
Dividend Select



DIVIDEND SELECT 15 CORP.

Equity Shares

ANNUAL INFORMATION FORM

February 23, 2024

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NAME, FORMATION AND HISTORY OF THE COMPANY

Dividend Select 15 Corp. (the “Company”) is a mutual fund corporation incorporated under the laws of the Province of Ontario by certificate and articles of incorporation dated August 26, 2010, as amended effective October 27, 2010 and December 1, 2017. Quadravest Capital Management Inc. (“Quadravest”) is the manager and portfolio adviser for the Company. The principal office address of the Company is 200 Front Street West, Suite 2510, Toronto, ON M5V 3K2.

Quadravest Capital Management Inc. (“Quadravest”) is the manager and investment manager for the Company. Quadravest is the manager and investment manager of 11 other public mutual fund corporations and one public mutual fund trust with total assets under management of approximately \$4.9 billion. The principal office address of Quadravest is at 200 Front Street West, Suite 2510, Toronto, ON M5V 3K2, and its website address is www.quadravest.com.

On November 18, 2010 and December 3, 2010, the Company completed its initial public offering of 9,780,000 Equity Shares pursuant to a prospectus dated October 27, 2010 (the “Initial Prospectus”). The Equity Shares are listed on the Toronto Stock Exchange (“TSX”) under the symbol “DS”.

The Company issued 9,037,573 warrants to subscribe for up to 4,518,786 Equity Shares pursuant to a short form prospectus dated April 18, 2012. Such warrants expired on January 31, 2013 and a total of 4,150,065 Equity Shares were issued as a result of the exercise thereof.

The Company on August 25, 2014 issued 7,678,237 rights to subscribe for up to 1,919,559 Equity Shares pursuant to a rights offering circular dated August 6, 2014. Such rights expired on November 3, 2014, and 76,851 Equity Shares were issued as a result of the exercise thereof.

On March 9, 2015, the Company issued 1,700,000 Equity Shares pursuant to a short form prospectus dated March 2, 2015.

At a special meeting of the holders of Equity Shares (“Shareholders”) held October 25, 2017, Shareholders voted to eliminate the fixed termination date applicable to the Company of December 1, 2017 and make certain changes to the management fee payable to Quadravest discussed below under “*Fees and Expenses*”. Articles of amendment reflecting such changes were filed effective December 1, 2017. In conjunction with these changes, Shareholders were given a special retraction right discussed below under “*Description of the Shares of the Company – Certain Provisions of the Equity Shares – 2017 Special Retraction Right*”.

On March 21, 2018, the Company issued 914,000 Equity Shares pursuant to a short form prospectus dated March 14, 2018.

On December 14, 2021, the Company established an at-the-market equity program (the “2021 ATM Program”) pursuant to a prospectus supplement dated December 13, 2021 to the Company’s short form base shelf prospectus dated December 9, 2021, as amended July 27, 2022. The Company issued an aggregate of 2,448,800 Equity Shares pursuant to the 2021 ATM Program in accordance with the terms of the equity distribution agreement dated December 13, 2021. The 2021 ATM Program was terminated by the Company on December 19, 2023.

On December 20, 2023, the Company renewed its at-the-market equity program (the “2023 ATM Program”) that allows the Company to issue Equity Shares having an aggregate market value of up to \$30,000,000 to the public from time to time, at the Company’s discretion, at the prevailing market price on the TSX or on any other existing trading market for the Equity Shares, as applicable in Canada. The 2023

ATM Program was established pursuant to a prospectus supplement dated December 20, 2023 to the Company's short form base shelf prospectus dated December 19, 2023. The 2023 ATM Program will be effective until January 20, 2026 unless terminated prior to such date by the Company or otherwise in accordance with the terms of the equity distribution agreement dated December 20, 2023.

Rationale for the Company

The Company has been created to provide investors with an opportunity to invest in a portfolio (the "Portfolio") of 15 Canadian companies (the "Portfolio Companies") whose shares offer investors an above-average dividend yield, and which have shown solid earnings growth and have a history of capital appreciation. The Portfolio Companies will be selected from among 20 companies (the "Portfolio Universe") listed on the TSX set out below:

Bank of Montreal	Great-West Lifeco Inc.	TC Energy Corporation
The Bank of Nova Scotia	Loblaw Companies Ltd.	TELUS Corporation
BCE Inc.	National Bank of Canada	Thomson Reuters Corporation
Canadian Imperial Bank of Commerce	Ovintiv Inc.	TMX Group Inc.
Cenovus Energy Inc.	Power Corporation of Canada	The Toronto-Dominion Bank
CI Financial Corp.	Royal Bank of Canada	TransAlta Corporation
Enbridge Inc.	Sun Life Financial Inc.	

The selection of the Portfolio Companies from among the Portfolio Universe will be made by QuadraVest, based on its assessment from time to time as to which companies in the Portfolio Universe have the most stable dividends and attractive growth potential. The Portfolio will be actively managed by QuadraVest. Initially, the investment in the Portfolio Companies was made on an approximately equally-weighted basis.

INVESTMENT OBJECTIVES

The Company's investment objectives are to provide Shareholders with (i) monthly cash distributions, plus (ii) the opportunity for capital appreciation, through investment in the common shares of the Portfolio Companies. There can be no assurance the Company's investment objectives will be achieved.

The current distribution policy established by the Company effective September 15, 2014 is to pay regular monthly cash distributions at a 10% annualized rate based on the volume weighted average market price ("VWAP") of the Equity Shares over the last three trading days of the preceding month. The Company may amend its distribution policy from time to time based on the actual and expected dividends received by the Company on the Portfolio, actual and expected net premiums received from call options written on the securities in the Portfolio and the estimated expenses of the Company, among other factors.

To supplement the dividends earned on the Portfolio and to reduce risk, the Company will from time to time write covered call options in respect of all or part of the Portfolio. The individual securities within the Portfolio which are subject to call options and the terms of such options will vary from time to time based on QuadraVest's assessment of the market. The Company's call option writing program is actively managed by QuadraVest taking into account current market conditions, current dividend yields and option premiums available from the companies in the Portfolio Universe.

In addition to writing covered call options, the Company may also write cash covered put options or purchase call options with the effect of closing out existing call options written by the Company and

may also purchase put options in order to protect the Company from declines in the market prices of the common shares of the Portfolio Companies or other Portfolio securities that it holds. The Company may enter into trades to close out positions in such permitted derivatives. The Company may also use derivatives for hedging purposes as QuadraVest determines appropriate from time to time. Such derivatives may include exchange traded options, futures contracts or options on futures (subject to QuadraVest obtaining any necessary registrations under the *Commodity Futures Act* (Ontario)), over-the-counter options and forward contracts.

The Company has no current intention of lending its portfolio securities, but is not precluded from doing so. If it chooses to lend its Portfolio securities, the Company will do so pursuant to the requirements in this regard set out in National Instrument 81-102 *Investment Funds* (“NI 81-102”).

INVESTMENT RESTRICTIONS

The Company is subject to, and its investment portfolio is managed in accordance with, certain standard restrictions and practices prescribed by securities legislation of each of the provinces of Canada, including NI 81-102, and any deviation from these restrictions and practices requires the prior approval of the Canadian Securities Administrators of each of the provinces of Canada. These restrictions and practices are designed, in part, to ensure that the Company’s investments are diversified and relatively liquid and to ensure the proper administration of the Company.

The Company is also subject to certain additional investment restrictions or criteria that, among other things, limit the equity securities and other securities the Company may acquire in the Portfolio. The Company’s investment restrictions and criteria may not be changed without the approval of the holders of the Equity Shares by a two-thirds majority vote at a meeting called for such purpose. See “*Description of the Shares of the Company — Acts Requiring Shareholder Approval*”. In this regard, the Company may not:

- (a) purchase equity securities of any issuer unless (i) they are common shares or other equity securities of a company in the Portfolio Universe and (ii) after such purchase, no more than 10% of the net asset value of the Company is invested in the securities of any one Portfolio Company;
- (b) write a call option in respect of a Portfolio security unless such security is held by the Company at the time the option is written or dispose of such a security that is subject to a call option written by the Company unless that option has either been terminated or has expired;
- (c) purchase debt securities unless such securities are “cash equivalents” within the meaning of NI 81-102;
- (d) purchase currency forwards or futures, unless purchased for the purposes of hedging as defined in NI 81-102;
- (e) make any investment or conduct any activity that would result in the Company failing to qualify as a “mutual fund corporation” within the meaning of the *Income Tax Act* (Canada) (the “Tax Act”);
- (f) enter into any arrangement (including the acquisition of securities and the writing of covered call options in respect thereof) where the main reason for entering into the arrangement is to enable the Company to receive a dividend on such securities in

circumstances where, under the arrangement, someone other than the Company bears the risk of loss or enjoys the opportunity for gain or profit with respect to such securities in any material respect;

- (g) acquire or continue to hold any security that is a “specified property” as defined in subsection 18(1) of the legislative proposals to amend the Tax Act released by the Minister of Finance (Canada) on September 16, 2004 if the total of all amounts each of which is the fair market value of a specified property would exceed 10% of the total of all amounts each of which is the fair market value of a property of the Company; and
- (h) invest in or hold (i) securities of or an interest in any non-resident entity, an interest in or a right or option to acquire such property, or an interest in a partnership which holds any such property if the Company (or the partnership) would be required to include any significant amounts in income pursuant to section 94.1 of the Tax Act, (ii) an interest in a trust which would require the Company to report income in connection with such interest pursuant to the rules in paragraph 94(1)(d) of the Tax Act, or (iii) any interest in a non-resident trust other than an “exempt foreign trust” for the purposes of proposed section 94 of the Tax Act, as set forth in the proposed amendments to the Tax Act dealing with non-resident trusts set out in the Notice of Ways and Means Motion to Amend the Tax Act dated March 4, 2010 (or amendments to such proposals, provisions as enacted into law or successor provisions thereto).

