront au fil du temps en raison de divers facteurs, notamment les variations du prix des actifs et l'ajout ou le retrait de titres du portefeuille par le gestionnaire de portefeuille.

Les 25 positions principales Émetteurs	% de la valeur liquidative
Banque Royale du Canada	7,8
Banque Toronto-Dominion	7,6
Ressources naturelles canadiennes	5,9
La Banque de Nouvelle-Écosse	4,5
Cenovus Energy Inc.	3,6
Suncor Energy Inc.	3,4
Enbridge Inc.	3,3
Banque Impériale de Commerce du Canada	2,8
Société Financière Manuvie	2,5
Compagnie des chemins de fer nationaux du Canada	1,8
Dye & Durham	1,6
Shopify Inc, Classe A	1,5
Constellation Software Inc.	1,5
Banque de Montréal	1,3
Docebo	1,3
TFI International Inc.	1,3
Brookfield Asset Management Inc. classe A	1,2
Banque Nationale du Canada	1,2
Empire Company Limited, Classe A	1,2
AltaGas Ltd.	1,0
Northland Power Inc.	0,9
BCE Inc.	0,9
Société aurifère Barrick	0,9
Mines Agnico-Eagle	0,7
Quebecor Inc.	0,7
Principales participations en pourcentage de la valeur liquidative	**60,4**

Répartition de la valeur liquidative



- Services financiers
- Énergie
- Biens industriels
- Services aux entreprises
- Télécommunicatoins
- Matériel informatique
- Services de santé
- Services aux consommateurs
- Médias
- Biens de consommation

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3. Quels sont les coûts associés à l'investissement dans ce fonds ? *(les informations sont fournies à la fin de la période comptable indiquée)*

Conseils pour la lecture de cette section :

- Chaque fonds d'investissement peut avoir différentes « séries » avec des frais différents et donc des rendements différents. Assurez-vous de savoir quelle série vous détenez.
- Les frais des fonds réduisent le rendement de votre investissement.

Saviez-vous...

Le ratio des frais de gestion (« RFG ») d'un fonds est le total des frais de gestion du fonds (qui comprend la commission de suivi) et des frais d'exploitation. Lorsque le « RFG avant prise en charge » d'un fonds est supérieur à son RFG, cela signifie que le gestionnaire a renoncé à une partie des dépenses du fonds.

Le ratio des frais d'opérations (« RFO ») d'un fonds représente le montant des commissions sur opérations versé à l'achat ou à la vente de titres par le gestionnaire de portefeuille du fonds.

Les dépenses totales d'un fonds sont la combinaison de son RFG (après prise en charge) et de son RFO.

Série A	31 mars 2022	31 mars 2021	31 mars 2020
Ratio des frais de gestion (%)	**2,5**	2,48	2,48
RFG avant prise en charge (%)	**2,5**	2,48	2,48
Ratio des frais d'opérations (%)	**0,07**	0,08	0,06

Série F	31 mars 2022	31 mars 2021	31 mars 2020
Ratio des frais de gestion (%)	**0,77**	0,77	0,77
RFG avant prise en charge (%)	**0,77**	0,77	0,77
Ratio des frais d'opérations (%)	**0,07**	0,08	0,06

Série B	31 mars 2022	31 mars 2021	31 mars 2020
Ratio des frais de gestion (%)	**2,4**	2,48	2,48
RFG avant prise en charge (%)	**2,4**	2,48	2,48
Ratio des frais d'opérations (%)	**0,07**	0,08	0,06

Série FT5	31 mars 2022	31 mars 2021	31 mars 2020
Ratio des frais de gestion (%)	**0,77**	0,75	0,75
RFG avant prise en charge (%)	**0,77**	0,75	0,75
Ratio des frais d'opérations (%)	**0,07**	0,08	0,06

Série T5	31 mars 2022	31 mars 2021	31 mars 2020
Ratio des frais de gestion (%)	**1,81**	1,82	1,83
RFG avant prise en charge (%)	**1,81**	1,82	1,83
Ratio des frais d'opérations (%)	**0,07**	0,08	0,06

Série I	31 mars 2022	31 mars 2021	31 mars 2020
Ratio des frais de gestion (%)	**0,25**	0,24	0,25
RFG avant prise en charge (%)	**0,25**	0,24	0,25
Ratio des frais d'opérations (%)	**0,07**	0,08	0,06

Série D	31 mars 2022	31 mars 2021	31 mars 2020
Ratio des frais de gestion (%)	**1,05**	1,05	1,05
RFG avant prise en charge (%)	**1,07**	1,07	1,07
Ratio des frais d'opérations (%)	**0,07**	0,08	0,06

Série O	31 mars 2022	31 mars 2021	31 mars 2020
Ratio des frais de gestion (%)	**0,02**	0,02	0,02
RFG avant prise en charge (%)	**0,02**	0,02	0,02
Ratio des frais d'opérations (%)	**0,07**	0,08	0,06

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4. Quel était le rendement du fonds ?

Conseils pour l'examen de cette section :

- Portez une attention particulière au rendement du fonds par rapport à son indice de référence.

Saviez-vous… Un indice de référence est généralement un indice de marché ou de secteur par rapport auquel le rendement d'un organisme de placement collectif peut être comparé. En comparant ainsi un fonds à un indice de référence approprié, vous pouvez voir comment les investissements détenus par le fonds se sont comportés par rapport au marché ou au secteur en général.

Important :

- Les rendements fournis sont calculés après déduction des frais. Les frais diminuent le rendement du fonds de façon cumulative puisque l'argent déduit en frais ne fructifie pas.
- Les rendements passés ne sont pas nécessairement indicatifs des rendements futurs. Par exemple, il est possible qu'à l'avenir, un fonds affichant un haut rendement obtienne des résultats inférieurs aux attentes.
- L'indice de référence du fonds est l'indice composé de rendement global S&P/TSX. L'indice de rendement global composé S&P/TSX est un indice pondéré en fonction de la capitalisation boursière des titres des sociétés les plus importantes et les plus liquides de la Bourse de Toronto.

Hypothèses :

- Les rendements de l'indice de référence ne comprennent pas les frais de placement.
- Les informations sur le rendement supposent que toutes les distributions effectuées par le fonds au cours des périodes indiquées ont été réinvesties dans des parts supplémentaires. Le rendement sera inférieur si les distributions ne sont pas ainsi réinvesties.
- Les informations sur le rendement ne tiennent pas compte des ventes, des rachats, des distributions, des frais facultatifs ou des impôts sur le revenu à payer qui auraient réduit les rendements.
- Un fonds ayant plus de 10 ans d'historique ne doit divulguer que les rendements des 10 dernières années.

Rendement par rapport à l'indice de référence	Facteurs qui contribuent au rendement	Facteurs qui nuisent au rendement
• Les titres de série A du fonds ont augmenté de 26,2 %, ce qui est inférieur à la hausse de 27,5 % de l'indice de référence, l'indice composé de rendement global S&P/TSX.	• Surpondération du secteur financier (par exemple, la Banque Royale du Canada, la Banque Toronto-Dominion, la Banque de Nouvelle-Écosse). • Exposition à certaines actions du secteur des technologies de l'information (par exemple, Dye & Durham).	• Les placements dans certains titres du secteur des matériaux (par exemple, Barrick Gold Corp.). • Sous-pondération du secteur de services de télécommunication (par exemple, BCE Inc.).

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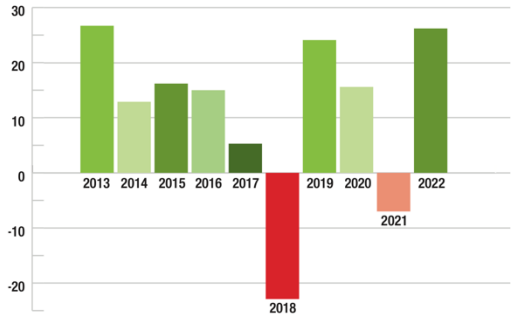
Fonds d'actions canadiennes XYZ

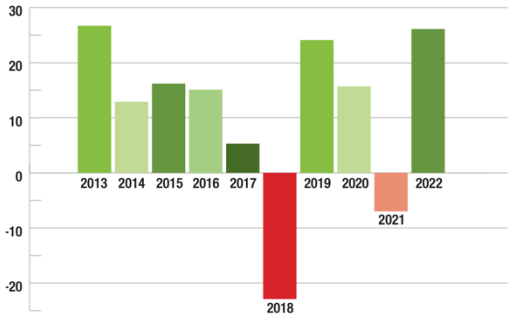
a) Rendements annuels

Comment lire ces informations : Le graphique à barres suivant montre le rendement annuel du fonds pour chacune des années indiquées.

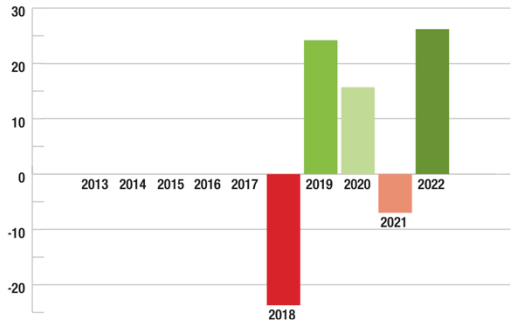
Série A (%)



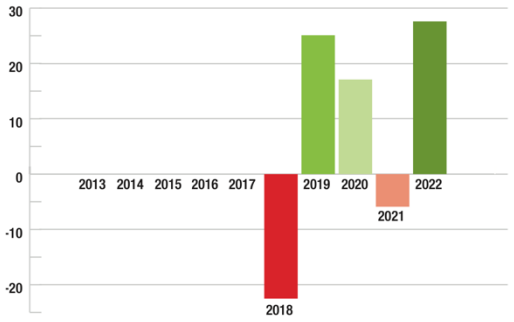
Série B (%)



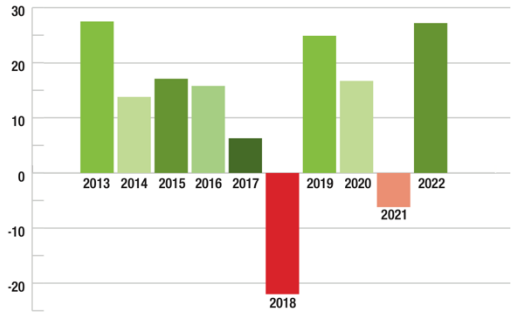
Série T5 (%)



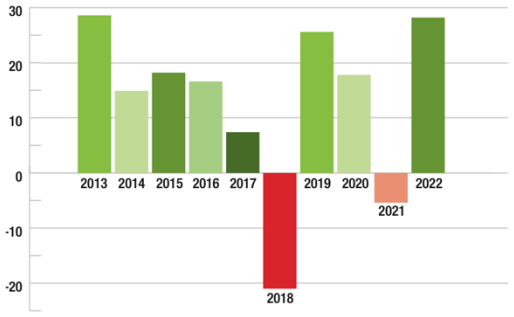
Série FT5 (%)



Série D (%)



Série I (%)



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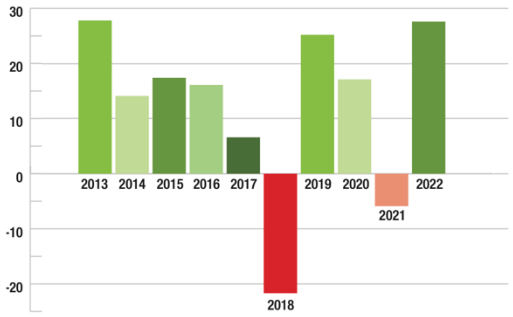
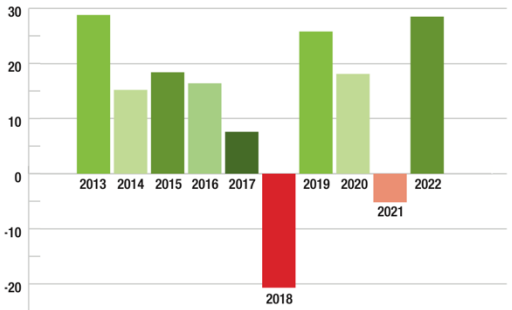
Fonds d'actions canadiennes XYZ

Série F (%)



Série O (%)



b) Rendement annuel composé

Comment lire ces informations :

- Ce tableau présente les rendements annuels composés du fonds pour les périodes indiquées, par rapport à son indice de référence.
- Tous les rendements des indices de référence sont calculés en dollars canadiens sur la base d'un rendement total, ce qui signifie que tous les paiements de dividendes, les revenus d'intérêts courus et les paiements d'intérêts sont réinvestis.

Rendement annuel composé (%) (1)	1 an	3 ans	5 ans	10 ans	Depuis la création (2)
Série A	26,2	8,3	13,9	11,3	
Série B	26,1	8,3	13,9	11,3	
Série T5	26,2	8,3	14,0	s.o.	6,5
Série D	27,2	9,2	14,8	12,3	
Série F	27,6	9,6	15,2	12,6	
Série FT5	27,6	9,6	15,2	s.o.	8,1
Série I	28,2	10,1	15,7	13,4	
Série O	28,5	10,4	16,0	13,6	
Indice composé de rendement global S&P/TSX	27,5	9,4	15,9	13,3	Note (3)

(1) Le pourcentage de rendement diffère pour chaque série car le taux de frais de gestion et leurs dépenses diffèrent pour chacune d'elles.
(2) Le rendement depuis la création de chaque série sera différent lorsque la date de création diffère et n'est fourni que lorsqu'une série a été active pendant une période de moins de 10 ans.
(3) Le rendement de l'indice composé de rendement global S&P/TSX depuis la création des séries T5 et FT5 est de 3,9 %.

