

Appendix 1

Fund Facts for mutual funds

Quick facts

Date fund created:	January 1, 1996	Portfolio manager:	Capital Asset Management Ltd.
Total value on June 30, 2006:	\$1 billion	Distributions:	Annually, on December 15
Annual expenses, as a % of the fund's total value (also called the MER):	2.25%		

What does the fund invest in?

The fund invests in Canadian companies. They can be of any size and from any industry. The charts below give you a snapshot of the fund's investments on June 30, 2006. The fund's investments will change.

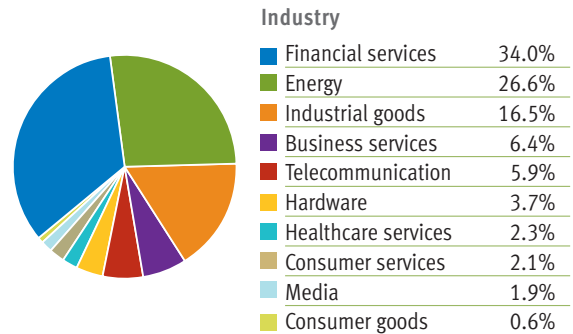
Top 10 investments (June 30, 2006)

1. Royal Bank of Canada
2. Encana Corp.
3. Petro-Canada
4. Alcan Inc.
5. Canadian National Railway Company
6. Goldcorp Inc.
7. Extencicare Inc.
8. Husky Energy
9. Open Text
10. Thomson Corp.

Total investments 126

The top 10 investments make up 32% of the fund.

Investment mix (June 30, 2006)



How has the fund performed?

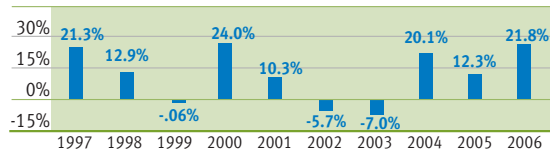
This section tells you how the fund has performed over the past 10 years. Returns are after the annual expenses have been deducted. These expenses reduce the returns you get on your investment.

It's important to note that this doesn't tell you how the fund will perform in the future.

A person who invested \$1,000 in the fund 10 years ago now has \$2,682. This works out to an average of 10% a year.

Year-by-year returns

This chart shows how the fund has performed in each of the past 10 years. There were three years when people who owned this fund lost some of the money they had at the start of the year.



How risky is it?

When you invest in a fund, the value of your investment can go down as well as up. This fund has moderate risk.



Are there any guarantees?

Mutual funds don't have any guarantees. You may not get back the amount of money you invest.

Who is this fund for?

Investors who:

- are looking for a long-term investment
- want to invest in a broad range of Canadian companies
- can handle the ups and downs of the stock market.

! Don't buy this fund if you need a steady source of income from your investment.

FUND FACTS

How much does it cost to buy?

You may have to pay a sales charge. The table below outlines your options. Ask your adviser to explain the pros and cons of each option. Your adviser can also tell you about other sales charge options available on similar funds.

Your sales charge options (✓ Choose one)	What you pay		What else you should know														
	(In per cent %)	(In dollars \$)															
<input type="checkbox"/> Initial sales charge	0 to 4% when you buy	0 to \$40 on every \$1,000 you buy	<ul style="list-style-type: none"> You and your adviser negotiate the rate. The initial sales charge is deducted from the amount you buy. That means less of your money is invested in the fund. Ask your adviser to tell you the sales charge on the amount you're buying. 														
<input type="checkbox"/> Deferred sales charge	If you sell within: <table border="1" data-bbox="532 810 784 1033"> <tr><td>1 year of buying</td><td>6.0%</td></tr> <tr><td>2 years of buying</td><td>5.0%</td></tr> <tr><td>3 years of buying</td><td>4.0%</td></tr> <tr><td>4 years of buying</td><td>3.0%</td></tr> <tr><td>5 years of buying</td><td>2.0%</td></tr> <tr><td>6 years of buying</td><td>1.0%</td></tr> <tr><td>After 6 years</td><td>none</td></tr> </table>	1 year of buying	6.0%	2 years of buying	5.0%	3 years of buying	4.0%	4 years of buying	3.0%	5 years of buying	2.0%	6 years of buying	1.0%	After 6 years	none	0 to \$60 on every \$1,000 you sell	<ul style="list-style-type: none"> This is a set schedule. The deferred sales charge is deducted from the amount you sell. That means you get less of your money back.
1 year of buying	6.0%																
2 years of buying	5.0%																
3 years of buying	4.0%																
4 years of buying	3.0%																
5 years of buying	2.0%																
6 years of buying	1.0%																
After 6 years	none																

How does my adviser get paid?

- Your adviser gets a commission when you buy the fund, unless they choose to waive it.
- Your adviser also gets an ongoing commission for as long as you hold the fund. This is called a "trailing commission".
- The commission rates depend on the sales charge option you choose. Your adviser can tell you the commission rates for this fund, and how they compare with similar funds.
- XYZ Mutual Funds pays the commissions to the company your adviser works for. The company pays your adviser some or all of these commissions.
- The commissions are part of the fund's annual expenses.

What if I change my mind?

- You can cancel your purchase by notifying your adviser in writing within two business days after you buy.
- You'll get back the amount you invested or less if the value of the fund has gone down.
- You'll also get back any sales charges you paid.

For more information

For more information about this fund or for a copy of the simplified prospectus, speak to your adviser or contact:

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

Phone: (416) 555-5555
Toll-free: 1-800-555-5556

Email: investing@xyzfunds.com
www.xyzfunds.com



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