In addition the Company will not invest in or hold (i) a share of, an interest in, or a debt of a non-resident entity, an interest in or a right or option to acquire such a share, interest or debt or an interest in a partnership which holds such a share, option or right, interest or debt that would cause the Company (or partnership) to include amounts in income under section 94.1 of the Tax Act, (ii) securities of a non-resident trust other than an “exempt foreign trust” as defined in subsection 94(1) of the Tax Act, or (iii) an interest in a trust that would require the Company to report income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act.

DESCRIPTION OF THE SHARES OF THE COMPANY

The Company is authorized to issue an unlimited number of Equity Shares and 1,000 Class B Shares, of which as at the date of this Annual Information Form there are issued and outstanding 1,000 Class B Shares and 8,480,141 Equity Shares. The attributes of the Equity Shares are described below under “*Description of the Shares of the Company – Certain Provisions of the Equity Shares*”. The Company is permitted to issue additional Equity Shares under the provisions of NI 81-102 so long as such Equity Shares are issued at a price (a) which, so far as is reasonably practicable, does not cause dilution of the net asset value per Equity Share at the time such Equity Shares are issued, and (b) which is at least equal to the net asset value per Equity Share most recently calculated prior to the pricing of the offering of such Equity Shares. The Company will not issue additional Class B Shares.

Class B Shares

The holders of Class B Shares are not entitled to receive dividends. The holders of the Class B Shares are entitled to one vote per share. The Class B Shares are retractable at a price of \$0.02 per share and have a nominal liquidation entitlement of \$0.02 per share. The Class B Shares rank prior to the Equity Shares with respect to such nominal liquidation entitlement on the dissolution, liquidation or winding-up of the Company.

Certain Provisions of the Equity Shares

Dividends and Distributions

The current distribution policy established by the Company effective September 15, 2014 is to pay regular monthly cash distributions on the last business day of each month (each a “Dividend Record Date”) at a 10% annualized rate based on the VWAP of the Equity Shares over the last three trading days of the preceding month. The Company may amend its distribution policy from time to time based on the actual and expected dividends received by the Company on the Portfolio, actual and expected net premiums received from call options written on the securities in the Portfolio and the estimated expenses of the Company, among other factors. The amount of the monthly distributions may fluctuate from month to month and there can be no assurance that the Company will make any distributions in any particular month or months.

Distributions declared by the board of directors of the Company (the “Board of Directors”) will be payable to Shareholders of record at 5:00 p.m. (Toronto time) on the applicable Dividend Record Date with payment being made within 15 days thereafter. Distributions paid on the Equity Shares may consist of Ordinary Dividends (as defined under “*Canadian Federal Income Tax Considerations – Tax Treatment of the Company*” below), capital gains dividends which are treated as realized capital gains, and non-taxable returns of capital.

Each Shareholder will be mailed annually, no later than February 28, information necessary to enable such Shareholder to complete an income tax return with respect to amounts paid or payable by the Company in respect of the preceding calendar year.

Regular monthly dividends were paid to Shareholders for each of the months during the Company’s last fiscal year ended November 30, 2023.

Rating

The Equity Shares have not been rated by any rating organization.

Payments on Termination

The articles of incorporation of the Company, as amended, provide that the Company has no fixed termination date and may terminate upon 60 days’ written notice to Shareholders in the discretion of Quadravest if the Equity Shares are delisted on the TSX or if the net asset value of the Company declines to less than \$5,000,000. On the date specified in any such notice (the “Termination Date”), all Equity Shares outstanding on the Termination Date will be redeemed by the Company on such date. Immediately prior to the Termination Date, the Company will, to the extent possible, convert the common shares of the Portfolio Companies or other assets of the Company to cash and pay or make provision for all of the Company’s liabilities and will return to the holder of Class B Shares its aggregate initial investment amount of \$20.00 (\$0.02 per Class B Share). The Company will thereafter distribute to holders of the Equity Shares the remaining assets of the Company, if any, as soon as practicable after the Termination Date.

Retraction Privileges

Equity Shares may be retracted at the option of Shareholders on the last business day of each month (a “Monthly Retraction Date”). In order to effect such a retraction, the Equity Shares must be surrendered for retraction to Computershare Investor Services Inc. (“Computershare”), the Company’s

registrar and transfer agent, by no later than 5:00 p.m. (Toronto time) on the date which is 20 business days prior to the Monthly Retraction Date. Payment of the retraction price will be made on or before the 15th day of the following month (the “Retraction Payment Date”), subject to the Company’s right to suspend retractions in certain circumstances. Shareholders surrendering an Equity Share for retraction, except in connection with the Annual Retraction Date (as defined below), will receive a retraction price per Equity Share equal to the lesser of (i) 95% of the weighted average trading price of the Equity Shares on the TSX (or on such other principal exchange or market on which the Equity Shares are quoted for trading as may from time to time be applicable) for the 10 business days immediately preceding the applicable Monthly Retraction Date, (ii) 100% of the closing market price of an Equity Share on the applicable Monthly Retraction Date, and (iii) 95% of the net asset value of an Equity Share on the last business day of the month; less in each case any costs associated with the retraction including commissions and other such costs, if any, related to the liquidation of any portion of the Portfolio required to fund such retraction.

Equity Shares may also be retracted by the holder effective the last business day in March (the “Annual Retraction Date”) in each year. Equity Shares properly surrendered for retraction at least 20 business days prior to the Annual Retraction Date will be retracted on such Annual Retraction Date, and payment of the retraction price will be made on or before the Retraction Payment Date, subject to the Company’s right to suspend retractions in certain circumstances. Shareholders retracting Equity Shares on an Annual Retraction Date will be entitled to receive a retraction price per Equity Share equal to the net asset value per Equity Share on the Annual Retraction Date, less any costs associated with the retraction including commissions and other such costs, if any, related to the liquidation of any portion of the Portfolio required to fund such retraction. Any unpaid distribution payable on or before the Annual Retraction Date in respect of Equity Shares tendered for retraction on such Annual Retraction Date will also be paid on or before the Retraction Payment Date.

As disclosed below under “*Description of the Shares of the Company — Resale of Equity Shares Tendered for Retraction*”, if a holder of Equity Shares tendered for retraction has not withheld his, her or its consent thereto in the manner provided in the Retraction Notice (as defined below) delivered to CDS Clearing and Depository Services Inc. (“CDS”) through a participant in the CDS book-based system (a “CDS Participant”), the Company may, but is not obligated to, require the Recirculation Agent (as defined below) to use its best efforts to find purchasers for any Equity Shares tendered for retraction prior to the relevant Retraction Payment Date pursuant to the Recirculation Agreement (as defined below). Holders of Equity Shares are free to withhold their consent to such treatment and to require the Company to retract their Equity Shares in accordance with their terms.

Subject to the Company’s right to require the Recirculation Agent to use its best efforts to find purchasers prior to the relevant Retraction Payment Date for any Equity Shares tendered for retraction, any and all Equity Shares which have been surrendered to the Company for retraction are deemed to be outstanding until (but not after) the close of business on the relevant Retraction Date, unless the applicable retraction price is not paid on the Retraction Payment Date, in which event such Equity Shares will remain outstanding.

The retraction right must be exercised by causing written notice to be given within the notice periods prescribed herein and in the manner described below under “*Description of the Shares of the Company – Book-Entry Only System*”. Such surrender will be irrevocable upon the delivery of notice to CDS through a CDS Participant, except with respect to those Equity Shares which are not retracted by the Company on the relevant Retraction Payment Date.