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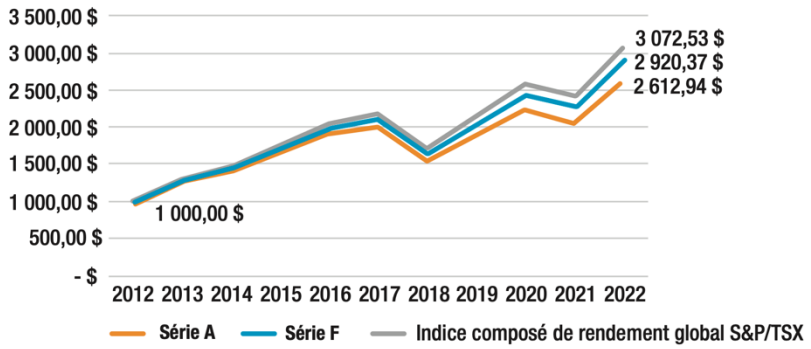
c) Croissance d'un investissement de 1 000 dollars

Comment lire ces informations :

- Le graphique linéaire suivant illustre la croissance d'un placement de 1 000 $ dans ce fonds. La comparaison est fournie par rapport à l'indice de référence du fonds.
- **Il est possible que le rendement de la série de parts que vous détenez n'est pas reflété dans le graphique linéaire. Les renseignements ne sont présentés qu'à l'égard de la série dont les frais de gestion sont les plus élevés (série A), de la série avec les frais de gestion les plus bas offerts aux investisseurs particuliers (série F) et de la série dont la valeur liquidative est la plus élevée (série A).**



Plus d'information :

- Si les renseignements sur le rendement de votre série ne sont pas disponibles ici, consultez les renseignements sur le rendement dans l'aperçu du fonds de cette série.
- Vous trouverez de plus amples renseignements sur les dépenses associées à votre Fonds dans son aperçu du fonds.

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5. Comment l'actif net par titre du fonds a-t-il changé ? ($)[1]

Conseils pour l'examen de cette section :

- Comprenez comment la valeur liquidative par titre de votre fonds a changé entre le début et la fin de son exercice financier, et examinez les sources des distributions de votre fonds.

Série A	31 mars 2022	31 mars 2021	31 mars 2020	31 mars 2019	31 mars 2018
Valeur liquidative (« VL ») au début de la période	**10,68**	11,49	9,94	8,01	10,38
Augmentation (Diminution) des opérations					
Revenu total (perte)	**0,35**	0,43	-	0,37	0,33
Total des dépenses	**(0,25)**	(0,21)	-	(0,23)	(0,24)
Gains (pertes) réalisés	**1,11**	0,55	-	0,63	1,04
Gains (pertes) non réalisés	**2,47**	(1,01)	1,98	1,70	(2,53)
Total	**3,68**	(0,25)	1,98	2,47	(1,40)
Distributions					
Du revenu (à l'exclusion des dividendes)	**-**	-	-	-	-
Des dividendes	**(0,06)**	(0,21)	(0,14)	(0,11)	(0,05)
Des gains en capital	**(0,82)**	(0,36)	(0,30)	(0,42)	(0,93)
Remboursement du capital	**-**	**-**	**-**	**-**	**-**
Total	**(0,88)**	(0,57)	(0,43)	(0,53)	(0,98)
VL à la fin de la période	**13,48**	10,68	11,49	9,94	8,01

Série B	31 mars 2022	31 mars 2021	31 mars 2020	31 mars 2019	31 mars 2018
VL au début de la période	**10,77**	11,58	10,00	8,06	10,45
Augmentation (Diminution) des opérations					
Revenu total (perte)	**0,36**	0,43	-	0,37	0,34
Total des dépenses	**(0,25)**	(0,21)	-	(0,23)	(0,24)
Gains (pertes) réalisés	**1,11**	0,55	-	0,63	1,05
Gains (pertes) non réalisés	**2,48**	(1.01)	2,01	1,71	(2,56)
Total	**3,70**	(0,24)	2,01	2,48	(1,41)
Distributions					
Du revenu (à l'exclusion des dividendes)	**-**	-	-	-	-
Des dividendes	**(0,06)**	(0,21)	(0,14)	(0,11)	(0,05)
Des gains en capital	**(0,82)**	(0,36)	(0,30)	(0,43)	(0,93)
Rendement du capital	**-**	-	-	-	-
Total	**(0,88)**	(0,57)	(0,43)	(0,54)	(0,98)
VL à la fin de la période	**13,58**	10,77	11,58	10,00	8,06

Série T5	31 mars 2022	31 mars 2021	31 mars 2020	31 mars 2019	31 mars 2018
VL au début de la période	**10,32**	11,10	9,59	7,72	10,12
Augmentation (Diminution) des opérations					
Revenu total (perte)	**0,34**	0,41	-	0,36	0,28
Total des dépenses	**(0,23)**	(0,19)	-	(0,21)	(0,19)
Gains (pertes) réalisés	**1,05**	0,52	-	0,61	0,87
Gains (pertes) non réalisés	**2,42**	(0,93)	2,03	1,72	(2,28)
Total	**3,58**	(0,19)	2,03	2,47	(1,33)
Distributions					
Du revenu (à l'exclusion des dividendes)	**-**	**-**	-	-	(0,01)
Des dividendes	**(0,07)**	(0,20)	(0,12)	(0,11)	(0,04)
Des gains en capital	**(0,80)**	(0,32)	(0,22)	-	(1,03)
Remboursement du capital	**-**	(0,08)	(0,19)	(0,50)	-
Total	**(0,87)**	(0,60)	(0,52)	(0,61)	(1,08)
VL à la fin de la période	**13,03**	10,32	11,10	9,59	7,72

Série D	31 mars 2022	31 mars 2021	31 mars 2020	31 mars 2019	31 mars 2018
VL au début de la période	**10,85**	11,57	9,91	7,94	10,17
Augmentation (Diminution) des opérations					
Revenu total (perte)	**0,36**	0,44	-	0,38	0,34
Total des dépenses	**(0,14)**	(0,12)	-	(0,13)	(0,14)
Gains (pertes) réalisés	**1,14**	0,56	-	0,64	1,07
Gains (pertes) non réalisés	**2,63**	(0,91)	2,22	1,73	(2,40)
Total	**3,98**	(0,04)	2,22	2,62	(1,12)
Distributions					
Du revenu (à l'exclusion des dividendes)	**(0,01)**	(0,01)	(0,01)	-	-
Des dividendes	**(0,18)**	(0,31)	(0,25)	(0,21)	(0,16)
Des gains en capital	**(0,85)**	(0,37)	(0,31)	(0,44)	(0,96)
Remboursement du capital	**-**	-	-	-	-
Total	**(1,03)**	(0,68)	(0,56)	(0,65)	(1,12)
VL à la fin de la période	**13,80**	10,85	11,57	9,91	7,94

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Fonds d'actions canadiennes XYZ

Série F	31 mars 2022	31 mars 2021	31 mars 2020	31 mars 2019	31 mars 2018
VL au début de la période	**11,72**	12,45	10,63	8,49	10,85
Augmentation (Diminution) des opérations					
Revenu total (perte)	**0,40**	0,48	-	0,41	0,38
Total des dépenses	**(0,12)**	(0,10)	-	(0,10)	(0,11)
Gains (pertes) réalisés	**1,23**	0,61	-	0,70	1,17
Gains (pertes) non réalisés	**2,89**	(0,94)	2,46	1,87	(2,54)
Total	**4,40**	0,05	2,46	2,88	(1,10)
Distributions					
Du revenu (à l'exclusion des dividendes)	**(0,01)**	(0,01)	(0,01)	-	-
Des dividendes	**(0,24)**	(0,38)	(0,31)	(0,27)	(0,22)
Des gains en capital	**(0,92)**	(0,40)	(0,33)	(0,48)	(1,04)
Remboursement du capital	-	-	-	-	-
Total	**(1,17)**	(0,78)	(0,64)	(0,74)	(1,26)
VL à la fin de la période	**14,95**	11,72	12,45	10,63	8,49

Série FT5	31 mars 2022	31 mars 2021	31 mars 2020	31 mars 2019	31 mars 2018
VL au début de la période	**11,24**	11,94	10,20	8,15	10,55
Augmentation (Diminution) des opérations					
Revenu total (perte)	**0,37**	0,45	-	0,40	0,31
Total des dépenses	**(0,11)**	(0,09)	-	(0,10)	(0,09)
Gains (pertes) réalisés	**1,16**	0,58	-	0,68	0,98
Gains (pertes) non réalisés	**2,80**	(0,89)	2,82	1,75	(2,27)
Total	**4.23**	0,04	2,82	2,73	(1,07)
Distributions					
Du revenu (à l'exclusion des dividendes)	-	-	-	-	(0,01)
Des dividendes	**(0,23)**	(0,33)	(0,29)	(0,24)	(0,15)
Des gains en capital	**(0,90)**	(0,42)	(0,78)	-	(1,17)
Remboursement du capital	-	-	-	(0,44)	-
Total	**(1,13)**	(0,75)	(1,07)	(0,68)	(1,33)
VL à la fin de la période	**14,34**	11,24	11,94	10,20	8,15

Série I	31 mars 2022	31 mars 2021	31 mars 2020	31 mars 2019	31 mars 2018
VL au début de la période	**11.69**	12.36	10,49	8.35	10,57
Augmentation (Diminution) des opérations					
Revenu total (perte)	**0,40**	0,48	-	0,42	0,38
Total des dépenses	**(0,04)**	(0,03)	-	(0,04)	(0,04)
Gains (pertes) réalisés	**1,24**	0,61	-	0,70	1,18
Gains (pertes) non réalisés	**2,96**	(0,87)	2,59	1,87	(2.39)
Total	**4,56**	0,19	2,59	2,95	(0,88)
Distributions					
Du revenu (à l'exclusion des dividendes)	**(0,01)**	(0,01)	(0,01)	(0,01)	-
Des dividendes	**(0,33)**	(0,45)	(0,39)	(0,33)	(0,30)
Des gains en capital	**(0,93)**	(0,41)	(0,33)	(0,48)	(1,05)
Remboursement du capital	-	-	-	-	-
Total	**(1,26)**	(0,86)	(0,72)	(0,81)	(1,35)
VL à la fin de la période	**14,99**	11,69	12,36	10,49	8,35

Série O	31 mars 2022	31 mars 2021	31 mars 2020	31 mars 2019	31 mars 2018
VL au début de la période	**9.62**	10,15	8,59	6,83	8,62
Augmentation (Diminution) des opérations					
Revenu total (perte)	**0,33**	0,40	-	0,34	0,31
Total des dépenses	**(0,01)**	-	-	-	(0,01)
Gains (pertes) réalisés	**1,02**	0,51	-	0,58	0,97
Gains (pertes) non réalisés	**2,48**	(0,70)	2,18	1,54	(1,90)
Total	**3,82**	0,21	2,18	2,46	(0,63)
Distributions					
Du revenu (à l'exclusion des dividendes)	**(0,01)**	(0,01)	(0,01)	(0,01)	-
Des dividendes	**(0,30)**	(0,40)	(0,35)	(0,30)	(0,29)
Des gains en capital	**(0,77)**	(0,34)	(0,28)	(0,40)	(0,88)
Remboursement du capital	-	-	-	-	-
Total	**(1,07)**	(0,74)	(0,63)	(0,70)	(1,16)
VL à la fin de la période	**12,37**	9,62	10,15	8,59	6,83

(1) Voir les notes aux états financiers du fonds pour des informations concernant toute différence potentielle entre les informations ici et l'actif net par titre tel que présenté dans les états financiers.

Plus d'information :

- Voir les états financiers (annuels et intermédiaires) du fonds pour plus de détails.
- Consultez le prospectus simplifié du fonds pour obtenir des renseignements sur les différences entre les séries.

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6. Quelles sont les principales statistiques du fonds ? *(les informations données à la clôture de la période comptable indiquée)*

Conseils pour l'examen de cette section :

- Les statistiques clés du fonds sont définies et présentées ci-dessous ; comprendre ces termes et leurs valeurs pour votre fonds peut vous aider à prendre de meilleures décisions.

Saviez-vous...

Le taux de rotation du portefeuille (« TRP ») d'un fonds représente le degré d'activité du conseiller en valeurs du fonds dans la gestion des placements de son portefeuille (c'est-à-dire la fréquence à laquelle le gestionnaire de portefeuille achète et vend des titres).

Les distributions d'un fonds peuvent consister en des dividendes, des intérêts, des gains en capital, des remboursements de capital ou d'autres revenus que le fonds tire de ses placements.

Le taux de distribution d'un fonds représente ses distributions en pourcentage de sa valeur liquidative par titre.

