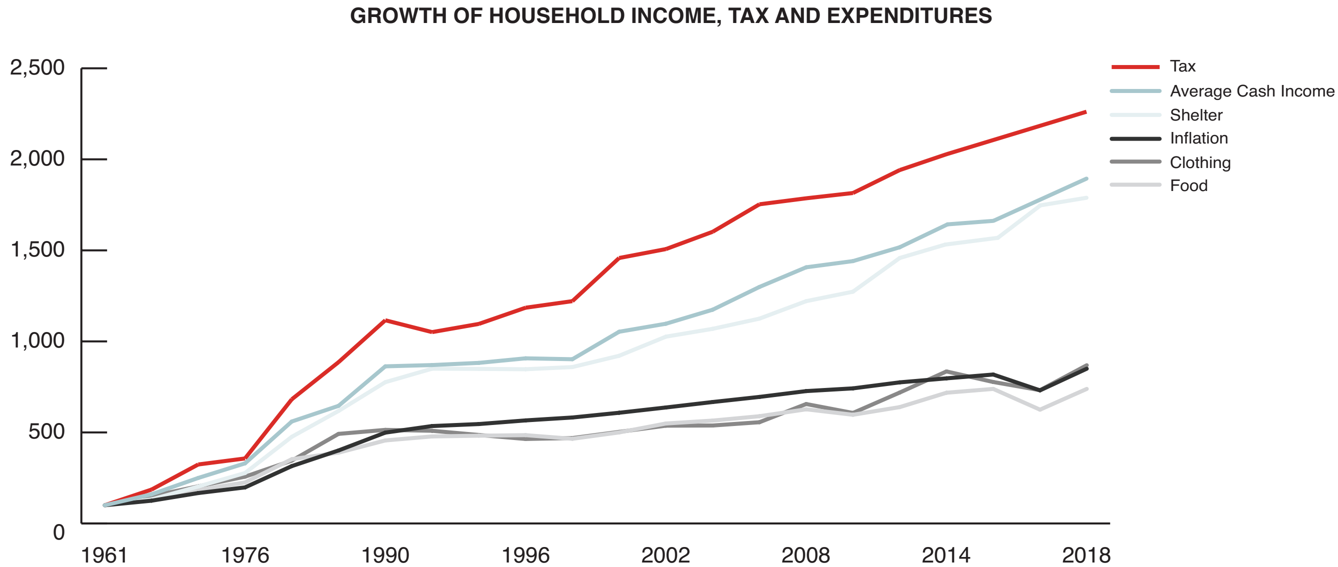
Canoe Portfolio Class

Tax-efficient Investing

Taxes Are Growing Faster Than the Necessities of Life

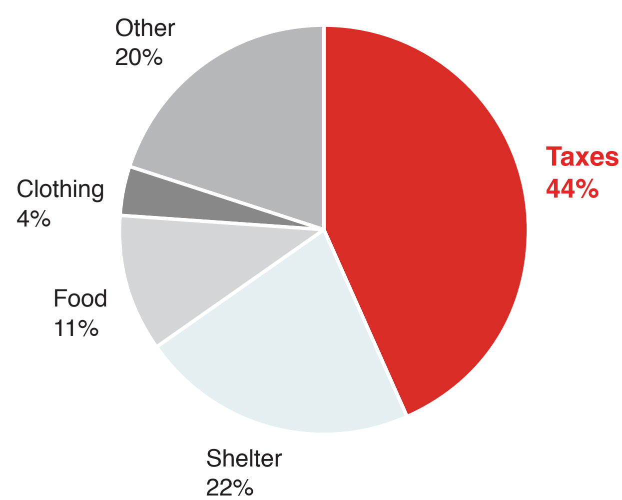
A recent study has shown that taxes have grown faster than other expenditures for the average Canadian family. Additionally, taxes have grown faster than average household income and also inflation.



Taxes Are The Largest Household Expense

The average Canadian family spends more on taxes than shelter, food and clothing combined.

Taxes may be unavoidable, but there are strategies that can help reduce taxes on your investment income.



Source: Frasier Institute, Taxes versus the Necessities of Life: The Canadian Consumer Tax Index, 2018 edition.
"Other expenditures" include household operations (communications, child care expenses, pet expenses), transportation, health care, recreation, education, tobacco products, and alcoholic beverages.