Quadravest may, without the approval of Shareholders, change the retraction rights attached to the Equity Shares on not less than 30 days’ notice to Shareholders by increasing the number of times in

each year that Shares may be retracted by Shareholders (at a retraction price per Equity Share to be determined by QuadraVest), provided that no such change may be made without Shareholder approval if it would eliminate the rights of Shareholders to retract their Equity Shares on a Monthly Redemption Date.

Resale of Equity Shares Tendered for Retraction

The Company has entered into an agreement dated October 27, 2010 (the “Recirculation Agreement”) with Scotia Capital Inc. (the “Recirculation Agent”) and Computershare whereby the Recirculation Agent has agreed to use commercially reasonable efforts to find purchasers for any Equity Shares tendered for retraction prior to the relevant Retraction Payment Date, provided that the holder of the Equity Shares so tendered has not withheld consent thereto. The Company is not obligated to require the Recirculation Agent to seek such purchasers but may elect to do so. In the event that a purchaser for such Equity Shares is found in this manner, the notice of retraction shall be deemed to have been withdrawn prior to the relevant Retraction Date and the Equity Shares shall remain outstanding. The amount to be paid to the holder of the Equity Shares on the relevant Retraction Payment Date will be an amount equal to the proceeds of the sale of the Equity Shares less any applicable commission. Such amount will not be less than the applicable retraction price.

Suspension of Retractions

The Company may suspend the retraction of Equity Shares or payment of retraction proceeds during any period when normal trading is suspended on any stock exchange on which the shares of the Portfolio Companies are listed and traded, if those shares represent more than 50% by value of the total assets of the Company without allowance for liabilities and provided such shares are not traded on any other stock exchange which represents a reasonably practical alternative for the Company, or otherwise with the consent of the securities regulatory authorities. The suspension may apply to all requests for retraction received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Shareholders making such requests shall be advised by the Company of the suspension and that the retraction will be effected at a price determined on the first Valuation Date (as defined herein) following the termination of the suspension. All such Shareholders shall have and shall be advised that they have the right to withdraw their requests for retraction. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Company, any declaration of suspension made by the Company shall be conclusive.

2017 Special Retraction Right

In conjunction with the elimination of the Company’s fixed termination date, Shareholders were provided with a special retraction right which allowed them to tender Equity Shares and receive a retraction price based on the November 30, 2017 net asset value per Equity Share (the “2017 Special Retraction Right”). A total of 102,100 Equity Shares were retracted pursuant to the 2017 Special Retraction Right.

Redemptions of Equity Shares

The Equity Shares will be redeemed by the Company on or about its Termination Date (as defined herein) for a redemption price equal to the net asset value per Equity Share. See “*Description of the Shares of the Company – Certain Provisions of the Equity Shares – Payments on Termination*”.

Book-Entry Only System

Registration of interests in and transfers of the Equity Shares will be made only through a book-based system administered by CDS (the “book-entry only system”). Equity Shares must be purchased, transferred and surrendered for retraction or redemption through a CDS Participant. All rights of a beneficial owner of Equity Shares must be exercised through, and all payments or other property to which such beneficial owner is entitled will be made or delivered by, CDS or the CDS Participant through which the beneficial owner holds such Equity Shares. Upon purchase of any Equity Shares, the beneficial owner will receive only the customary confirmation.

The ability of a beneficial owner of Equity Shares to pledge such shares or otherwise take action with respect to such owner’s interest in such shares (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

A beneficial owner of Equity Shares who desires to exercise its retraction privileges thereunder must do so by causing a CDS Participant to deliver to CDS (at its office in the City of Toronto) on behalf of the beneficial owner a written notice of the owner’s intention to retract shares, no later than 5:00 p.m. (local time in Toronto, Ontario) on the relevant notice date. A beneficial owner who desires to retract Equity Shares should ensure that the CDS Participant is provided with notice (the “Retraction Notice”) of his, her or its intention to exercise its retraction privilege sufficiently in advance of the relevant notice date so as to permit the CDS Participant to deliver notice to CDS by the required time. The Retraction Notice will be available from a CDS Participant or Computershare, the Company’s transfer agent and registrar. Any expense associated with the preparation and delivery of Retraction Notices will be for the account of the beneficial owner exercising the retraction privilege.

By causing a CDS Participant to deliver to CDS a notice of the beneficial owner’s intention to retract shares, a beneficial owner shall be deemed to have irrevocably surrendered its shares for retraction and appointed such CDS Participant to act as its exclusive settlement agent with respect to the exercise of the retraction privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise.

Any Retraction Notice which CDS determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect, and the retraction privilege to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a CDS Participant to exercise retraction privileges or to give effect to the settlement thereof in accordance with the beneficial owner’s instructions will not give rise to any obligations or liability on the part of the Company to the CDS Participant or the beneficial owner.

The Company has the option to terminate registration of the Equity Shares through the book-entry only system, in which case certificates for Equity Shares in fully registered form would be issued to beneficial owners of such shares, or their nominees.

Meetings of Shareholders

Except as required by law or set out below, holders of Equity Shares will not be entitled to receive notice of, to attend or to vote at any meeting of shareholders of the Company.

Acts Requiring Shareholder Approval

The following matters require the approval of the holders of Equity Shares by a majority vote (other than matters which require approval by a two-thirds majority vote under the *Business Corporations*

Act (Ontario)) at a meeting called and held for such purpose: (a) a change in the fundamental investment objectives of the Company; (b) a change in the investment restrictions of the Company as described under “*Investment Restrictions*”; (c) any change in the basis of calculating fees or other expenses that are charged to the Company which could result in an increase in charges to the Company; (d) the introduction of a fee or expense to be charged to the Company or directly to Shareholders by the Company or Quadravest that could result in an increase in charges to the Company or Shareholders; (e) the approval of the appointment of a successor to Quadravest as the manager and investment manager of the Company following its resignation or assignment of the Management and Investment Management Agreement (as defined below), unless an affiliate is appointed; (f) the removal of Quadravest as the manager and investment manager of the Company and the appointment of a successor or successors in the event Quadravest is insolvent, or is in breach or default of its obligations under the Management and Investment Management Agreement and such breach or default is not cured within 30 days of notice of such breach or default being given to Quadravest; (g) any other change of manager of the Company unless an affiliate of Quadravest becomes the manager; (h) a decrease in the frequency of calculating the net asset value; (i) any merger of the Company for which Shareholder approval under NI 81-102 would be required; (j) any change to the Termination Date; (k) an amendment, modification or variation in the provisions or rights attaching to the Equity Shares or Class B Shares; and (l) any other matter for which the approval of the holders of the Equity Shares is required under the provisions of the *Business Corporations Act* (Ontario) or NI 81-102, each as amended from time to time.

Each Equity Share will have one vote at such a meeting. Ten percent of the outstanding Equity Shares represented in person or by proxy at the meeting will constitute a quorum. If no quorum is present, the holders of Equity Shares then present will constitute a quorum at an adjourned meeting.

Reporting to Shareholders

The Company will deliver (or, if permitted by law, make available) to each Shareholder annual and semi-annual financial statements of the Company and annual and semi-annual management reports of Fund performance, together with such other statements as may be required by law.

VALUATION OF PORTFOLIO SECURITIES

The Company is required under National Instrument 81-106 *Investment Fund Continuous Disclosure* to calculate its net asset value using “fair value”. The Company’s assets are valued by RBC Investor Services Trust (“RBC Trust”) in accordance with its usual policies in this regard, which Quadravest believes will result in a calculation of the fair value of the Company. The following are the valuation principles currently used by RBC Trust in this regard:

- (a) the value of any cash on hand, on deposit or on call, prepaid expenses, cash dividends declared and interest accrued and not yet received, shall be deemed to be the face amount thereof, unless RBC Trust determines that any such deposit or call loan is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as RBC Trust determines to be the reasonable value thereof;
- (b) the value of any bonds, debentures, and other debt obligations shall be valued by taking the average of the bid and ask prices on a Valuation Date at such times as RBC Trust, in its discretion, deems appropriate. Short-term investments including notes and money market instruments shall be valued at cost plus accrued interest;
- (c) the value of any security which is listed on any recognized exchange shall be determined by the sale price at the time of valuation or, if there is no sale price, the average between

the bid and the asked price on the day on which the net asset value of the Company is being determined, all as reported by any report in common use or authorized as official by a recognized stock exchange; provided that if such stock exchange is not open for trading on that date, then on the last previous date on which such stock exchange was open for trading;

- (d) the value of any security or other asset for which a market quotation is not readily available shall be its fair market value as determined by RBC Trust;
- (e) purchased or written clearing corporation options, options on futures, over-the-counter options, debt-like securities and listed warrants shall be valued at the current market value thereof;
- (f) where a covered clearing corporation option, option on futures or over-the-counter option is written, the premium received by the Company shall be reflected as a deferred credit which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position. Any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the net asset value of the Company. The securities, if any, which are the subject of a written clearing corporation option, or over-the-counter option shall be valued at their then current market value; and
- (g) all expenses or liabilities (including fees payable to QuadraVest) of the Company shall be calculated on an accrual basis.