Série A	31 mars 2022	31 mars 2021	31 mars 2020
Taux de rotation du portefeuille (%)	**39,97**	40,8	21,64
Distributions ($)	**0,88**	0,57	0,43
Taux de distribution (%)	**6,5**	5,3	3,7

Série F	31 mars 2022	31 mars 2021	31 mars 2020
Taux de rotation du portefeuille (%)	**39,97**	40,8	21,64
Distributions ($)	**1,17**	0,78	0,64
Taux de distribution (%)	**7,8**	6,7	5,1

Série B	31 mars 2022	31 mars 2021	31 mars 2020
Taux de rotation du portefeuille (%)	**39,97**	40,8	21,64
Distributions ($)	**0,88**	0,57	0,43
Taux de distribution (%)	**6,5**	5,2	3,7

Série FT5	31 mars 2022	31 mars 2021	31 mars 2020
Taux de rotation du portefeuille (%)	**39.97**	40,8	21.64
Distributions ($)	**1.13**	0,75	1.07
Taux de distribution (%)	**7,8**	6,7	9,0

Série T5	31 mars 2022	31 mars 2021	31 mars 2020
Taux de rotation du portefeuille (%)	**39,97**	40,8	21,,64
Distributions ($)	**0,87**	0,60	0,52
Taux de distribution (%)	**6,6**	5,8	4,7

Série I	31 mars 2022	31 mars 2021	31 mars 2020
Taux de rotation du portefeuille (%)	**39,97**	40,8	21, 64
Distributions ($)	**1,26**	0,86	0,72
Taux de distribution (%)	**8,4**	7,4	5,8

Série D	31 mars 2022	31 mars 2021	31 mars 2020
Taux de rotation du portefeuille (%)	**39,97**	40,8	21,64
Distributions ($)	**1,03**	0,68	0,56
Taux de distribution (%)	**7,5**	6,3	4,8

Série O	31 mars 2022	31 mars 2021	31 mars 2020
Taux de rotation du portefeuille (%)	**39,97**	40,8	21,64
Distributions ($)	**1,07**	0,74	0,63
Taux de distribution (%)	**8,7**	7,6	6,2

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7. Comment le profil de risque du fonds a-t-il changé ?

Conseils pour l'examen de cette section :

- Vous trouverez ci-dessous des renseignements sur l'évolution des risques associés à un placement dans votre fonds. Ils peuvent vous aider à décider si ce fonds vous convient toujours.

- Au cours de la période, il n'y a pas eu de changement qui affecte le niveau de risque global associé à un placement dans le fonds de manière important.

Saviez-vous... La cote de risque d'un organisme de placement collectif est fondée sur l'ampleur de la variation des rendements du fonds d'une année à l'autre. Si les rendements du fonds varient beaucoup, il peut être considéré comme plus risqué parce que son rendement peut changer rapidement à la hausse ou à la baisse. La cote de risque peut changer au fil du temps.

Changement de la cote de risque (depuis le dernier rapport du fonds daté du 30 septembre 2021)	**Risques ajoutés ou supprimés** (depuis le dernier rapport du fonds daté du 30 septembre 2021)
• Aucun changement	• Aucun nouveau risque identifié et aucun risque existant supprimé

Plus d'information :

- Vous trouverez la cote de risque actuelle de votre fonds dans son plus récent aperçu du fonds.
- Vous trouverez un exposé des risques applicables à votre fonds dans le plus récent prospectus simplifié.

8. Quel est le profil de liquidité du fonds ?

Conseils pour l'examen de cette section :

- Évaluez votre niveau de confort avec la capacité du fonds à satisfaire votre demande si vous souhaitez vous départir de vos titres à l'avenir.

Saviez-vous... Le profil de liquidité d'un fonds indique la facilité de convertir les actifs du portefeuille en espèces. Plus votre fonds est liquide, plus il sera facile de vendre vos avoirs à juste prix. Cela peut s'avérer particulièrement important pendant les périodes de volatilité des marchés supérieure à la normale.

- Le fonds n'a pas été confronté à d'importants problèmes de liquidité au cours de la période considérée.
- Les conditions du marché n'ont pas eu d'impact négatif sur le profil de liquidité du fonds.
- Comme le montre le graphique ci-dessous, le fonds est capable de liquider la quasi-totalité (99,02 %) de ses avoirs en une semaine si nécessaire.
- Il n'y a pas eu de rachats importants du fonds au cours de la période considérée.

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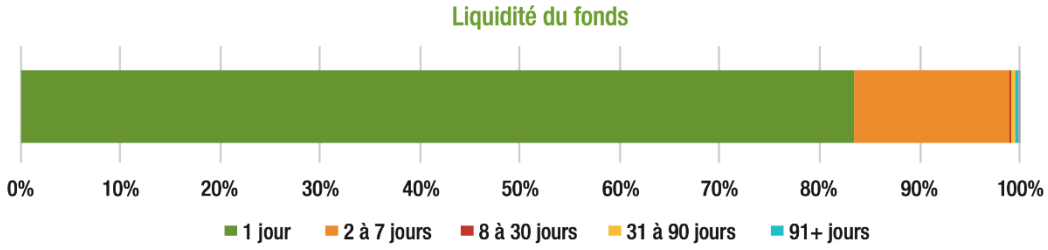
Comment lire ces informations : Le graphique à barres suivant illustre le nombre de jours nécessaires pour convertir les avoirs du portefeuille du fonds en espèces. Plus la part du portefeuille d'un fonds qui peut être convertie en liquidités dans un court laps de temps est importante, plus le fonds est liquide.



9. Le fonds a-t-il emprunté de l'argent ou utilisé un effet de levier ?

a) Emprunts

Ce fonds ne procède pas à des emprunts.

b) Effet de levier

Ce fonds n'est pas autorisé à utiliser l'effet de levier.

10. Quels sont les changements opérationnels dont je dois être conscient ?

Conseils pour l'examen de cette section :

- Des informations sur les principaux changements opérationnels de votre fonds sont présentées ci-dessous. Elles peuvent vous aider à décider si ce fonds vous convient toujours.

Changements de gestionnaire, de conseiller en valeurs ou de comité d'examen indépendant (depuis le dernier rapport du fonds daté du 30 septembre 2021)	**Effets des réorganisations, fusions ou transactions similaires, réelles ou envisagées** (depuis le dernier rapport du fonds daté du 30 septembre 2021)
• Le 18 janvier 2022, Mme Jane Doe a démissionné du Comité d'examen indépendant (le « CEI »). • En date du 12 février 2022, M. John Doe a été nommé au CEI.	• Aucune transaction de ce type n'a eu lieu ou n'est envisagée à l'heure actuelle.

Plus d'information :

- Vous trouverez de plus amples renseignements sur les principales parties associées au fonctionnement de votre fonds d'investissement dans le prospectus simplifié le plus récent, à la rubrique « Responsabilité de l'administration du fonds d'investissement ».

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Fonds d'actions canadiennes XYZ

11. Y a-t-il d'autres informations importantes à connaître dans le cadre de cette mise à jour ?

Le 5 janvier 2022, le montant minimum de souscription pour la série I a été augmenté à 200 000 $.

12. Où puis-je trouver des ressources supplémentaires ?

Vous trouverez des informations supplémentaires sur le fonds dans les documents suivants :

- Prospectus simplifié
- Aperçu du fonds
- Politiques et procédures de vote par procuration
- Dossier de vote par procuration des Fonds communs de placement
- États financiers
- Méthodologie standardisée de classification des risques
- Rapport du comité d'examen indépendant aux porteurs de titre

Contactez OPC XYZ pour obtenir un exemplaire des documents réglementaires de ce fonds ou pour toute question sur le contenu du présent rapport sur le fonds :

OPC XYZ
123, rue Asset Allocation
Toronto, ON M1A 2B3

Téléphone : (416) 555-5555
Sans frais : 1-800-555-5556
Courriel : investissement@fondsxyz.com
www.fondsxyz.com

Pour en savoir plus sur les organismes de placements collectifs, consultez la brochure intitulée, **Comprendre les organismes de placement collectif**, qui est disponible sur le site Web des Autorités canadiennes en valeurs mobilières à l'adresse https://www.autorites-valeurs-mobilieres.ca/.

Votre prochain rapport de fonds sera préparé pour la période de 6 mois qui se termine le **30 septembre 2022.**

Version 2 (English)

XYZ Mutual Funds

XYZ Canadian Equity Fund

ANNUAL FUND REPORT (for the 12-month period ended March 31, 2022)

XYZ Mutual Funds | XYZ Canadian Equity Fund | www.xyzfunds.com

Purpose and Content

This Annual Fund Report provides important information about your fund. **Use this and speak with your representative to assess whether your fund continues to be right for you.** This document is intended for investors of all backgrounds and levels of investment experience. It takes about **13 minutes** to review, and includes the following information about your fund:

1. How did the fund do in meeting its investment objectives and strategies? What factors may impact how it does going forward?
2. What did the fund invest in?
3. What costs are associated with investing in this fund?
4. How did the fund perform?
5. What are some key fund statistics?
6. How has the fund's risk profile changed?
7. What is the fund's liquidity profile?
8. Did the fund borrow money or use leverage?
9. Is there any other important information to know as part of this update?
10. Where can I find additional resources?

Important: This Fund Report may contain forward-looking statements that reflect current forecasts of future events. Due to many factors, such as general economic and political conditions in Canada and internationally, actual events may differ materially from those expressed in, or implied by, these forward-looking statements. Do not rely too much on forward-looking statements when making investment decisions.

1. How did the fund do in meeting its investment objectives and strategies? What factors may impact how it does going forward?

Tips When Reviewing This Section:

- Understand the investment objectives of the fund and how they align with your investment approach.
- Consider how well the fund has done at achieving its investment objectives and how it may do going forward.

Summary of Investment Objectives and Strategies	Fund's satisfaction of its Investment Objectives and Strategies during the last 12 months	Factors that may impact the fund's satisfaction of its Investment Objectives and Strategies going forward
• This fund aims to increase the value of your investment by investing in a broad range of equity securities of Canadian companies of any size and from any industry. • Equities are selected that trade below their intrinsic value, demonstrate superior earnings growth and positive price momentum.	• During the period, the net asset value of the fund increased from $1.05 billion to $1.2 billion due to positive performance, partially offset by net redemptions.	• While long-term prospects for Canadian equities are positive, strong equity market performance in the period covered by this Fund Report, coupled with full valuation levels across most sectors, is likely to lead to more modest returns. • Equity markets and the global economy may be challenged by high inflation levels, continued supply-chain issues, geopolitical uncertainty and rising interest rates. • Risk related to U.S. Federal Reserve policy could slow growth by raising interest rates too quickly or could fail to contain inflation by raising them too slowly, leading to larger rate increases.

XYZ Mutual Funds

XYZ Canadian Equity Fund

2. What did the fund invest in?

Tips When Reviewing This Section:

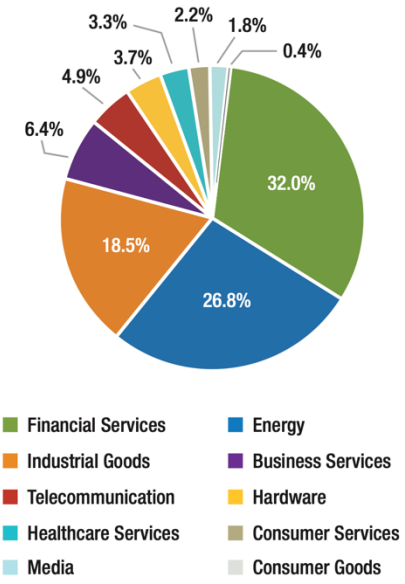
- Understand how your fund's investment portfolio changed during the period covered by this report.

How to Read This Information: The table and chart below give you a snapshot of the fund's investments on March 30, 2022. The fund's investments and their proportions of the portfolio holdings will change over time due to a variety of factors including changes in asset prices, and the addition or removal of securities from the portfolio by the portfolio manager.

Increased Exposure	Decreased Exposure
• Increased the fund's exposure to the energy industry (e.g., AltaGas Ltd.) to take advantage of rising commodity prices.	• Exposure to the materials sector was decreased (e.g., Barrick Gold Corp.) due to an expected slowdown in that sector.

Top 10 Holdings Issuer	% of Net Asset Value
Royal Bank of Canada	7.8
Toronto-Dominion Bank	7.6
Canadian Natural Resources	5.9
The Bank of Nova Scotia	4.5
Cenovus Energy Inc.	3.6
Suncor Energy Inc.	3.4
Enbridge Inc.	3.3
Canada Imperial Bank of Commerce	2.8
Manulife Financial Corporation	2.5
Canadian National Railway Company	1.8
Top Holdings as a Percentage of Total Net Asset Value	**43.2**

Investment Mix



More Information:

- See the designated website for the fund's Quarterly Portfolio Disclosure.

XYZ Mutual Funds

XYZ Canadian Equity Fund

3. What costs are associated with investing in this fund? *(information is provided as of the end of the fiscal period shown)*

Tips When Reviewing This Section:

- Each investment fund can have different "series" with different costs and therefore different returns – make sure you know which series you hold.
- Fund costs reduce the return on your investment.

Did you know...

A fund's management expense ratio ("MER") is the total of the fund's management fee (which includes the trailing commission) and operating expenses. Where a fund's "MER Before Absorption" is higher than its "MER", that means the manager waived some of the fund's expenses.

A fund's trading expense ratio ("TER") represents the fund's trading costs.

A fund's total expenses is the combination of its MER (after absorption) and TER.