Canoe Portfolio Class

An Investment Solution for Tax-efficient Growth and Income

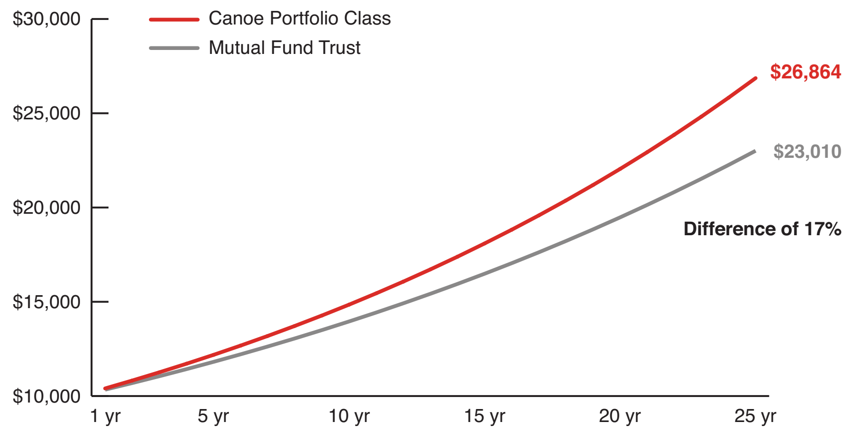
Canoe Portfolio Class is designed to help reduce erosion of your investments caused by taxes. The goal is to help you build wealth faster by reducing or deferring taxes on investments held in non-registered accounts.

Benefits

1) Tax-efficient Growth:

Canoe Portfolio Class aims to reduce or defer taxes paid on investments compared to other investment vehicles that distribute interest or dividends.

Paying less tax now leaves more money invested to grow over time. Reinvested income, not lost to taxes, grows and earns income along with your original investment – that's compounding.

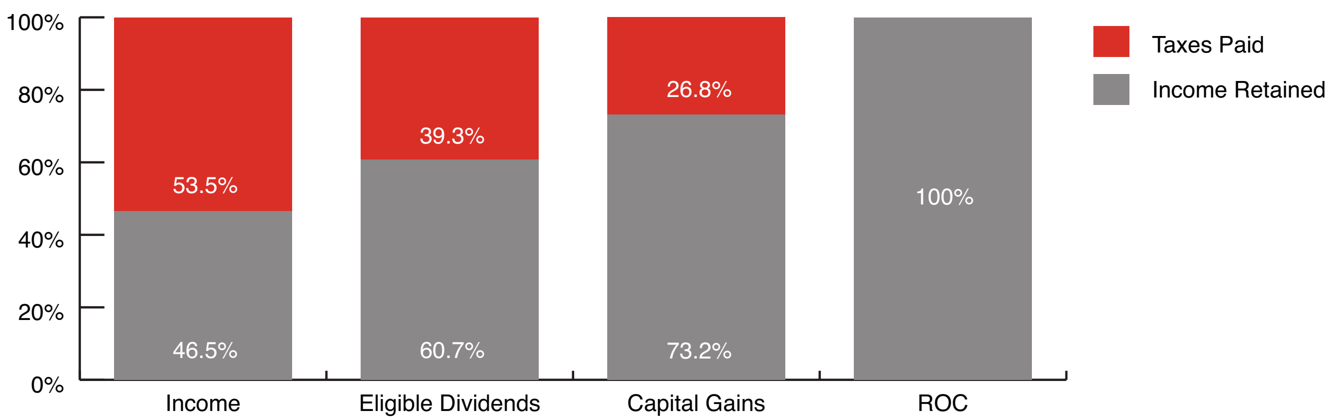


Source: Canoe Financial. Hypothetical investment in Portfolio Class vs. Mutual Fund Trust in a balanced portfolio composed of 60% equities and 40% fixed income. Assumes Ontario's highest marginal tax rate of 53.53% on income, 26.77% on capital gains.

2) Tax-efficient Income:

Different types of investment income are taxed at different rates. Interest income from bonds and GICs is taxed at the highest rate. Dividend income from equity investments (stocks) is taxed more favourably. Canoe Portfolio Class is structured to reduce taxes by distributing more tax efficient forms of income. It pools income and expenses from the underlying funds to reduce overall income that is distributed to investors and subject to taxes. Additionally, taxes paid on capital gains are only triggered when investors reduce or fully redeem their investment in Portfolio Class.

Canoe Portfolio Class Series T units distribute monthly returns of capital. This form of distribution is not subject to tax. Taxes are paid only on excess income and dividends received each year, and on any capital gains when invested capital is fully depleted.



Source: Canoe Financial. Assumes Ontario's highest marginal tax rate of 53.53% on income.

How it Works

In Canada, mutual funds are structured as a Trust or a Corporation. Trusts are standalone funds. Mutual Fund Corporations are composed of multiple underlying investment mandates. Each underlying mandate is a share class within the structure. A key benefit of the corporate structure is pooling income and expenses of the multiple underlying mandates. This reduces the amount of taxable income passed through to investors.