The value of any security or property to which, in the opinion of RBC Trust, the above valuation principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair value thereof determined in such manner as RBC Trust from time to time provides. QuadraVest does not have the discretion to require RBC Trust to deviate from these valuation principles.

CALCULATION OF NET ASSET VALUE

The net asset value of the Company will be calculated by RBC Trust as of each business day (each, a “Valuation Date”) by subtracting the aggregate amount of the Company’s liabilities from its total assets. The net asset value per Equity Share on any Valuation Date shall be calculated by dividing the net asset value on such Valuation Date by the total number of Equity Shares then issued and outstanding.

PURCHASES AND SWITCHES

Equity Shares are not currently being offered. There are no applicable switch rights.

RETRACTIONS AND REDEMPTIONS

Retraction and redemption rights are discussed above under “*Description of the Shares of the Company – Certain Provisions of the Equity Shares*”.

MANAGEMENT OF THE COMPANY

Directors and Officers of the Company

The following are the names, municipalities of residence, office and principal occupations of the directors and officers of the Company.

<u>Name and Municipality of Residence</u>	<u>Office</u>	<u>Principal Occupation</u>
S. WAYNE FINCH ⁽¹⁾ Caledon, Ontario	Chairman, President, Chief Executive Officer and Director	Chief Executive and Chief Investment Officer, Quadravest Capital Management Inc.
LAURA L. JOHNSON Oakville, Ontario	Secretary and Director	Chief Investment Strategist and Portfolio Manager, Quadravest Capital Management Inc.
PETER F. CRUICKSHANK Oakville, Ontario	Director	Director, Quadravest Capital Management Inc.
SILVIA GOMES Mississauga, Ontario	Chief Financial Officer	Chief Financial Officer and Chief Compliance Officer, Quadravest Capital Management Inc.
MICHAEL W. SHARP ⁽¹⁾ Toronto, Ontario	Director	Retired Partner, Blake, Cassels & Graydon LLP
JOHN D. STEEP ⁽¹⁾ Stratford, Ontario	Director	President, S Factor Consulting Inc.

⁽¹⁾ Member of the Audit Committee.

Other than as follows, all of the directors and officers of the Company have held the same principal occupation for the five years preceding the date hereof. Ms. Johnson was appointed Chief Investment Strategist of Quadravest in August 2021; Ms. Gomes was appointed as Chief Compliance Officer of Quadravest in May 2021; Mr. Cruickshank was Chief Compliance Officer of Quadravest from 2000 until Ms. Gomes' appointment in May 2021; and prior to his retirement in January 2019, Mr. Sharp was a partner at Blake, Cassels & Graydon LLP for over 20 years.

Manager and Investment Manager of the Company

Pursuant to an agreement between the Company and Quadravest dated October 27, 2010, as amended effective December 1, 2017 (the "Management and Investment Management Agreement"), Quadravest was appointed to act as the manager of the Company and, as such, has overall responsibility for the business and affairs of the Company and is responsible for providing or arranging for administrative services required by the Company including, without limitation, authorizing the payment of operating expenses incurred on behalf of the Company; preparing financial statements and financial and accounting information as required by the Company; ensuring that shareholders are provided with such financial statements (including semi-annual and annual financial statements) as they have requested and such other reports as are from time to time required by applicable law; ensuring that the Company

complies with regulatory requirements and applicable stock exchange listing requirements; preparing the Company's reports to shareholders and the Canadian securities regulatory authorities; determining the amount of dividends to be paid by the Company; and negotiating contractual agreements with third-party providers of services, including registrars, transfer agents, auditor and printers.

Quadravest also acts as the Company's portfolio adviser under the Management and Investment Management Agreement. Quadravest will manage the Portfolio in a manner consistent with the investment objectives, strategy and restrictions of the Company. Quadravest relies on fundamental analysis in managing equity portfolios, such that it focuses on a company's earnings history, relative price-earnings multiple, cash flow, dividend yield, market position and growth prospects.

The services to be provided by Quadravest as portfolio adviser pursuant to the Management and Investment Management Agreement will include the making of all investment decisions for the Company and managing the Company's covered call option writing in accordance with the investment objectives, strategy and restrictions of the Company. Decisions as to the purchase and sale of securities for the Company and as to the execution of all Portfolio and other transactions will be made by Quadravest. In the purchase and sale of securities for the Company and the writing of options contracts, Quadravest will seek to obtain overall services and prompt execution of orders on favourable terms.

Details of the Management and Investment Management Agreement

Quadravest is required to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of Shareholders and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent manager and portfolio adviser would exercise in similar circumstances. The Management and Investment Management Agreement provides that Quadravest will not be liable in any way for any default, failure or defect in or diminution in the value of any of the securities held by the Company if it has satisfied the standard of care, diligence and skill set forth above. Quadravest will incur liability for wilful misconduct, bad faith, negligence or other breach of this standard of care.

Quadravest may resign upon 60 days' notice to Shareholders and the Company or such lesser notice as the Company may accept. If Quadravest resigns, it may appoint its successor, but its successor must be approved by Shareholders unless it is an affiliate of Quadravest. If Quadravest commits certain events of bankruptcy or insolvency or is in material breach or default of its obligations under the Management and Investment Management Agreement and such breach or default has not been cured within 30 days after notice of same has been given to Quadravest, the Company shall give notice thereof to Shareholders and the Shareholders may remove Quadravest and appoint a successor or successors as manager and portfolio adviser. Except as described above, Quadravest cannot be terminated as manager or portfolio adviser of the Company.

Quadravest is entitled to fees for its services under the Management and Investment Management Agreement as described under "*Fees and Expenses*" and will be reimbursed for all reasonable costs and expenses incurred by it on behalf of the Company. In addition, Quadravest and each of its directors, officers, employees and agents will be indemnified by the Company from and against all legal fees, judgments and amounts paid in settlement, actually and reasonably incurred by Quadravest or any of its officers, directors, employees or agents in the exercise of its duties as manager and/or portfolio adviser, unless those fees, judgments or amounts paid in settlement were incurred as a result of a breach by Quadravest of the standard of care described above and provided the Company has reasonable grounds to believe that the action or inaction that caused the payment of fee, judgment or amount paid in settlement was in the best interests of the Company.

The services of Quadravest under the Management and Investment Management Agreement are not exclusive and nothing in the Management and Investment Management Agreement prevents Quadravest from providing similar services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Company) or from engaging in other activities.

Officers and Directors of the Manager

The name and municipality of residence of each of the directors and officers of Quadravest are as set out below.

<u>Name and Municipality of Residence</u>	<u>Office</u>
S. Wayne Finch Caledon, Ontario	Chairman, President, Secretary, Chief Executive Officer, Chief Investment Officer and Director
Laura L. Johnson Oakville, Ontario	Chief Investment Strategist and Portfolio Manager
Peter F. Cruickshank Oakville, Ontario	Director
SILVIA GOMES Mississauga, Ontario	Chief Financial Officer and Chief Compliance Officer

Wayne Finch is the Chairman and Chief Investment Officer of Quadravest. Mr. Finch has over 37 years of experience in designing and managing investment portfolios. Prior to forming Quadravest in 1997, Mr. Finch was Vice-President and a portfolio manager of a number of publicly traded investment vehicles employing investment strategies similar to those of the Company, and prior to that was a portfolio manager in the treasury operations of a major Canadian trust company where he managed a number of common and preferred share portfolios and mutual funds.

Laura L. Johnson is the Chief Investment Strategist and Portfolio Manager of Quadravest. Ms. Johnson has over 31 years of experience in the financial services industry, including extensive experience with investment products employing investment strategies similar to those of the Company. Ms. Johnson has significant experience in structured finance, equity, fixed income and option areas.

Peter F. Cruickshank is a Director of Quadravest and was the Chief Financial Officer of Quadravest from 2000 to 2018. Mr. Cruickshank is a Chartered Professional Accountant, Chartered Accountant who has spent the last 38 years of his career in the investment industry. Prior to joining Quadravest, he was a director and the chief financial officer of another investment management firm from 1986 to 1999.

Silvia Gomes is the Chief Financial Officer and Chief Compliance Officer of Quadravest. Ms. Gomes is a Chartered Professional Accountant, Chartered Accountant and has been with Quadravest since 2016. Prior to her current position, Ms. Gomes was Director of Accounting and Finance at Quadravest. Prior to joining Quadravest, Ms. Gomes held the role of Director, Accounting Policy at RBC and also worked at PricewaterhouseCoopers from 2005 to 2015, where she held progressive roles including senior manager in the asset management practice.