Series A	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Management Expense Ratio (%)	**2.5**	2.48	2.48
MER Before Absorption (%)	**2.5**	2.48	2.48
Trading Expense Ratio (%)	**0.07**	0.08	0.06

Series F	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Management Expense Ratio (%)	**0.77**	0.77	0.77
MER Before Absorption (%)	**0.77**	0.77	0.77
Trading Expense Ratio (%)	**0.07**	0.08	0.06

Series B	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Management Expense Ratio (%)	**2.4**	2.48	2.48
MER Before Absorption (%)	**2.4**	2.48	2.48
Trading Expense Ratio (%)	**0.07**	0.08	0.06

Series FT5	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Management Expense Ratio (%)	**0.77**	0.75	0.75
MER Before Absorption (%)	**0.77**	0.75	0.75
Trading Expense Ratio (%)	**0.07**	0.08	0.06

Series T5	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Management Expense Ratio (%)	**1.81**	1.82	1.83
MER Before Absorption (%)	**1.81**	1.82	1.83
Trading Expense Ratio (%)	**0.07**	0.08	0.06

Series I	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Management Expense Ratio (%)	**0.25**	0.24	0.25
MER Before Absorption (%)	**0.25**	0.24	0.25
Trading Expense Ratio (%)	**0.07**	0.08	0.06

Series D	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Management Expense Ratio (%)	**1.05**	1.05	1.05
MER Before Absorption (%)	**1.07**	1.07	1.07
Trading Expense Ratio (%)	**0.07**	0.08	0.06

Series O	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Management Expense Ratio (%)	**0.02**	0.02	0.02
MER Before Absorption (%)	**0.02**	0.02	0.02
Trading Expense Ratio (%)	**0.07**	0.08	0.06

XYZ Mutual Funds

XYZ Canadian Equity Fund

4. How did the fund perform?

Tips When Reviewing This Section:

- Pay attention to how the fund performed against its benchmark.

Did you know... A benchmark is typically a market or sector index against which the performance of a mutual fund can be measured. By comparing a fund to an appropriate benchmark, you can see how the investments held by the fund performed compared to the market or sector in general.

Important:

- **Performance of the series of units that you hold may not be reflected in this Fund Report. Information is only presented in respect of the series with the highest management fee (Series A), lowest management fee available to retail investors (Series F) and largest net assets (Series A).**
- Returns provided are after expenses have been deducted. These expenses reduce the fund's returns, and they negatively compound over time since the money deducted is not able to grow.
- Past performance does not necessarily indicate how the fund may perform in the future. For example, a fund with strong recent performance may underperform expectations in the future.
- The fund's benchmark is the S&P/TSX Composite Total Return Index. The S&P/TSX Composite Total Return Index is a market capitalization-weighted index of securities of the largest and most liquid companies on the Toronto Stock Exchange.

Assumptions:

- Benchmark returns do not include any costs of investing.
- The performance information assumes that all distributions made by the fund in the periods shown were reinvested in additional units of the fund and would be lower if distributions were not reinvested.
- The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance.
- A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

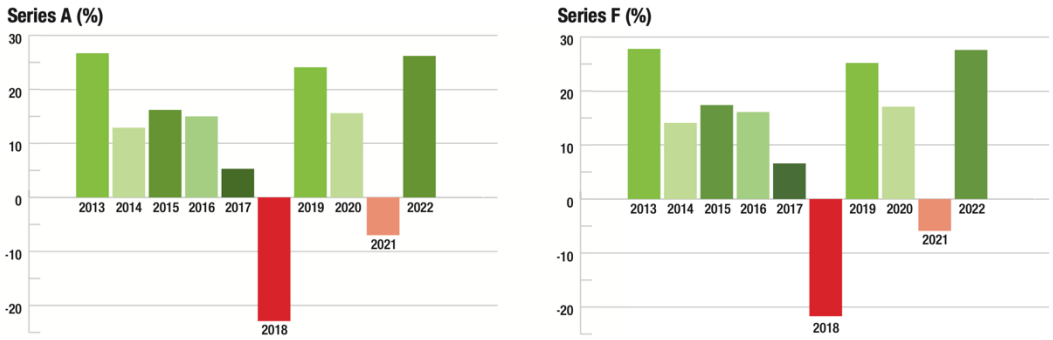
Performance Against Benchmark	Contributors to Performance	Detractors from Performance
• The fund's Series A units gained 26.2%, which was lower than the 27.5% rise in the S&P/TSX Composite Total Return Index benchmark.	• Overweight allocation to the financial sector. • Exposure to certain stocks in the information technology sector.	• Investments in certain stocks in the materials sector. • Underweight allocation to the communication services sector.

XYZ Mutual Funds

XYZ Canadian Equity Fund

A) Year-by-Year Returns

How to Read This Information: The following bar chart shows the fund's annual performance for each of the years shown.



B) Annual Compound Returns

How to Read This Information:

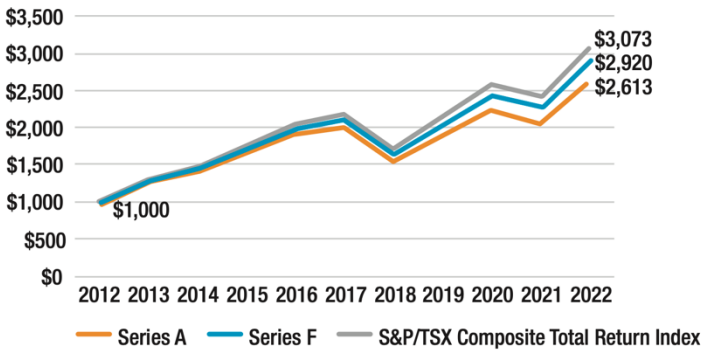
- This table shows the fund's annual compound total returns for the periods indicated, compared with its benchmark.
- All benchmark returns are calculated in Canadian dollars on a total return basis, meaning that all dividend payments, interest income accruals and interest payments are reinvested.

Annual Compound Return (%) (1)	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception (2)
Series A	26.2	8.3	13.9	11.3	
Series F	27.6	9.6	15.2	12.6	
S&P/TSX Composite Total Return Index	27.5	9.4	15.9	13.3	

(1) The percentage return differs for each series because the management fee rate and expenses differ for each series.
(2) The return since inception for each series will differ when the inception date differs and is only provided when a series has been active for a period of less than 10 years.

C) Growth of a $1000 Investment

How to Read This Information: The following line graph illustrates the growth of a $1000 investment in this fund. Comparison is provided against the fund's benchmark.



XYZ Mutual Funds

XYZ Canadian Equity Fund

More Information:

- If performance information for your series is not available here, consult the performance information in the Fund Facts for that series.
- Find more information about the expenses associated with your fund in its Fund Facts.

5. What are some key fund statistics? *(information is provided as of the end of the fiscal period shown)*

Tips When Reviewing This Section:

- Key fund statistics are defined and presented below; understanding these terms and their values for your fund can help you make better decisions.

Did you know...

A fund's portfolio turnover rate ("PTR") represents how actively the fund's portfolio advisor manages its portfolio investments (i.e. how frequently the portfolio manager buys and sells securities).

A fund's distributions can consist of dividends, interest, capital gains, return of capital or other income the fund earns on its investments.

A fund's distribution rate represents its distributions as a percentage of its net asset value per unit.

Series A	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Portfolio Turnover Rate (%)	**39.97**	40.8	21.64
Distributions ($)	**0.88**	0.57	0.43
Distribution Rate (%)	**6.5**	5.3	3.7

Series F	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Portfolio Turnover Rate (%)	**39.97**	40.8	21.64
Distributions ($)	**1.17**	0.78	0.64
Distribution Rate (%)	**7.8**	6.7	5.1

Series B	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Portfolio Turnover Rate (%)	**39.97**	40.8	21.64
Distributions ($)	**0.88**	0.57	0.43
Distribution Rate (%)	**6.5**	5.2	3.7

Series FT5	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Portfolio Turnover Rate (%)	**39.97**	40.8	21.64
Distributions ($)	**1.13**	0.75	1.07
Distribution Rate (%)	**7.8**	6.7	9.0

Series T5	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Portfolio Turnover Rate (%)	**39.97**	40.8	21.64
Distributions ($)	**0.87**	0.60	0.52
Distribution Rate (%)	**6.6**	5.8	4.7

Series I	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Portfolio Turnover Rate (%)	**39.97**	40.8	21.64
Distributions ($)	**1.26**	0.86	0.72
Distribution Rate (%)	**8.4**	7.4	5.8

Series D	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Portfolio Turnover Rate (%)	**39.97**	40.8	21.64
Distributions ($)	**1.03**	0.68	0.56
Distribution Rate (%)	**7.5**	6.3	4.8

Series O	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Portfolio Turnover Rate (%)	**39.97**	40.8	21.64
Distributions ($)	**1.07**	0.74	0.63
Distribution Rate (%)	**8.7**	7.6	6.2

XYZ Mutual Funds

XYZ Canadian Equity Fund

6. How has the fund's risk profile changed?

Tips When Reviewing This Section:

- Information about changes in the risks associated with investing in your fund is provided below. It can help you make decisions about whether this fund continues to be appropriate for you.

- During the period covered, there were no changes to the fund that materially affected the overall risk level associated with an investment in the fund.

Did you know... A mutual fund's risk rating is based on how much the fund's returns have changed from year to year. If the fund's returns vary a lot, it may be considered higher risk because its performance can change quickly up or down. The rating can change over time.

Risk Rating Change (since the Last Fund Report dated September 30, 2021)	**Added or Removed Risks** (since the Last Fund Report dated September 30, 2021)
• No change	• No new risks identified and no existing risks removed

More Information:

- Find your fund's current risk rating in its most recent Fund Facts document.
- Find a discussion of the risks applicable to your fund in the most recent simplified prospectus.

7. What is the fund's liquidity profile?

Tips When Reviewing This Section:

- Decide whether you're comfortable with the fund's ability to satisfy your request if you want to sell your shares in the future.

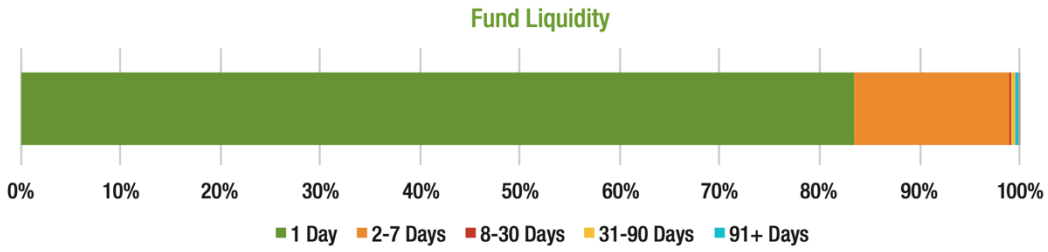
Did you know... A fund's liquidity profile shows how readily the portfolio assets of a fund can be converted into cash. The more liquid your fund, the easier it will be to sell your holdings at a fair price. This can be particularly important during periods of greater than usual market volatility.

- The fund did not face any significant liquidity challenges during the reporting period.
- Market conditions did not produce any adverse impacts to the fund's liquidity profile.
- As set out in the chart below, the fund is able to liquidate nearly all (99.02%) of its holdings within a one-week period if required.
- There were no significant redemptions from the fund during the reporting period.

XYZ Mutual Funds

XYZ Canadian Equity Fund

How to Read This Information: The following bar chart illustrates the number of days needed to convert the fund's portfolio holdings into cash. The more of a fund's portfolio holdings that can be converted into cash within a short timeframe, the more liquid it is.



8. Did the fund borrow money or use leverage?

A) Borrowing

This fund does not engage in borrowing.

B) Leverage

This fund is not permitted to use leverage.

9. Is there any other important information to know as part of this update?

On January 5, 2022, the minimum balance amount for Series I increased to $200,000.

10. Where can I find additional resources?

Contact XYZ Mutual Funds for a copy of this Fund Report, questions about this Fund Report, or a copy of the financial statements for this fund:

XYZ Mutual Funds
123 Asset Allocation St.
Toronto, ON M1A 2B3

Phone: (416) 555-5555
Toll-free: 1-800-555-5556
E-mail: investing@xyzfunds.com
www.xyzfunds.com

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

Your next Fund Report will be prepared for the 6-month period ended **September 30, 2022.**

Version 2 (Français)

Fonds d'actions canadiennes XYZ

RAPPORT ANNUEL DU FONDS (POUR LA PÉRIODE DE 12 MOIS SE TERMINANT LE 31 MARS 2022)

OPC XYZ | Fonds d'actions canadiennes XYZ | www.fondsxyz.com

Objectif et contenu

Le présent rapport annuel du fonds fournit des renseignements importants sur votre fonds. **Utilisez-le et parlez-en à votre représentant pour évaluer si votre fonds vous convient toujours.** Ce document est destiné aux investisseurs de tous horizons et de tous niveaux d'expérience en matière de placement. Il prend environ **13 minutes** à examiner et comprend les renseignements suivants sur votre fonds :

1. Comment le fonds a-t-il atteint ses objectifs et stratégies de placement ? Quels sont les facteurs susceptibles d'influencer ses résultats futurs ?
2. Dans quoi le fonds a-t-il investi ?
3. Quels sont les coûts associés à un investissement dans ce fonds ?
4. Quel était le rendement du fonds ?
5. Quelles sont les principales statistiques du fonds ?
6. Comment le profil de risque du fonds a-t-il changé ?
7. Quel est le profil de liquidité du fonds ?
8. Le fonds a-t-il emprunté de l'argent ou utilisé un effet de levier ?
9. Y a-t-il d'autres informations importantes à connaître dans le cadre de cette mise à jour ?
10. Où puis-je trouver des ressources supplémentaires ?

Important : Le présent rapport du fonds peut contenir des déclarations prospectives qui reflètent les prévisions actuelles d'événements futurs. En raison de nombreux facteurs, tels que les conditions économiques et politiques générales au Canada et à l'échelle internationale, les événements réels peuvent différer sensiblement de ceux exprimés ou sous-entendus dans ces déclarations prospectives. Le lecteur est prié de ne pas se fier indûment à ces déclarations lorsqu'il prend des décisions de placement.

1. Comment le fonds a-t-il atteint ses objectifs et stratégies de placement ? Quels sont les facteurs susceptibles d'influencer ses résultats futurs ?

Conseils pour l'examen de cette section :

- Comprenez les objectifs de placement du fonds et comment ils s'alignent avec votre approche d'investissement.
- Examinez dans quelle mesure le fonds a réussi à atteindre ses objectifs de placement et comment il pourrait atteindre ses objectifs à l'avenir.

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Fonds d'actions canadiennes XYZ

Résumé des objectifs et stratégies de placement	Réalisation des objectifs et stratégies de placement du fonds au cours des 12 derniers mois	Facteurs pouvant avoir un impact sur la réalisation des objectifs et stratégies de placement du fonds à l'avenir
• Ce fonds vise à augmenter la valeur de votre investissement en investissant dans un large éventail de titres de participation de sociétés canadiennes de toute taille et de tout secteur. • Les actions sélectionnées sont celles qui se négocient en dessous de leur valeur intrinsèque, qui affichent une croissance supérieure des bénéfices et une dynamique positive des cours.	• Au cours de la période, la valeur liquidative du fonds est passée de 1,05 milliard de dollars à 1,2 milliard de dollars en raison d'un rendement positif, malgré l'impact d'un plus grand nombre de rachats par rapport aux souscriptions.	• L'équipe de gestion du portefeuille demeure optimiste à l'égard des perspectives à long terme des titres canadiens. Cependant, compte tenu du solide rendement du marché boursier au cours de la période, combiné aux évaluations élevées dans la majorité des secteurs, l'équipe s'attend à des rendements plus modestes. • Les marchés boursiers et l'économie mondiale pourraient être confrontés à l'inflation élevée, des problèmes persistants de la chaîne d'approvisionnement, à l'incertitude géopolitique et à la hausse des taux d'intérêt. • La politique de la Réserve fédérale américaine comporte des risques. Si elle devait relever les taux d'intérêt trop rapidement, elle pourrait ralentir la croissance ou encore, si elle les augmente trop lentement, elle pourrait ne pas parvenir à contenir l'inflation, ce qui donnerait lieu à davantage de hausses de taux.

2. Dans quoi le fonds a-t-il investi ?

Conseils pour la lecture de cette section :
- Comprendre comment le portefeuille de votre fonds a changé pendant la période couverte par ce rapport.

Comment lire ces informations : Le tableau et le graphique ci-dessous donnent un aperçu des placements du fonds en date du 30 mars 2022. Les placements du fonds et leur proportion dans les avoirs du portefeuille changeront au fil du temps en raison de divers facteurs, notamment les variations du prix des actifs et l'ajout ou le retrait de titres du portefeuille par le gestionnaire de portefeuille.

Augmentation de l'exposition	Diminution de l'exposition
• Augmentation de l'exposition du fonds au secteur de l'énergie (par exemple, AltaGas Ltd.) pour profiter de la hausse des prix des produits de base.	• L'exposition au secteur des matériaux a été réduite (par exemple, Barrick Gold Corp.) en raison d'un ralentissement prévu dans ce secteur.

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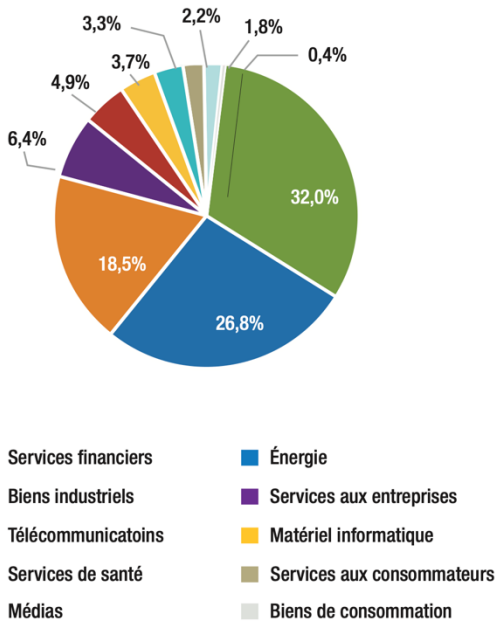
Les 10 positions principales Émetteurs	% de la valeur liquidative
Banque Royale du Canada	7,8
Banque Toronto-Dominion	7,6
Ressources naturelles canadiennes	5,9
La Banque de Nouvelle-Écosse	4,5
Cenovus Energy Inc.	3,6
Suncor Energy Inc.	3,4
Enbridge Inc.	3,3
Banque Impériale de Commerce du Canada	2,8
Société Financière Manuvie	2,5
Compagnie des chemins de fer nationaux du Canada	1,8
Principales participations en pourcentage de la valeur liquidative	**43,2**

Répartition de la valeur liquidative



Plus d'information :

- Consultez le site Web désigné pour obtenir l'information trimestrielle sur le portefeuille du fonds.

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Fonds d'actions canadiennes XYZ

3. Quels sont les coûts associés à l'investissement dans ce fonds ? *(les informations sont fournies à la fin de la période comptable indiquée)*

Conseils pour la lecture de cette section :

- Chaque fonds d'investissement peut avoir différentes « séries » avec des frais différents et donc des rendements différents. Assurez-vous de savoir quelle série vous détenez.
- Les frais des fonds réduisent le rendement de votre investissement.

Saviez-vous...

Le ratio des frais de gestion (« RFG ») d'un fonds est le total des frais de gestion du fonds (qui comprend la commission de suivi) et des frais d'exploitation. Lorsque le « RFG avant prise en charge » d'un fonds est supérieur à son RFG, cela signifie que le gestionnaire a renoncé à une partie des dépenses du fonds.

Le ratio des frais d'opérations (« RFO ») d'un fonds représente le montant des commissions sur opérations versé à l'achat ou à la vente de titres par le gestionnaire de portefeuille du fonds.

Les dépenses totales d'un fonds sont la combinaison de son RFG (après prise en charge) et de son RFO.

Série A	31 mars 2022	31 mars 2021	31 mars 2020
Ratio des frais de gestion (%)	**2,5**	2,48	2,48
RFG avant prise en charge (%)	**2,5**	2,48	2,48
Ratio des frais d'opérations (%)	**0,07**	0,08	0,06

Série F	31 mars 2022	31 mars 2021	31 mars 2020
Ratio des frais de gestion (%)	**0,77**	0,77	0,77
RFG avant prise en charge (%)	**0,77**	0,77	0,77
Ratio des frais d'opérations (%)	**0,07**	0,08	0,06

Série B	31 mars 2022	31 mars 2021	31 mars 2020
Ratio des frais de gestion (%)	**2,4**	2,48	2,48
RFG avant prise en charge (%)	**2,4**	2,48	2,48
Ratio des frais d'opérations (%)	**0,07**	0,08	0,06

Série FT5	31 mars 2022	31 mars 2021	31 mars 2020
Ratio des frais de gestion (%)	**0,77**	0,75	0,75
RFG avant prise en charge(%)	**0,77**	0,75	0,75
Ratio des frais d'opérations (%)	**0,07**	0,08	0,06

Série T5	31 mars 2022	31 mars 2021	31 mars 2020
Ratio des frais de gestion (%)	**1,81**	1,82	1,83
RFG avant prise en charge (%)	**1,81**	1,82	1,83
Ratio des frais d'opérations (%)	**0,07**	0,08	0,06

Série I	31 mars 2022	31 mars 2021	31 mars 2020
Ratio des frais de gestion (%)	**0,25**	0,24	0,25
RFG avant prise en charge (%)	**0,25**	0,24	0,25
Ratio des frais d'opérations (%)	**0,07**	0,08	0,06

Série D	31 mars 2022	31 mars 2021	31 mars 2020
Ratio des frais de gestion (%)	**1,05**	1,05	1,05
RFG avant prise en charge (%)	**1,07**	1,07	1,07
Ratio des frais d'opérations (%)	**0,07**	0,08	0,06

Série O	31 mars 2022	31 mars 2021	31 mars 2020
Ratio des frais de gestion (%)	**0,02**	0,02	0,02
RFG avant prise en charge (%)	**0,02**	0,02	0,02
Ratio des frais d'opérations (%)	**0,07**	0,08	0,06

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Fonds d'actions canadiennes XYZ

4. Quel était le rendement du fonds ?

Conseils pour l'examen de cette section :

- Portez une attention particulière au rendement du fonds par rapport à son indice de référence.

Saviez-vous... Un indice de référence est généralement un indice de marché ou de secteur par rapport auquel le rendement d'un organisme de placement collectif peut être comparé. En comparant ainsi un fonds à un indice de référence approprié, vous pouvez voir comment les investissements détenus par le fonds se sont comportés par rapport au marché ou au secteur en général.

Important :

- **Le rendement de la série de titres que vous détenez peut ne pas être reflété dans le présent rapport sur le fonds. Les renseignements ne sont présentés qu'à l'égard de la série dont les frais de gestion sont les plus élevés (série A), les frais de gestion les plus bas offerts aux investisseurs particuliers (série F) et l'actif net le plus élevé (série A).**
- Les rendements fournis sont calculés après déduction des frais. Les frais diminuent le rendement du fonds de façon cumulative puisque l'argent déduit en frais ne fructifie pas.
- Les rendements passés ne sont pas nécessairement indicatifs des rendements futurs. Par exemple, un fonds affichant un haut rendement récent peut obtenir des résultats inférieurs aux attentes à l'avenir.
- L'indice de référence du fonds est l'indice composé de rendement global S&P/TSX. L'indice de rendement global composé S&P/TSX est un indice pondéré en fonction de la capitalisation boursière des titres des sociétés les plus importantes et les plus liquides de la Bourse de Toronto.

Hypothèses :

- Les rendements de l'indice de référence ne comprennent pas les coûts d'investissement.
- Les informations sur le rendement supposent que toutes les distributions effectuées par le fonds au cours des périodes indiquées ont été réinvesties dans des parts supplémentaires. Le rendement sera inférieur si les distributions ne sont pas ainsi réinvesties.
- Les informations sur le rendement ne tiennent pas compte des ventes, des rachats, des distributions, des frais facultatifs ou des impôts sur le revenu à payer qui auraient réduit les rendements ou la performance.
- Un fonds ayant plus de 10 ans d'historique doit divulguer que le rendement des 10 dernières années.

Rendement par rapport à l'indice de référence	Facteurs qui contribuent au rendement	Facteurs qui nuisent au rendement
• Les titres de série A du fonds ont augmenté de 26,2 %, ce qui est inférieur à la hausse de 27,5 % de l'indice de référence, l'indice composé de rendement global S&P/TSX.	• Surpondération du secteur financier. • Exposition à certaines actions du secteur des technologies de l'information.	• Les placements dans certains titres du secteur des matériaux. • Sous-pondération du secteur de services de télécommunication.

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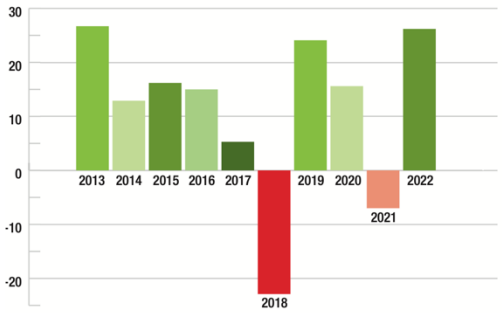
Fonds d'actions canadiennes XYZ

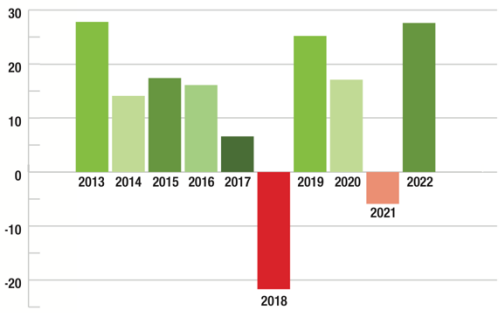
a) Rendements annuels

Comment lire ces informations : Le graphique à barres suivant montre le rendement annuel du fonds pour chacune des années indiquées.

Série A (%)



Série F (%)



b) Rendement annuel composé

Comment lire ces informations :

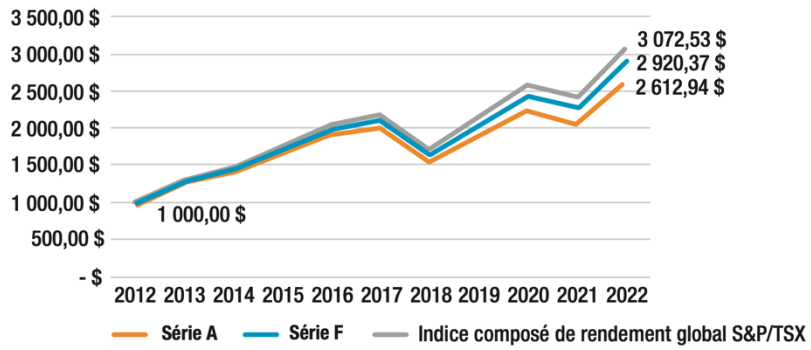
- Ce tableau présente les rendements annuels composés du fonds pour les périodes indiquées, par rapport à son indice de référence.
- Tous les rendements des indices de référence sont calculés en dollars canadiens sur la base d'un rendement total, ce qui signifie que tous les paiements de dividendes, les revenus d'intérêts courus et les paiements d'intérêts sont réinvestis.