Registrar, Transfer Agent, Custodian and Auditor

Pursuant to a Transfer Agent, Registrar and Dividend Disbursing Agent Agreement dated October 27, 2010, Computershare Investor Services Inc., at its principal office in Toronto has been appointed the registrar and transfer agent for the Equity Shares.

Pursuant to an agreement (the “Custodian Agreement”) dated October 27, 2010, RBC Dexia Investor Services Trust (now RBC Trust) was appointed the custodian of the assets of the Company and is also responsible for certain aspects of the day-to-day administration of the Company, including processing retractions, calculating net asset value and maintaining the fund valuation books and records of the Company. The address of the RBC Trust is 155 Wellington Street West, Toronto, Ontario M5V 3L3, Attention: International Investment Products. RBC Trust will not have any responsibility or liability for any assets of the Company which it does not directly hold or have control over (including through its sub-custodians), including, without limitation, any assets of the Company pledged to a counterparty pursuant to derivatives transactions entered into by the Company, if any. RBC Trust is entitled to receive fees from the Company and to be reimbursed for all expenses and liabilities which are properly incurred by RBC Trust in connection with the activities of the Company.

The auditor of the Company is PricewaterhouseCoopers LLP, Chartered Professional Accountants, PwC Tower, 18 York Street, Suite 2500, Toronto, Ontario M5J 0B2. PricewaterhouseCoopers LLP has prepared an independent auditor’s report dated February 15, 2024 in respect of the Company’s financial statements for its fiscal year ended November 30, 2023. PricewaterhouseCoopers LLP has advised that it is independent with respect to the Company within the meaning of the Chartered Professional Accountants of Ontario CPA Code of Professional Conduct.

CONFLICTS OF INTEREST

Principal Holders of Securities

All of the issued and outstanding Class B Shares of the Company are owned by Dividend Select 15 Holding Trust (the “Holding Trust”), an Ontario trust of which S. Wayne Finch is the trustee and the beneficiaries of which include the holders of the Equity Shares from time to time. The Class B Shares are held in escrow by RBC Trust pursuant to an agreement dated October 27, 2010 (the “Escrow Agreement”) between the Holding Trust, RBC Trust and the Company and will not be disposed of or dealt with in any manner until all the Equity Shares have been retracted or redeemed, except in certain circumstances contemplated by the Escrow Agreement.

Affiliated Entities

Except as disclosed in this Annual Information Form, no affiliated entities provide services to the Company.

Manager and Investment Manager

Quadravest is engaged in a variety of management, investment management and other business activities. The services of Quadravest under the Management and Investment Management Agreement are not exclusive and nothing in that agreement prevents Quadravest or any of its affiliates from providing similar services to other investment funds and other clients (whether or not their investment objectives, strategies and policies are similar to those of the Company) or from engaging in other activities. Quadravest’s investment decisions for the Company will be made independently of those made for its other clients and independently of its own investments. However, on occasion, Quadravest may make the

same investment for the Company and for one or more of its other clients. If the Company and one or more of the other clients of Quadravest are engaged in the purchase or sale of the same security, the transactions will be effected on an equitable basis.

Quadravest receives the fees described under “*Fees and Expenses*” for its services to the Company and will be reimbursed by the Company for all expenses incurred in connection with the operation and administration of the Company.

Insider Reporting

Quadravest has undertaken to file, and have agreed to cause its directors and senior officers to file, insider trading reports as if the Company was not a mutual fund, in accordance with applicable securities legislation in respect of trades made by it or those directors and senior officers in shares of the Company.

The senior officers and directors of the Company have also undertaken to file insider trading reports, as if the Company was not a mutual fund, in accordance with applicable provincial securities legislation, for themselves. The Company has undertaken that it will not elect or appoint any person in the future as a senior officer or director unless such person undertakes to file insider trading reports as if the Company was not a mutual fund, in accordance with applicable provincial securities legislation and to deliver to the applicable Canadian Securities Administrators an undertaking to file insider trading reports in accordance with applicable provincial securities legislation. The foregoing undertakings shall remain in full force until such time as, in the case of the undertaking of Quadravest, the voting shares of the Company are not controlled directly or indirectly by Mr. Finch; in the case of the undertakings of a director or senior officer of the Company, such person ceases to be a director or officer of the Company; or in each case all of the Equity Shares have been redeemed or retracted.

Brokerage Arrangements

When the services and prices offered by more than one broker or dealer are comparable and satisfy best execution criteria, Quadravest may choose to effect portfolio transactions with brokers and dealers who provide services such as research, statistical data, financial and economic databases and other similar services. The following companies have provided financial information services that Quadravest uses as part of its investment decision making process and remuneration for these services was paid through brokerage commissions on trades executed by the Company under “client commissions arrangements” (also known as “soft dollar arrangements”): Bloomberg Financial L.P., Dow Jones & Company, Inc., ICE Data Indices LLC, NYSE Market (DE), Inc., Options Price Reporting Authority and TSX Inc.

FEES AND EXPENSES

Pursuant to the Management and Investment Management Agreement, Quadravest is entitled to a management fee at an annual rate equal to 1.10% of the Company’s net asset value calculated as at the last Valuation Date in each month.

The Company will pay for all other expenses incurred in connection with the operation and administration of the Company, estimated to be approximately \$265,000, including harmonized sales tax, per annum (excluding all commissions and other costs of Portfolio transactions and expenses relating to the issue of Equity Shares for which the Company is also responsible). These expenses are expected to include, without limitation, valuation and administration services fees; fees payable to the Company’s custodian for acting as custodian of the assets of the Company and performing certain administrative

services under the Custodian Agreement; fees payable to the Company's registrar and transfer agent with respect to the Equity Shares; fees payable to the auditor and legal advisors of the Company; fees payable to the independent directors of the Company and the Company's IRC; premiums for directors' and officers' insurance coverage for the directors and officers of the Company and the members of the IRC; costs and expenses of preparing financial and other reports; costs of reporting to Shareholders, including mailing and printing expenses for periodic reports to Shareholders; expenses related to compliance with NI 81-107; regulatory filing and stock exchange fees (including any such fees payable by Quadravest in respect of the services it provides to the Company); costs and expenses arising as a result of complying with all applicable laws, regulations and policies including expenses and costs incurred in connection with continuous public filing requirements; fees payable to CDS; any taxes payable by the Company to which the Company may be subject, including income taxes and sales taxes; extraordinary expenses that the Company may incur; all amounts paid on account of indebtedness of the Company; and expenditures incurred upon the dissolution of the Company. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which: (a) Quadravest or its directors, officers, employees or agents; or (b) the Company's custodian, or its affiliates, subsidiaries or agents, or their respective directors, officers and employees are entitled to indemnity by the Company.

FUND GOVERNANCE

The Board of Directors has overall responsibility for the Company's corporate governance, as with all corporations. Three of the six directors of the Company are neither officers, directors or employees of Quadravest or the Manager. The auditor is independent of the Company, Quadravest and the Manager, as are Computershare and RBC Trust.

Independent Review Committee

In accordance with its requirements of NI 81-107, Quadravest has established an independent review committee ("IRC") consisting of Messrs. Sharp and Steep, two of the independent directors of the Company, and Mr. Gordon A. M Currie, who acts as the chair of the IRC. In accordance with NI 81-107, Mr. Sharp was appointed to the IRC effective December 5, 2022 in order to fill a vacancy. Quadravest has established a single IRC which is responsible for all of the public investment funds which it manages.

Mr. Currie is the Executive Vice President and Chief Legal Officer of George Weston Limited, which he joined in 2005. Prior to that, he was the General Counsel of Direct Energy, the North American subsidiary of Centrica plc. Prior to that, he was a partner at Blake, Cassels & Graydon LLP, specializing in securities law, having joined the firm in 1983. Mr. Sharp is a retired partner of Blake, Cassels & Graydon LLP, where he was a partner for over 20 years prior to retiring in 2019. Mr. Steep is currently the President of S Factor Consulting Inc. Prior to retiring in 2002, Mr. Steep spent over 30 years in the financial services business and retired as a Senior Vice-President at a major Canadian chartered bank.

Under NI 81-107, the Manager must refer conflict of interest matters for review or approval to the IRC, and imposes obligations upon the Manager to establish written policies and procedures for dealing with conflict of interest matters, to maintain records in respect of these matters and to provide assistance to the IRC in carrying out its functions. Each of the executive officers of the Manager work with the IRC in respect of these matters.

The IRC conducts regular assessments and provides reports to the Manager and to shareholders in respect of its functions. Annual reports are filed on SEDAR+ and posted on the Company's website. Upon request made by a shareholder, the Company will deliver a copy of the most recent of such annual reports of the IRC to such shareholder without charge.

Members of the IRC currently receive compensation of \$15,000 per annum (\$25,000 per annum for the chair of the IRC) plus reimbursement of expenses, in addition to harmonized sales tax, as applicable. Annual compensation is apportioned among the various funds for which the IRC acts, including the Company, in the Manager's discretion. During the fiscal year of the Company ended November 30, 2023, \$4,338 (including harmonized sales tax) of such compensation in the aggregate was allocated to the Company. During such period, no reimbursement of expenses was made to the IRC members.

Use of Derivatives

Derivatives are used by the Company, principally exchange-traded options which are used in connection with the Company's covered call option writing program. They are not used for speculative purposes or for leverage. Derivatives must be used in compliance with the detailed rules in NI 81-102 which are designed to minimize counterparty risk and to ensure that the derivatives use is not speculative or involve the Company in leverage. The effective derivatives exposure of the Company, if any, is monitored by QuadraVest on an on-going basis and any margin required in connection with the Company's derivatives positions is held by, and derivatives trading is undertaken with, independent third party organizations in compliance with the requirements of NI 81-102.

Voting of Portfolio Securities

Under the proxy voting policies and procedures adopted by the Company, QuadraVest is required to vote (or decide to refrain from voting) all shares or other voting securities of the Company in accordance with its best judgement in this regard; provided that QuadraVest receives the proxy and related materials from the issuer or otherwise in sufficient time to cast such vote. QuadraVest will consider each such proposal on its merits in light of the best interests of the Company and its shareholders. In order to aid in the evaluation process for each proxy proposal, QuadraVest subscribes to the research services of Institutional Shareholder Services, a leading provider of proxy analysis and recommendations.

Where the custodian must vote such securities in accordance with the instructions of QuadraVest in this regard, QuadraVest shall ensure that instructions are provided to the custodian in accordance with its corporate action requirements in this regard.

QuadraVest will maintain a proxy voting record which includes, each time the Company receives proxy voting materials, the name of the issuer in question; the stock exchange on which the securities are listed and the ticker symbol for such securities; the CUSIP number for the securities; the meeting date and whether the meeting was called by management or otherwise; a brief identification of the matters to be voted on at the meeting; whether, and if so how, the Company voted on such matters; and whether the votes cast by the Company were for or against the recommendations of management of the issuer.

The Company prepares by August 31 in each year a proxy voting record for the one-year period ending on June 30 of that year, and posts such record on the Company's website. Upon request made by a shareholder by calling 1-877-478-2372 or writing to the Company at Investor Relations, 200 Front Street West, Suite 2510, Toronto, ON M5V 3K2, the Company will deliver a copy of its proxy voting record, or of its policies and procedures with respect to proxy voting, to such shareholder without charge.

Short-Term Trading

Because the Equity Shares are listed on the TSX and are not issued and redeemed like a conventional mutual fund, the Company has no need of, and therefore has not developed, any policies

with respect to the short-term trading by investors in those shares or entered into any arrangements with others to permit short term trading.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Company, the following is a summary of the principal Canadian federal income tax considerations generally relevant to investors who, at all relevant times and for purposes of the Tax Act, are resident in Canada, deal at arm's length with the Company and are not affiliated with the Company, and hold their Equity Shares as capital property. Certain investors who might not otherwise be considered to hold their Equity Shares as capital property may, in certain circumstances, be entitled to make an irrevocable election pursuant to subsection 39(4) of the Tax Act, the effect of which is to deem such Equity Shares and any other "Canadian security", as defined in the Tax Act, owned by such investor in the taxation year in which the election is made and in all subsequent taxation years, to be capital property.

This summary is based upon the facts set out in this Annual Information Form, the current provisions of the Tax Act and the regulations thereunder, and counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency ("CRA") made publicly available in writing prior to the date hereof and relies as to certain factual matters on certificates of an officer of the Company and Quadrevest. This summary also takes into account specific proposals to amend the Tax Act and the regulations thereunder announced prior to the date hereof by or on behalf of the Minister of Finance (Canada) (the "Proposed Amendments") and assumes that the Proposed Amendments will be enacted as proposed. No assurances can be given that the Proposed Amendments will become law.

This summary is based on the assumptions that:

- (a) the Equity Shares will at all times be listed on a designated stock exchange in Canada (which currently includes the TSX);
- (b) the Company was not established and will not be maintained primarily for the benefit of non-residents of Canada;
- (c) the issuers of the securities held in the Portfolio will not be foreign affiliates of the Company or any Shareholder;
- (d) the investment objectives and investment restrictions applicable to the Company will at all relevant times be as set out in this Annual Information Form and that the Company will at all times comply with such investment objectives and investment restrictions; and
- (e) the Company does not and will not invest in or hold (i) a share of, an interest in, or a debt of a non-resident entity, an interest in or a right or option to acquire such a share, interest or debt or an interest in a partnership which holds such a share, option or right, interest or debt that would cause the Company (or partnership) to include amounts in income under section 94.1 of the Tax Act, (ii) securities of a non-resident trust other than an "exempt foreign trust" as defined in subsection 94(1) of the Tax Act, or (iii) an interest in a trust that would require the Company to report income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act.

This summary is not exhaustive of all possible federal income tax considerations and does not take into account or anticipate any changes in law, administrative policy or assessing practice,

whether by legislative, governmental or judicial action, other than the Proposed Amendments. This summary does not deal with foreign, provincial or territorial income tax considerations, which may differ from the federal considerations. This summary does not address the deductibility of interest on any funds borrowed by an investor to purchase Equity Shares.

This summary does not apply to an investor (i) that is a “financial institution” as defined in section 142.2 of the Tax Act, (ii) that is a “specified financial institution” as defined in subsection 248(1) of the Tax Act, (iii) an interest in which is a “tax shelter investment” as defined in subsection 143.2(1) of the Tax Act, (iv) which makes or has made a functional currency reporting election pursuant to section 261 of the Tax Act, or (v) which enters into a “derivative forward agreement” (a “DFA”), as such term is defined in the Tax Act, with respect to the purchase or sale of Equity Shares.

This summary is of a general nature only and does not constitute legal or tax advice to any particular investor. Investors are advised to consult their own tax advisors with respect to their individual circumstances.

Status of the Company

The Company qualifies, and intends at all relevant times to qualify, as a “mutual fund corporation” as defined in the Tax Act.

Tax Treatment of the Company

As a mutual fund corporation, the Company is entitled in certain circumstances to a refund of tax paid by it in respect of its net realized capital gains. The amount of the available refund to the Company in any taxation year is determined by a formula which is based in part on (i) the amount of the capital gains dividends (described below) paid by the Company to Shareholders, and (ii) the amount of the Company’s “capital gains redemptions” (as defined in the Tax Act) for the year, which amount is determined in part by reference to the amount paid by the Company to Shareholders on the redemption of Equity Shares. As a mutual fund corporation, the Company maintains a capital gains dividend account in respect of capital gains realized by the Company and from which it may elect to pay dividends (“capital gains dividends”) which are treated as capital gains in the hands of Shareholders (see “*Canadian Federal Income Tax Considerations — Tax Treatment of Shareholders*” below). In certain circumstances where the Company has recognized a capital gain in a taxation year on which tax would be payable by the Company, it may elect not to pay capital gains dividends in that taxation year in respect thereof and may instead pay refundable capital gains tax, which may in the future be fully or partially refundable upon the payment of sufficient capital gains dividends and/or capital gains redemptions.

The Company will be required to include in computing its income for a taxation year all dividends received in the year. In computing its taxable income, the Company will generally be entitled to deduct all taxable dividends received on shares of taxable Canadian corporations (which include the Portfolio Companies).

The Company is a “financial intermediary corporation” (as defined in the Tax Act) and, as such, is not subject to tax under Part IV.1 of the Tax Act on dividends received by the Company nor is it generally liable to tax under Part VI.1 of the Tax Act on dividends paid by the Company on “taxable preferred shares” (as defined in the Tax Act). As a mutual fund corporation (which is not an “investment corporation” as defined in the Tax Act), the Company will generally be subject to a refundable tax of 38 1/3% under Part IV of the Tax Act on taxable dividends received during the year to the extent such dividends are deductible in computing the taxable income of the Company for the taxation year. This tax

is fully refundable upon payment of sufficient dividends other than capital gains dividends (“Ordinary Dividends”) by the Company.

The Company has purchased and will purchase Portfolio securities with the objective of earning dividends thereon over the life of the Company, and intends to treat and report transactions undertaken in respect of such shares on capital account. Generally, the Company will be considered to hold such shares on capital account unless the Company is considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Company has acquired the securities in a transaction or transactions considered to be an adventure or concern in the nature of trade. The Company has advised counsel that it has elected in accordance with the Tax Act to have each of its “Canadian securities” (as defined in subsection 39(6) of the Tax Act) treated as capital property.

In computing the adjusted cost base of any particular security held by the Company, the Company will generally be required to average the cost of that security with the adjusted cost base of all other identical securities owned by the Company and held as capital property.