Rendement annuel composé (%) (1)	1 an	3 ans	5 ans	10 ans	Depuis la création (2)
Série A	26,2	8,3	13,9	11,3	
Série F	27,6	9,6	15,2	12,6	
Indice composé de rendement global S&P/TSX	27,5	9,4	15,9	13,3	

(1) Le pourcentage de rendement diffère pour chaque série car le taux de frais de gestion et leurs dépenses diffèrent pour chacune d'elles.
2) Le rendement depuis la création de chaque série sera différent lorsque la date de création diffère et n'est fourni que lorsqu'une série a été active pendant une période de moins de 10 ans.

C) Croissance d'un investissement de 1 000 dollars

Comment lire ces informations : Le graphique linéaire suivant illustre la croissance d'un placement de 1 000 $ dans ce fonds. La comparaison est fournie par rapport à l'indice de référence du fonds.



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Plus d'information :

- Si les renseignements sur le rendement de votre série ne sont pas disponibles ici, consultez les renseignements sur le rendement dans l'aperçu du fonds de cette série.
- Vous trouverez de plus amples renseignements sur les dépenses associées à votre Fonds dans son aperçu du fonds.

5. Quelles sont les principales statistiques du fonds ? *(les informations données à la clôture de la période comptable indiquée)*

Conseils pour l'examen de cette section :

- Les statistiques clés du fonds sont définies et présentées ci-dessous ; comprendre ces termes et leurs valeurs pour votre fonds peut vous aider à prendre de meilleures décisions.

Saviez-vous...

Le taux de rotation du portefeuille (« TRP ») d'un fonds représente le degré d'activité du conseiller en valeurs du fonds dans la gestion des placements de son portefeuille (c'est-à-dire la fréquence à laquelle le gestionnaire de portefeuille achète et vend des titres).

Les distributions d'un fonds peuvent consister en des dividendes, des intérêts, des gains en capital, des remboursements de capital ou d'autres revenus que le fonds tire de ses placements.

Le taux de distribution d'un fonds représente ses distributions en pourcentage de sa valeur liquidative par titre.

Série A	31 mars 2022	31 mars 2021	31 mars 2020
Taux de rotation du portefeuille (%)	**39,97**	40,8	21,64
Distributions ($)	**0,88**	0,57	0,43
Taux de distribution (%)	**6,5**	5,3	3,7

Série F	31 mars 2022	31 mars 2021	31 mars 2020
Taux de rotation du portefeuille (%)	**39,97**	40,8	21,64
Distributions ($)	**1,17**	0,78	0,64
Taux de distribution (%)	**7,8**	6,7	5,1

Série B	31 mars 2022	31 mars 2021	31 mars 2020
Taux de rotation du portefeuille (%)	**39,97**	40,8	21,64
Distributions ($)	**0,88**	0,57	0,43
Taux de distribution (%)	**6,5**	5,2	3,7

Série FT5	31 mars 2022	31 mars 2021	31 mars 2020
Taux de rotation du portefeuille (%)	**39,97**	40,8	21,64
Distributions ($)	**1,13**	0,75	1,07
Taux de distribution (%)	**7,8**	6,7	9,0

Série T5	31 mars 2022	31 mars 2021	31 mars 2020
Taux de rotation du portefeuille (%)	**39,97**	40,8	21,64
Distributions ($)	**0,87**	0,60	0,52
Taux de distribution (%)	**6,6**	5,8	4,7

Série I	31 mars 2022	31 mars 2021	31 mars 2020
Taux de rotation du portefeuille (%)	**39,97**	40,8	21,64
Distributions ($)	**1,26**	0,86	0,72
Taux de distribution (%)	**8,4**	7,4	5,8

Série D	31 mars 2022	31 mars 2021	31 mars 2020
Taux de rotation du portefeuille (%)	**39,97**	40,8	21,64
Distributions ($)	**1,03**	0,68	0,56
Taux de distribution (%)	**7,5**	6,3	4,8

Série O	31 mars 2022	31 mars 2021	31 mars 2020
Taux de rotation du portefeuille (%)	**39,97**	40,8	21,64
Distributions ($)	**1,07**	0,74	0,63
Taux de distribution (%)	**8,7**	7,6	6,2

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Fonds d'actions canadiennes XYZ

6. Comment le profil de risque du fonds a-t-il changé ?

Conseils pour l'examen de cette section :
- Vous trouverez ci-dessous des renseignements sur l'évolution des risques associés à un placement dans votre fonds. Ils peuvent vous aider à décider si ce fonds vous convient toujours.

- Au cours de la période, il n'y a pas eu de changement qui affecte le niveau de risque global associé à un placement dans le fonds de manière importante.

Saviez-vous...La cote de risque d'un organisme de placement collectif est fondée sur l'ampleur de la variation des rendements du fonds d'une année à l'autre. Si les rendements du fonds varient beaucoup, il peut être considéré comme plus risqué parce que son rendement peut changer rapidement à la hausse ou à la baisse. La cote de risque peut changer au fil du temps.

Changement de la cote de risque (depuis le dernier rapport du fonds daté du 30 septembre 2021)	**Risques ajoutés ou supprimés** (depuis le dernier rapport du fonds daté du 30 septembre 2021)
• Aucun changement	• Aucun nouveau risque identifié et aucun risque existant supprimé

Plus d'information :
- Vous trouverez la cote de risque actuelle de votre fonds dans son plus récent aperçu du fonds.
- Vous trouverez un exposé des risques applicables à votre fonds dans le plus récent prospectus simplifié.

7. Quel est le profil de liquidité du fonds ?

Conseils pour l'examen de cette section :
- Évaluez votre niveau de confort avec la capacité du fonds à satisfaire votre demande si vous souhaitez vous départir de vos titres à l'avenir.

Saviez-vous... Le profil de liquidité d'un fonds indique la facilité de convertir les actifs du portefeuille en espèces. Plus votre fonds est liquide, plus il sera facile de vendre vos avoirs à juste prix. Cela peut s'avérer particulièrement important pendant les périodes de volatilité des marchés supérieure à la normale.

- Le fonds n'a pas été confronté à d'importants problèmes de liquidité au cours de la période considérée.
- Les conditions du marché n'ont pas eu d'impact négatif sur le profil de liquidité du fonds.
- Comme le montre le graphique ci-dessous, le fonds est capable de liquider la quasi-totalité (99,02 %) de ses avoirs en une semaine si nécessaire.
- Il n'y a pas eu de rachats importants du fonds au cours de la période considérée.

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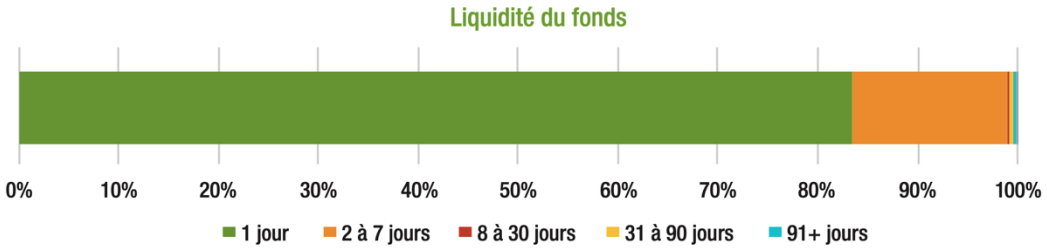
Comment lire ces informations : Le graphique à barres suivant illustre le nombre de jours nécessaires pour convertir les avoirs du portefeuille du fonds en espèces. Plus la part du portefeuille d'un fonds qui peut être convertie en liquidités dans un court laps de temps est importante, plus le fonds est liquide.



8. Le fonds a-t-il emprunté de l'argent ou utilisé un effet de levier ?

a) Emprunts

Ce fonds ne procède pas à des emprunts.

b) Effet de levier

Ce fonds n'est pas autorisé à utiliser l'effet de levier.

9. Y a-t-il d'autres informations importantes à connaître dans le cadre de cette mise à jour ?

Le 5 janvier 2022, le montant minimum de souscription pour la série I a été augmenté à 200 000 $.

10. Où puis-je trouver des ressources supplémentaires ?

Contactez OPC XYZ pour obtenir un exemplaire des documents réglementaires de ce fonds ou pour toute question sur le contenu du présent rapport sur le fonds :

OPC XYZ
123, rue Asset Allocation
Toronto, ON M1A 2B3

Téléphone : (416) 555-5555
Sans frais : 1-800-555-5556
Courriel: investissement@fondsxyz.com
www.fondsxyz.com

Pour en savoir plus sur les organismes de placements collectifs, consultez la brochure intitulée **Comprendre les organismes de placement collectif**, qui est disponible sur le site Web des Autorités canadiennes en valeurs mobilières à l'adresse https://www.autorites-valeurs-mobilieres.ca/.

Votre prochain rapport de fonds sera préparé pour la période de 6 mois qui se termine le **30 septembre 2022.**

Version 3 (English)

XYZ Mutual Funds

XYZ Canadian Equity Fund

ANNUAL FUND REPORT (for the 12-month period ended March 31, 2022)

XYZ Mutual Funds | XYZ Canadian Equity Fund | www.xyzfunds.com

Purpose and Content

This Annual Fund Report provides important information about your fund. **Use this and speak with your representative to assess whether your fund continues to be right for you.** This document is intended for investors of all backgrounds and levels of investment experience. It takes about **11 minutes** to review, and includes the following information about your fund:

1. Investment Objectives and Strategies
2. Portfolio Holdings
3. Costs
4. Performance
5. Statistics
6. Risk Profile
7. Liquidity Profile
8. Borrowing and Leverage
9. Additional Resources

Important: This Fund Report may contain forward-looking statements that reflect current forecasts of future events. Due to many factors, such as general economic and political conditions in Canada and internationally, actual events may differ materially from those expressed in, or implied by, these forward-looking statements. Do not rely too much on forward-looking statements when making investment decisions.

1. Investment Objectives and Strategies

Summary of Investment Objectives and Strategies	Fund's satisfaction of its Investment Objectives and Strategies during the last 12 months	Factors that may impact the fund's satisfaction of its Investment Objectives and Strategies going forward
• This fund aims to increase the value of your investment by investing in a broad range of equity securities of Canadian companies of any size and from any industry. • Equities are selected that trade below their intrinsic value, demonstrate superior earnings growth and positive price momentum.	• During the period, the net asset value of the fund increased from $1.05 billion to $1.2 billion due to positive performance, partially offset by net redemptions.	• While long-term prospects for Canadian equities are positive, strong equity market performance in the period covered by this Fund Report, coupled with full valuation levels across most sectors, is likely to lead to more modest returns. • Equity markets and the global economy may be challenged by high inflation levels, continued supply-chain issues, geopolitical uncertainty and rising interest rates. • Risk related to U.S. Federal Reserve policy could slow growth by raising interest rates too quickly or could fail to contain inflation by raising them too slowly, leading to larger rate increases.

2. Portfolio Holdings

Summary: The fund increased its exposure to the energy industry and reduced its exposure to the materials sector.

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Increased Exposure	Decreased Exposure
• Energy industry	• Materials sector

More Information:

- See the designated website for the fund's Quarterly Portfolio Disclosure.
- More detailed portfolio holdings information is available in the financial statements for the fund, in particular the Statement of Investment Portfolio.

3. Costs *(information is provided as of the end of the fiscal period shown)*

Summary: The total expenses for Series A (the series with the highest MER) was 2.57%, which was an increase of 0.01% as compared to the year prior.

Did you know...

A fund's management expense ratio ("MER") is the total of the fund's management fee (which includes the trailing commission) and operating expenses. Where a fund's "MER Before Absorption" is higher than its "MER", that means the manager waived some of the fund's expenses.

A fund's trading expense ratio ("TER") represents the fund's trading costs.

A fund's total expenses is the combination of its MER (after absorption) and TER.

Fund costs reduce the return on your investment. Each investment fund can have different "series" with different costs and therefore different returns – make sure you know which series you hold.

Management Expense Ratio (%)	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Series A	**2.5**	2.48	2.48
Series B	**2.4**	2.48	2.48
Series T5	**1.81**	1.82	1.83
Series D	**1.05**	1.05	1.05
Series F	**0.77**	0.77	0.77
Series FT5	**0.77**	0.75	0.75
Series I	**0.25**	0.24	0.25
Series O	**0.02**	0.02	0.02

MER Before Absorption (%)	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Series A	**2.5**	2.48	2.48
Series B	**2.4**	2.48	2.48
Series T5	**1.81**	1.82	1.83
Series D	**1.07**	1.07	1.07
Series F	**0.77**	0.77	0.77
Series FT5	**0.77**	0.75	0.75
Series I	**0.25**	0.24	0.25
Series O	**0.02**	0.02	0.02

Trading Expense Ratio (%)	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Series A	**0.07**	0.08	0.06
Series B	**0.07**	0.08	0.06
Series T5	**0.07**	0.08	0.06
Series D	**0.07**	0.08	0.06
Series F	**0.07**	0.08	0.06
Series FT5	**0.07**	0.08	0.06
Series I	**0.07**	0.08	0.06
Series O	**0.07**	0.08	0.06

4. Performance

Summary: Performance of the Series A units (+26.2%) was lower than the fund's benchmark, the S&P/TSX Composite Total Return Index (+27.5%) over the period covered by the report.

Did you know... A benchmark is typically a market or sector index against which the performance of a mutual fund can be measured. By comparing a fund to an appropriate benchmark, you can see how the investments held by the fund performed compared to the market or sector in general.

XYZ Mutual Funds

XYZ Canadian Equity Fund

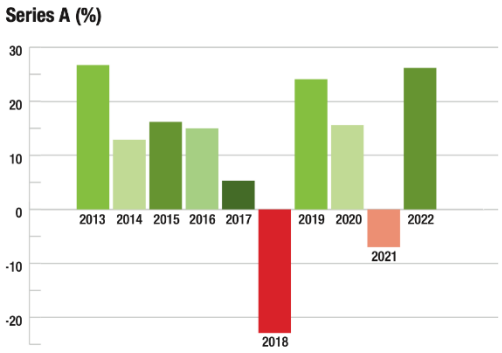
Important:

- **Performance of the series of units that you hold may not be reflected in this Fund Report. Information is only presented in respect of the series with the highest management fee (Series A).**
- Returns provided are after expenses have been deducted. These expenses reduce the fund's returns, and they negatively compound over time since the money deducted is not able to grow.
- Past performance does not necessarily indicate how the fund may perform in the future. For example, a fund with strong recent performance may underperform expectations in the future.
- The fund's benchmark is the S&P/TSX Composite Total Return Index. The S&P/TSX Composite Total Return Index is a market capitalization-weighted index of securities of the largest and most liquid companies on the Toronto Stock Exchange.

Performance Against Benchmark	Contributors to Performance	Detractors from Performance
• The fund's Series A units gained 26.2%, which was lower than the 27.5% rise in the S&P/TSX Composite Total Return Index benchmark.	• Overweight allocation to the financials sector. • Exposure to certain stocks in the information technology sector.	• Investments in certain stocks in the materials sector. • Underweight allocation to the communication services sector.

A) Year-by-Year Returns

How to Read This Information:
The following bar chart shows the fund's annual performance for each of the years shown.



B) Annual Compound Returns

How to Read This Information:

- This table shows the fund's annual compound total returns for the periods indicated, compared with its benchmark.
- All benchmark returns are calculated in Canadian dollars on a total return basis, meaning that all dividend payments, interest income accruals and interest payments are reinvested.

Percentage Return (1)	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception (2)
Series A	26.2	8.3	13.9	11.3	
S&P/TSX Composite Total Return Index	27.5	9.4	15.9	13.3	

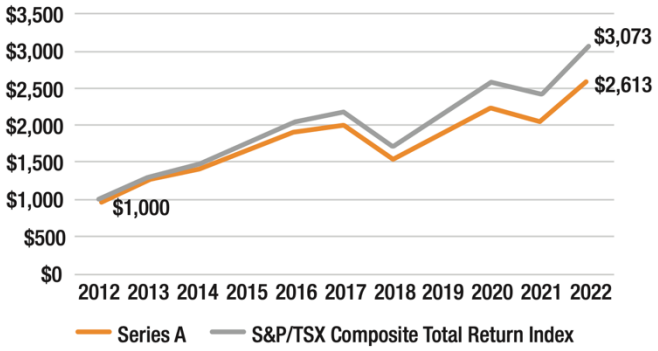
(1) The percentage return differs for each series because the management fee rate and expenses differ for each series.
(2) The return since inception for each series will differ when the inception date differs and is only provided when a series has been active for a period of less than 10 years.

XYZ Mutual Funds

XYZ Canadian Equity Fund

C) Growth of a $1000 Investment

How to Read This Information: The following line graph illustrates the growth of a $1000 investment in this fund. Comparison is provided against the fund's benchmark.



More Information:

- Find more information about the expenses associated with your fund in its Fund Facts.

5. Statistics *(information is provided as of the end of the fiscal period shown)*

Summary: The distribution rate increased across all series.

Did you know...

A fund's portfolio turnover rate ("PTR") represents how actively the fund's portfolio advisor manages its portfolio investments (i.e. how frequently the portfolio manager buys and sells securities).

A fund's distributions can consist of dividends, interest, capital gains, return of capital or other income the fund earns on its investments.

A fund's distribution rate represents its distributions as a percentage of its net asset value per unit.

Portfolio Turnover Rate (%)	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Series A	**39.97**	40.8	21.64
Series B	**39.97**	40.8	21.64
Series T5	**39.97**	40.8	21.64
Series D	**39.97**	40.8	21.64
Series F	**39.97**	40.8	21.64
Series FT5	**39.97**	40.8	21.64
Series I	**39.97**	40.8	21.64
Series O	**39.97**	40.8	21.64

Distributions ($)	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Series A	**0.88**	0.57	0.43
Series B	**0.88**	0.57	0.43
Series T5	**0.87**	0.60	0.52
Series D	**1.03**	0.68	0.56
Series F	**1.17**	0.78	0.64
Series FT5	**1.13**	0.75	1.07
Series I	**1.26**	0.86	0.72
Series O	**1.07**	0.74	0.63

Distribution Rate (%)	Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2020
Series A	**6.5**	5.3	3.7
Series B	**6.5**	5.2	3.7
Series T5	**6.6**	5.8	4.7
Series D	**7.5**	6.3	4.8
Series F	**7.8**	6.7	5.1
Series FT5	**7.8**	6.7	9.0
Series I	**8.4**	7.4	5.8
Series O	**8.7**	7.6	6.2

XYZ Mutual Funds

XYZ Canadian Equity Fund

6. Risk Profile

- During the period covered, there were no changes to the fund that materially affected the overall risk level associated with an investment in the fund.

Did you know... A mutual fund's risk rating is based on how much the fund's returns have changed from year to year. If the fund's returns vary a lot, it may be considered higher risk because its performance can change quickly up or down. The rating can change over time. Monitoring the rating can help you make decisions about whether this fund continues to be appropriate for you.

Risk Rating Change (since the last Fund Report dated September 30, 2021)	**Added or Removed Risks** (since the last Fund Report dated September 30, 2021)
• No change	• No new risks identified and no existing risks removed

More Information:

- Find your fund's current risk rating in its most recent Fund Facts document.
- Find a discussion of the risks applicable to your fund in the most recent simplified prospectus.

7. Liquidity Profile

Summary: The fund can sell (for cash) 83.5% of its holdings within one day, and 99.0% within one week. The fund did not face any liquidity challenges during the reporting period.

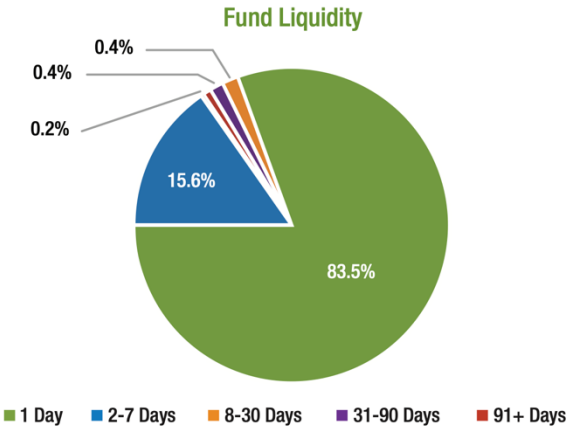
Did you know... A fund's liquidity profile shows how readily the portfolio assets of a fund can be converted into cash. The more liquid your fund, the easier it will be to sell your holdings at a fair price. This can be particularly important during periods of greater than usual market volatility. Decide whether you're comfortable with the fund's ability to satisfy your request if you want to sell your shares in the future.

- The fund did not face any significant liquidity challenges during the reporting period.
- Market conditions did not produce any adverse impacts to the fund's liquidity profile.
- As set out in the chart below, the fund is able to liquidate nearly all (99.02%) of its holdings within a one-week period if required.
- There were no significant redemptions from the fund during the reporting period.

XYZ Mutual Funds

XYZ Canadian Equity Fund

How to Read This Information: The following pie chart illustrates the number of days needed to convert the fund's portfolio holdings into cash. The more of a fund's portfolio holdings that can be converted into cash within a short timeframe, the more liquid it is.



8. Borrowing and Leverage

A) Borrowing

This fund does not engage in borrowing.

B) Leverage

This fund is not permitted to use leverage.

9. Additional Resources

Material Change Reports, which identify and describe significant changes in the affairs of the fund on an ongoing basis, are available on the fund's designated website.

Contact XYZ Mutual Funds for a copy of this Fund Report, questions about this Fund Report, or a copy of the financial statements for this fund:

XYZ Mutual Funds
123 Asset Allocation St.
Toronto, ON M1A 2B3

Phone: (416) 555-5555
Toll-free: 1-800-555-5556
E-mail: investing@xyzfunds.com
www.xyzfunds.com

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

Your next Fund Report will be prepared for the 6-month period ended **September 30, 2022.** Like this Fund Report, it will assist you in making decisions about your investment in this fund.

Version 3 (Français)

OPC XYZ

Fonds d'actions canadiennes XYZ

RAPPORT ANNUEL DU FONDS (POUR LA PÉRIODE DE 12 MOIS SE TERMINANT LE 31 MARS 2022)

OPC XYZ| Fonds d'actions canadiennes XYZ | www.fondsxyz.com

Objectif et contenu

Le présent rapport annuel du fonds fournit des renseignements importants sur votre fonds. **Utilisez-le et parlez-en à votre représentant pour évaluer si votre fonds vous convient toujours.** Ce document est destiné aux investisseurs de tous horizons et de tous niveaux d'expérience en matière de placement. Il prend environ **11 minutes** à examiner et comprend les renseignements suivants sur votre fonds :

1. Objectifs et stratégies de placement
2. Portefeuille
3. Frais
4. Rendement
5. Statistiques
6. Profil de risque
7. Profil de liquidité
8. Emprunts et effet de levier
9. Ressources supplémentaires

Important : Le présent rapport du fonds peut contenir des déclarations prospectives qui reflètent les prévisions actuelles d'événements futurs. En raison de nombreux facteurs, tels que les conditions économiques et politiques générales au Canada et à l'échelle internationale, les événements réels peuvent différer sensiblement de ceux exprimés ou sous-entendus dans ces déclarations prospectives. Le lecteur est prié de ne pas se fier indûment à ces déclarations lorsqu'il prend des décisions de placement.

1. Objectifs et stratégies de placement

Résumé des objectifs et stratégies de placement	Réalisation des objectifs et stratégies de placement du fonds au cours des 12 derniers mois	Facteurs pouvant avoir un impact sur la réalisation des objectifs et stratégies de placement du fonds à l'avenir
• Ce fonds vise à augmenter la valeur de votre investissement en investissant dans un large éventail de titres de participation de sociétés canadiennes de toute taille et de tout secteur. • Les actions sélectionnées sont celles qui se négocient en dessous de leur valeur intrinsèque, qui affichent une croissance supérieure des bénéfices et une dynamique positive des cours.	• Au cours de la période, la valeur liquidative du fonds est passée de 1,05 milliard de dollars à 1,2 milliard de dollars en raison d'un rendement positif, malgré l'impact d'un plus grand nombre de rachats par rapport aux souscriptions.	• L'équipe de gestion du portefeuille demeure optimiste à l'égard des perspectives à long terme des titres canadiens. Cependant, compte tenu du solide rendement du marché boursier au cours de la période, combiné aux évaluations élevées dans la majorité des secteurs, l'équipe s'attend à des rendements plus modestes. • Les marchés boursiers et l'économie mondiale pourraient être confrontés à l'inflation élevée, des problèmes persistants de la chaîne d'approvisionnement, à l'incertitude géopolitique et à la hausse des taux d'intérêt. • La politique de la Réserve fédérale américaine comporte des risques. Si elle devait relever les taux d'intérêt trop rapidement, elle pourrait ralentir la croissance ou encore, si elle les augmente trop lentement, elle pourrait ne pas parvenir à contenir l'inflation, ce qui donnerait lieu à davantage de hausses de taux.

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Fonds d'actions canadiennes XYZ

2. Portefeuille

Résumé : Le fonds a augmenté son exposition au secteur de l'énergie et réduit son exposition au secteur des matériaux.

Augmentation de l'exposition	Diminution de l'exposition
• Industrie de l'énergie	• Secteur des matériaux

Plus d'information :

- Consultez le site Web désigné pour obtenir l'information trimestrielle sur le portefeuille du fonds.
- Des informations plus détaillées sur le contenu du portefeuille sont disponibles dans les états financiers du fonds, en particulier l'inventaire du portefeuille.

3. Frais *(les informations sont fournies à la fin de la période comptable indiquée)*

Résumé : Le total des charges pour la série A (la série dont le RFG est le plus élevé) était de 2,57 %, soit une augmentation de 0,01 % par rapport à l'année précédente.

Saviez-vous...

Le ratio des frais de gestion (« RFG ») d'un fonds est le total des frais de gestion du fonds (qui comprend la commission de suivi) et des frais d'exploitation. Lorsque le « RFG avant prise en charge » d'un fonds est supérieur à son RFG, cela signifie que le gestionnaire a renoncé à une partie des dépenses du fonds.