A loss realized by the Company on a disposition of capital property will be a suspended loss for purposes of the Tax Act if the Company, or a person “affiliated” with the Company (within the meaning of the Tax Act), acquires a property (a “substituted property”) that is the same or identical to the property disposed of, within 30 days before and 30 days after the disposition and the Company, or a person affiliated with the Company, owns the substituted property 30 days after the original disposition. If a loss is suspended, the Company cannot deduct the loss from the Company’s capital gains until the substituted property is sold and is not reacquired by the Company, or a person affiliated with the Company, within 30 days before and after the sale.

The Company will write covered call options with the objective of increasing the yield on the Portfolio beyond the dividends received on the common shares in the Portfolio. In accordance with CRA’s published administrative practice, a transaction undertaken by the Company in respect of such options will be treated and reported for purposes of the Tax Act on capital account, unless such transaction is considered to be a DFA. In general, the writing of a covered call option by the Company in the manner described in “*Investment Objectives*” is not expected to constitute a DFA. It is not clear whether the writing of covered calls, if coupled with certain other transactions, could be considered to be DFAs.

QuadraVest and the Company have advised counsel that the Company will not enter into a DFA the effect of which would be to materially increase the income tax payable by the Company (taking into account all DFAs entered into).

Premiums received on call options written by the Company (to the extent such call options relate to securities actually owned by the Company at the time the option is written and such securities are held on capital account as discussed above) will constitute capital gains of the Company in the year received, and gains or losses realized upon dispositions of securities owned by the Company (whether upon the exercise of call options written by the Company or otherwise) will generally constitute capital gains or capital losses of the Company in the year realized. Where a call option is exercised, the premium received by the Company for the option will be included in the proceeds of disposition of the securities sold pursuant to the option and such premium will not give rise to a capital gain at the time the option is written.

If the Company sells a security under a DFA, the amount by which the proceeds of disposition exceed (or are less than) the fair market value of the security at the time the DFA is entered into will generally be recognized as ordinary income (or loss) realized upon the disposition of the security. The

deductibility of any loss realized on the disposition of a security under a DFA may be restricted depending upon the particular circumstances. The adjusted cost base to the Company of any such security will be increased (or decreased) by the amount of income recognized (or loss that is deductible) because of the DFA, and the Company's capital gain (or capital loss) will be adjusted accordingly.

Generally, the Company will include gains and deduct losses on income account in connection with investments made through derivative securities (except where such derivatives are used to hedge Portfolio securities held on capital account and provided there is sufficient linkage), and will recognize such gains or losses for tax purposes at the time they are realized by the Company. The Company may also use derivative instruments for hedging purposes. Gains or losses realized on such derivatives hedging Portfolio securities held on capital account will be treated and reported for tax purposes on capital account (subject to adjustment for any ordinary income or loss recognized from the disposition of property pursuant to a derivative that constitutes a DFA), provided there is sufficient linkage.

To the extent that the Company earns net income (other than taxable dividends from taxable Canadian corporations and taxable capital gains) such as interest, dividends from corporations other than taxable Canadian corporations or certain gains from the disposition of a security under a DFA, the Company will be subject to income tax on such income and no refund will be available in respect thereof.

Tax Treatment of Shareholders

Shareholders must include in income Ordinary Dividends received from the Company. For individual Shareholders, Ordinary Dividends will be subject to the usual gross-up and dividend tax credit rules with respect to taxable dividends paid by taxable Canadian corporations under the Tax Act. An enhanced gross-up and dividend tax credit is available on "eligible dividends" received or deemed to be received from a taxable Canadian corporation which are so designated by the corporation. Ordinary Dividends received by a corporation will generally be deductible in computing its taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Shareholder that is a corporation as a capital gain. Shareholders that are corporations should consult their own tax advisors having regard to their own circumstances.

Corporations (other than a "private corporation" or a "financial intermediary corporation", as defined in the Tax Act) should consult their own tax advisors with respect to whether Ordinary Dividends on the Equity Shares are subject to Part IV.1 tax when received by such corporations.

A Shareholder which is a private corporation for purposes of the Tax Act, or any other corporation controlled directly or indirectly by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts) may be liable to pay a 38 ¹/₃% refundable tax under Part IV of the Tax Act on Ordinary Dividends received on Equity Shares, to the extent that such dividends are deductible in computing the corporation's taxable income. Where Part IV.1 tax also applies to an Ordinary Dividend received by a particular corporation, the Part IV tax payable by such corporation on such dividend is reduced by 10% of the dividend. The tax payable by a Shareholder under Part IV of the Tax Act may be refunded in certain circumstances to the extent the Shareholder pays sufficient taxable dividends.

The amount of any capital gains dividend received by a Shareholder from the Company will be considered to be a capital gain of the Shareholder from the disposition of capital property in the taxation year of the Shareholder in which the capital gains dividend is received.

The current policy of the Company is to pay monthly distributions. Therefore, a person acquiring Equity Shares may become taxable on distributions derived from income and capital gains of the

Company that accrued before such person acquired such Equity Shares and on realized capital gains that have not been distributed before such time.

The Company may make returns of capital in respect of the Equity Shares. A return of capital in respect of an Equity Share will not be included in the income of the holder of the Equity Share, but will reduce the adjusted cost base of such Equity Share to the Shareholder. To the extent that the adjusted cost base of an Equity Share would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Shareholder from the disposition of the Equity Share and the adjusted cost base will be increased by the amount of such deemed capital gain.

Upon the redemption, retraction or other disposition of an Equity Share, a capital gain (or a capital loss) will be realized by the Shareholder to the extent that the proceeds of disposition of the Equity Share exceed (or are less than) the aggregate of the adjusted cost base of the Equity Share and any reasonable costs of disposition. If the Shareholder is a corporation, any capital loss arising on the disposition of an Equity Share may in certain circumstances be reduced by the amount of any Ordinary Dividends received on the Equity Share. Analogous rules apply to a partnership or trust of which a corporation, partnership or trust is a member or beneficiary. For purposes of computing the adjusted cost base of each Equity Share, a Shareholder must average the cost of such Equity Share with the adjusted cost base of any Equity Shares already held as capital property.

One-half of a capital gain is included in computing a Shareholder's income as a taxable capital gain and one-half of a capital loss must generally be deducted against taxable capital gains to the extent and under the circumstances prescribed in the Tax Act. A Shareholder that is a Canadian-controlled private corporation or a "substantive CCPC" (as defined in Proposed Amendments contained in Bill C-59, when effective) will be subject to an additional refundable tax on its "aggregate investment income" (as defined in the Tax Act), which includes an amount in respect of taxable capital gains. The additional tax is refundable in certain circumstances to the extent the Shareholder pays sufficient taxable dividends.

Individuals (other than certain trusts) realizing net capital gains or receiving dividends may be subject to an alternative minimum tax under the Tax Act.

INTERNATIONAL INFORMATION REPORTING

Pursuant to the Canada-United States Enhanced Tax Information Exchange Agreement entered into between Canada and the United States on February 5, 2014 (the "IGA") and related Canadian legislation in the Tax Act, the dealers through which Shareholders hold their Shares are required to report certain financial information (e.g. account balances) with respect to Shareholders, or their controlling persons, who are U.S. residents and U.S. citizens (including U.S. citizens who are residents and/or citizens of Canada), certain other "U.S. Persons", as defined under the IGA or who do not provide the requested information and indicia of U.S. or non-Canadian status are present (excluding trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts (each as defined in the Tax Act)) ("Registered Plans"), to the CRA. The CRA provides the information to the U.S. Internal Revenue Service. The CRA has indicated that trusts governed by first home savings accounts ("FHSAs") are under consideration for being treated in the same way as Registered Plans for these purposes and that information about investments held within FHSAs does not need to be reported at this time.

Canada has also implemented the OECD Multilateral Competent Authority Agreement and Common Reporting Standard (the "CRS") which provides for the automatic exchange of certain tax information between the tax authorities of participating jurisdictions. Affected investors are required to

provide certain information including their tax identification numbers for the purpose of such information exchange, unless the investments are held within Registered Plans. The Department of Finance has released certain Proposed Amendments which would also exempt FHSAs from the provisions of the Tax Act that implement the CRS; however, there can be no assurance that such Proposed Amendments will be enacted as proposed.

MATERIAL CONTRACTS

The following contracts can reasonably be regarded as material to holders of Equity Shares:

- (a) the articles of incorporation of the Company, as amended, referred to under “*Name, Formation and History of the Company*”;
- (b) the Management and Investment Management Agreement described under “*Management of the Company – The Manager*”;
- (c) the Recirculation Agreement described under “*Description of the Shares of the Company – Resale of Shares Tendered for Retraction*”; and
- (d) the Custodian Agreement described under “*Management of the Company – Registrar and Transfer Agent, Custodian and Auditor*”.