Le ratio des frais d'opérations (« RFO ») d'un fonds représente le montant des commissions sur opérations versé à l'achat ou à la vente de titres par le gestionnaire de portefeuille du fonds.

Les dépenses totales d'un fonds sont la combinaison de son RFG (après prise en charge) et de son RFO.

Les frais de fonds réduisent le rendement de votre investissement. Chaque fonds d'investissement peut avoir différentes « séries » avec des frais différents et donc des rendements différents. Assurez-vous de bien connaitre votre série.

Ratio des frais de gestion (%)	31 mars 2022	31 mars 2021	31 mars 2020
Série A	**2,5**	2,48	2,48
Série B	**2,4**	2,48	2,48
Série T5	**1,81**	1,82	1,83
Série D	**1,05**	1,05	1,05
Série F	**0,77**	0,77	0,77
Série FT5	**0,77**	0,75	0,75
Série I	**0,25**	0,24	0,25
Série O	**0,02**	0,02	0,02

RFG avant prise en charge (%)	31 mars 2022	31 mars 2021	31 mars 2020
Série A	**2,5**	2,48	2,48
Série B	**2,4**	2,48	2,48
Série T5	**1,81**	1,82	1,83
Série D	**1,07**	1,07	1,07
Série F	**0,77**	0,77	0,77
Série FT5	**0,77**	0,75	0,75
Série I	**0,25**	0,24	0,25
Série O	**0,02**	0,02	0,02

Ratio des frais d'opérations (%)	31 mars 2022	31 mars 2021	31 mars 2020
Série A	**0,07**	0,08	0,06
Série B	**0,07**	0,08	0,06
Série T5	**0,07**	0,08	0,06
Série D	**0,07**	0,08	0,06
Série F	**0,07**	0,08	0,06
Série FT5	**0,07**	0,08	0,06
Série I	**0,07**	0,08	0,06
Série O	**0,07**	0,08	0,06

OPC XYZ

4. Rendement

Résumé : Le rendement des titres de série A (+26,2 %) a été inférieur à celui de l'indice de référence du fonds, l'indice composé de rendement global S&P/TSX (+27,5 %) au cours de la période visée par le rapport.

Saviez-vous... Un indice de référence est généralement un indice de marché ou de secteur par rapport auquel le rendement d'un organisme de placement collectif peut être comparé. En comparant ainsi un fonds à un indice de référence approprié, vous pouvez voir comment les placements du fonds se sont comportés par rapport au marché ou au secteur en général.

Important :

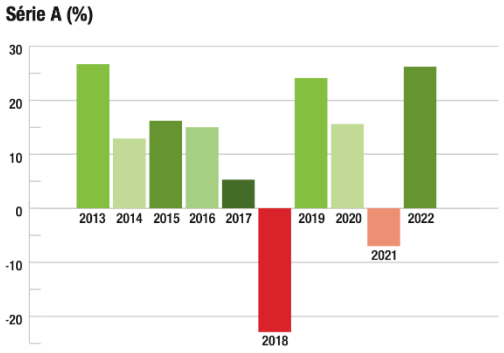
- **Le rendement de la série de titres que vous détenez peut ne pas être reflété dans le présent rapport sur le fonds. L'information n'est présentée qu'à l'égard de la série dont les frais de gestion sont les plus élevés (série A).**
- Les rendements fournis sont après déduction des frais. Les frais diminuent le rendement du fonds de façon cumulative puisque l'argent déduit en frais ne fructifie pas.
- Les rendements passés ne sont pas nécessairement indicatifs des rendements futurs. Par exemple, un fonds affichant un haut rendement récent peut obtenir des résultats inférieurs aux attentes à l'avenir.
- L'indice de référence du fonds est l'indice composé de rendement global S&P/TSX. L'indice de rendement global composé S&P/TSX est un indice pondéré en fonction de la capitalisation boursière des titres des sociétés les plus importantes et les plus liquides de la Bourse de Toronto.

Rendement par rapport à l'indice de référence	Facteurs qui contribuent au rendement	Facteurs qui nuisent au rendement
• Les titres de série A du fonds ont augmenté de 26,2 %, ce qui est inférieur à la hausse de 27,5 % de l'indice de référence, l'indice composé de rendement global S&P/TSX.	• Surpondération du secteur financier. • Exposition à certaines actions du secteur des technologies de l'information.	• Investissements dans certains titres du secteur des matériaux. • Sous-pondération du secteur des services de communication.

a) Rendements annuels

Comment lire ces informations :

Le graphique à barres suivant montre le rendement annuel du fonds pour chacune des années indiquées.



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b) Rendement annuel composé

Comment lire ces informations :

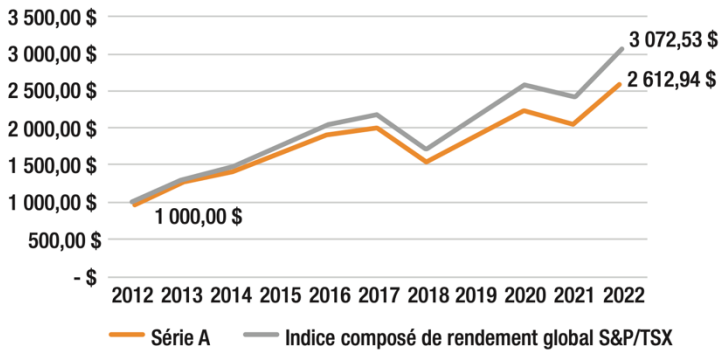
- Ce tableau présente les rendements annuels composés du fonds pour les périodes indiquées, par rapport à son indice de référence.
- Tous les rendements des indices de référence sont calculés en dollars canadiens sur la base d'un rendement total, ce qui signifie que tous les paiements de dividendes, les revenus d'intérêts courus et les paiements d'intérêts sont réinvestis.

Pourcentage de rendement (1)	1 an	3 ans	5 ans	10 ans	Depuis la création (2)
Série A	26,2	8,3	13,9	11,3	
Indice composé de rendement global S&P/TSX	27,5	9,4	15,9	13,3	

(1) Le pourcentage de rendement diffère pour chaque série car le taux de frais de gestion et leurs dépenses diffèrent pour chacune d'elles.
(2) Le rendement depuis la création de chaque série sera différent lorsque la date de création diffère et n'est fourni que lorsqu'une série a été active pendant une période de moins de 10 ans.

c) Croissance d'un investissement de 1 000 dollars

Comment lire ces informations : Le graphique linéaire suivant illustre la croissance d'un placement de 1 000 $ dans ce fonds. La comparaison est fournie par rapport à l'indice de référence du fonds.



Plus d'information :

- Vous trouverez de plus amples renseignements sur les dépenses associées à votre fonds dans son aperçu du fonds.

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Fonds d'actions canadiennes XYZ

5. Statistiques *(les informations sont fournies à la fin de la période comptable indiquée)*

Résumé : Le taux de distribution a augmenté dans toutes les séries.

Saviez-vous...

Le taux de rotation du portefeuille (« TRP ») d'un fonds représente le degré d'activité du conseiller en valeurs du fonds dans la gestion des placements de son portefeuille (c'est-à-dire la fréquence à laquelle le gestionnaire de portefeuille achète et vend des titres).

Les distributions d'un fonds peuvent consister en des dividendes, des intérêts, des gains en capital, des remboursements de capital ou d'autres revenus que le fonds tire de ses placements.

Le taux de distribution d'un fonds représente ses distributions en pourcentage de sa valeur liquidative par titre.

Taux de rotation du portefeuille (%)	31 mars 2022	31 mars 2021	31 mars 2020
Série A	**39,97**	40,8	21,64
Série B	**39,97**	40,8	21,64
Série T5	**39,97**	40,8	21,64
Série D	**39,97**	40,8	21,64
Série F	**39,97**	40,8	21,64
Série FT5	**39,97**	40,8	21,64
Series I	**39,97**	40,8	21,64
Series O	**39,97**	40,8	21,64

Distributions ($)	31 mars 2022	31 mars 2021	31 mars 2020
Série A	**0,88**	0,57	0,43
Série B	**0,88**	0,57	0,43
Série T5	**0,87**	0,60	0,52
Série D	**1,03**	0,68	0,56
Série F	**1,17**	0,78	0,64
Série FT5	**1,13**	0,75	1,07
Série I	**1,26**	0,86	0,72
Série O	**1,07**	0,74	0,63

Taux de distribution (%)	31 mars 2022	31 mars 2021	31 mars 2020
Série A	**6,5**	5,3	3,7
Série B	**6,5**	5,2	3,7
Série T5	**6,6**	5,8	4,7
Série D	**7,5**	6,3	4,8
Série F	**7,8**	6,7	5,1
Série FT5	**7,8**	6,7	9,0
Série I	**8,4**	7,4	5,8
Série O	**8,7**	7,6	6,2

6. Profil de risque

- Au cours de la période couverte, il n'y a pas eu de changement qui affecte le niveau de risque global associé à un investissement dans le fonds de manière importante.

Saviez-vous... La cote de risque d'un organisme de placement collectif est fondée sur l'ampleur de la variation des rendements du fonds d'une année à l'autre. Si les rendements du fonds varient beaucoup, il peut être considéré comme plus risqué parce que son rendement peut changer rapidement à la hausse ou à la baisse. La cote de risque peut changer au fil du temps. Suivre la cote de risque peut vous aider à décider si ce fonds vous convient toujours.

Changement de la cote de risque (depuis le dernier rapport du fonds daté du 30 septembre 2021)	**Risques ajoutés ou supprimés** (depuis le dernier rapport du fonds daté du 30 septembre 2021)
• Aucun changement	• Aucun nouveau risque identifié et aucun risque existant supprimé

Plus d'information :

- Vous trouverez la cote de risque actuelle de votre fonds dans son plus récent aperçu du fonds.
- Vous trouverez un exposé des risques applicables à votre fonds dans son plus récent prospectus simplifié.

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Fonds d'actions canadiennes XYZ

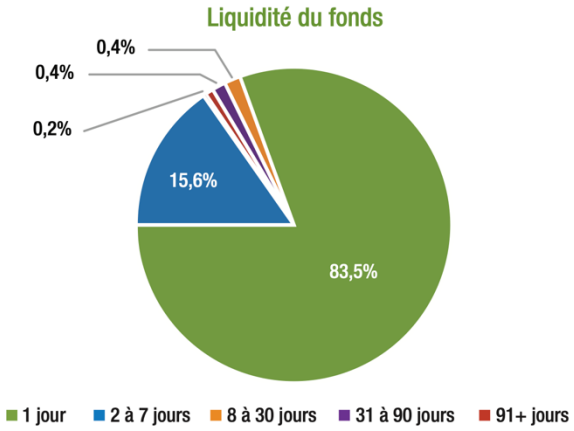
7. Profil de liquidité

Résumé : Le fonds peut vendre (contre espèces) 83,5 % de ses avoirs en un jour, et 99,0 % en une semaine. Le fonds n'a pas été confronté à des problèmes de liquidité au cours de la période considérée.

Saviez-vous...Le profil de liquidité d'un fonds indique la facilité de convertir les actifs du portefeuille en espèces. Plus votre fonds est liquide, plus il sera facile de vendre vos avoirs à juste prix. Cela peut s'avérer particulièrement important pendant les périodes de volatilité des marchés supérieure à la normale. *Évaluez votre niveau de confort avec la capacité du fonds à satisfaire votre demande si vous souhaitez vous départir de vos titres à l'avenir.*

- Le fonds n'a pas été confronté à d'importants problèmes de liquidité au cours de la période considérée.
- Les conditions du marché n'ont pas eu d'impact négatif sur le profil de liquidité du fonds.
- Comme le montre le graphique ci-dessous, le fonds est capable de liquider la quasi-totalité (99,02 %) de ses avoirs en une semaine si nécessaire.
- Il n'y a pas eu de rachats importants du fonds au cours de la période considérée.

Comment lire ces informations : Le diagramme circulaire suivant illustre le nombre de jours nécessaires pour convertir les avoirs du portefeuille du fonds en espèces. Plus la part du portefeuille d'un fonds qui peut être convertie en liquidités dans un court laps de temps est importante, plus le fonds est liquide.



8. Emprunts et effet de levier

a) Emprunts

Ce fonds ne fait pas d'emprunt.

b) Effet de levier

Ce fonds n'est pas autorisé à utiliser l'effet de levier.

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Fonds d'actions canadiennes XYZ

9. Ressources supplémentaires

Les rapports de changement important, qui identifient et décrivent les changements importants dans les affaires du fonds sur une base continue, sont disponibles sur le site Web désigné du fonds.

Contactez OPC XYZ pour obtenir un exemplaire de ce rapport du fonds, pour toutes questions sur ce rapport ou pour obtenir une copie des états financiers du fonds :

OPC XYZ
123, rue Asset Allocation
Toronto, ON M1A 2B3

Téléphone : (416) 555-5555
Sans frais : 1-800-555-5556
Courriel : investissement@fondsxyz.com
www.fondsxyz.com

Pour en savoir plus sur les organismes de placement collectif, consultez la brochure intitulée **Comprendre les organismes de placement collectif**, qui est disponible sur le site Web des Autorités canadiennes en valeurs mobilières à l'adresse https://www.autorites-valeurs-mobilieres.ca/.

Votre prochain rapport de fonds sera préparé pour la période de 6 mois qui se termine le **30 septembre 2022**. Comme le présent rapport, il vous aidera à prendre des décisions concernant votre placement dans ce fonds.