Copies of the foregoing agreements have been filed on SEDAR+ at www.sedarplus.com.

ADDITIONAL INFORMATION – RISK FACTORS

The following are certain considerations relating to an investment in Equity Shares which prospective investors should consider.

Concentration Risk

The assets of the Company will initially consist primarily of common shares of the Portfolio Companies and its net asset value will always be primarily dependent upon the value of the shares of such Portfolio Companies. As a result, the Portfolio is highly concentrated, and this lack of diversification could have a negative impact on the value of the Equity Shares.

Risks Relating to and Risk Disclosure Made by the Portfolio Companies

Investors should consider carefully the risk disclosure made by the companies in the Portfolio Universe, as set forth in their publicly available continuous disclosure documents.

Fluctuations in Net Asset Value

The net asset value of the Company will vary primarily according to the value of the common shares of the Portfolio Companies it holds. The value of such shares will be influenced by factors which are not within the control of the Company, including the financial performance of the Portfolio Companies, their dividend payment policies and financial market and economic conditions generally. An investment in the Equity Shares is appropriate only for investors who have the capacity to absorb a loss. The net asset value of the Company at any time may be more or less than the issue price of the Equity Shares or the price at which an investor can purchase Equity Shares on the TSX or other stock exchange on which they may be listed.

No Assurances of Achieving Objectives

There is no assurance that the Company will be able to achieve its monthly distribution and long-term capital appreciation objectives. In particular, there can be no assurance that the Company will be able to pay the currently targeted monthly distributions on the Equity Shares. An investment in the Equity Shares is therefore appropriate only for investors who have the ability to withstand distributions not being paid on the Equity Shares for any period of time.

Interest Rate Fluctuations

It is anticipated that the market price of the Equity Shares will, at any time, be affected by the level of interest rates prevailing at such time. A rise in interest rates may have a negative effect on the market price of the Equity Shares.

Risk of Volatile Markets and Market Disruption Risk

The performance of the Portfolio may be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments and national and international political and economic events and policies. In addition, unexpected and unpredictable events such as war and occupation, a widespread health crisis or global pandemic, terrorism and related geopolitical risks may lead to substantial market volatility and may have adverse long-term effects on world economies and markets generally. For example, the spread of a coronavirus disease (COVID-19 and any variants thereto) caused increased volatility and disruptions in global business activity and financial markets.

These factors may also cause inflation, a downturn or recession, exchange trading suspensions and closures, affect the Portfolio's performance and significantly reduce the value of an investment in shares. The Company is therefore exposed to some, and at times, a substantial, degree of market risk.

Use of Options

The Company is subject to the full risk of its investment position in the common shares of the Portfolio Companies, including those shares that are subject to outstanding call options, should the market price of such shares decline. In addition, the Company will not participate in any gain on the shares that are subject to outstanding call options above the strike price of the options.

There can be no assurance that a liquid exchange or over-the-counter market will exist to permit the Company to write covered call options on desired terms or to close out option positions should Quadravest desire to do so. In purchasing call options, the Company is subject to the credit risk that its counterparty (whether a clearing corporation in the case of exchange traded instruments, or other third party in the case of over-the-counter instruments) may be unable to meet its obligations. The ability of the Company to close out its positions may also be affected by exchange-imposed daily trading limits on options. If the Company is unable to repurchase a call option which is in-the-money, it will be unable to realize its profits or limit its losses until such time as the option becomes exercisable or expires.

Reliance on the Investment Manager

Quadravest will manage the assets of the Company in a manner consistent with the investment objectives, strategies and restrictions of the Company. The officers of Quadravest who will be primarily responsible for the management of the Company have extensive experience in managing investment

portfolios. There is no certainty that such individuals will continue to be employees of Quadrainvest throughout the term of the Company.

Conflicts of Interest

Quadrainvest is engaged in a variety of management, investment management and other business activities. The services of Quadrainvest under the Management and Investment Management Agreement are not exclusive and nothing in that agreement prevents Quadrainvest or any of its affiliates from providing similar services to other investment funds and other clients (whether or not their investment objectives, strategies and policies are similar to those of the Company) or from engaging in other activities. Quadrainvest's investment decisions for the Company will be made independently of those made for its other clients and independently of its own investments. However, Quadrainvest may make the same investment for the Company and for one or more of its other clients. If the Company and one or more of the other clients of Quadrainvest are engaged in the purchase or sale of the same security, the transactions will be effected on an equitable basis.

Trading Prices of Equity Shares

The Equity Shares may trade in the market at a premium or discount to the price implied by the net asset value per Equity Share, and there can be no assurance that the Equity Shares will trade at a price equal to such amount. This risk is separate and distinct from the risk that the net asset value per Equity Share may decrease.

Effects of Substantial Retractions

If holders of a substantial number of Equity Shares exercise their retraction rights, the number of such shares outstanding and the net asset value of the Company could be significantly reduced, with the effect of decreasing the liquidity of the Equity Shares in the market and increasing the management expense ratio of the Company.

Suspension of Retractions

The Company may suspend the retraction of Equity Shares or payment of redemption proceeds during any period when normal trading is suspended on any stock exchange on which the common shares of the Portfolio Companies are listed and traded, if those common shares represent more than 50% by value of the total assets of the Company without allowance for liabilities and provided such shares are not traded on any other stock exchange which represents a reasonably practical alternative for the Company, or otherwise with the consent of the securities regulatory authorities. In the event of a suspension of retractions, Shareholders would experience reduced liquidity. See "*Description of the Shares of the Company – Suspension of Retractions*".

Treatment of Proceeds of Disposition, Option Premiums and Other Derivatives

In determining its income for tax purposes, the Company will treat gains and losses realized on the disposition of securities held by it, option premiums received on the writing of covered call options, and any gains and losses sustained on closing out options used for hedging purposes with respect to securities held as capital property as capital gains and capital losses in accordance with the published administrative practices of the CRA (subject to adjustment for any ordinary income or loss recognized from the disposition of property pursuant to a derivative that constitutes a DFA, as described under "*Canadian Federal Income Tax Considerations – Tax Treatment of the Company*"). CRA's practice is not

to grant advance income tax rulings on the character of items as capital or income and no advance income tax ruling has been applied for or received from CRA.

If, contrary to CRA's published administrative practice, some or all of the transactions undertaken by the Company in respect of options and securities were treated on income rather than capital account, the after-tax returns to holders of Equity Shares could be reduced and the Company may be subject to non-refundable income tax in respect of income from such transactions, and the Company may be subject to penalty taxes in respect of excessive capital gains dividend elections.

Mutual Fund Corporation Status

The tax treatment of the Company and Shareholders depends in part upon the Company being a "mutual fund corporation" for tax purposes. If the Company ceases to qualify as a mutual fund corporation under the Tax Act, such tax treatment would be materially and adversely different in certain respects.

Changes in Legislation and Regulatory Risk

There can be no assurance that laws applicable to the Company, including securities legislation, will not be changed in a manner which adversely affects the Company or Shareholders. Certain legal or regulatory changes could make it more difficult, if not impossible, for the Company to operate or achieve its investment objectives. If legal or regulatory changes occur, such changes could have a negative effect upon the value of the Company, the Equity Shares and upon investment opportunities available to the Company.

Status of the Company

Although the Company is considered to be a "mutual fund" as defined under Canadian securities laws the Company has received an exemption from certain of the requirements that apply to conventional open-end mutual funds. As a result, some of the protections provided to investors in mutual funds under Canadian securities laws will not apply to the Company.

Cybersecurity Risk

The information and technology systems of QuadraVest, the Company's key service providers (including its custodian, registrar and transfer agent, valuation services provider and administration services provider) and the Portfolio Companies may be vulnerable to cybersecurity risks such as potential damage or interruption from computer viruses, network failures, computer and telecommunications failures, infiltration by unauthorized persons (e.g. through hacking or malicious software) and general security breaches. A cybersecurity incident is an adverse intentional or unintentional action or event that threatens the integrity, confidentiality or availability of the Company's information resources. A cybersecurity incident may disrupt business operations or result in the theft of confidential or sensitive information, including personal information, or may cause system failures, disrupt business operations or require QuadraVest or a service provider to make a significant investment to fix, replace or remedy the effects of such incident. Furthermore, a cybersecurity incident could cause disruptions and negatively impact the Company's business operations, potentially resulting in financial losses to the Company and Shareholders. There is no guarantee that the Company or QuadraVest will not suffer material losses as a result of cybersecurity incidents. If they occur, such losses could materially adversely impact the Company's net asset value.

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Additional information about the Company is available in its management reports of fund performance and financial statements. These documents are available on the Company's website at www.dividendselect15.com. These documents and other information about the Company, such as information circulars and material contracts, are also available through SEDAR+ (the System for Electronic Document Analysis and Retrieval +) at www.sedarplus.com, or from your dealer.

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