



**GOODWOOD CAPITAL FUND**  
**(Class A and Class F units)**

**ANNUAL INFORMATION FORM**

May 25, 2021

No securities regulatory authority has expressed an opinion about these units and it is an offence to claim otherwise. The mutual fund and the units of the mutual fund offered under this annual information form are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.

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## **THE FUND**

Goodwood Capital Fund (the “Fund”) is an open-end mutual fund trust created under the laws of Ontario, which is authorized to issue an unlimited number of classes of units (the “Units”). The Fund was created under the provisions of a declaration of trust dated December 23, 1999. This declaration of trust was amended and restated as a trust agreement on January 27, 2006 and was further amended and restated on March 9, 2010 and June 11, 2014 (the “Trust Agreement”). The only undertaking of the Fund is the investment of its assets.

Goodwood Inc. (the “Manager”) is the manager, promoter and portfolio adviser of the Fund. The head office of the Fund and the principal office of the Manager is at 75 Navy Street, Suite 403, Oakville, Ontario L6J 2Z1.

## **INVESTMENT PRACTICES AND RESTRICTIONS**

### **Investment Practices**

The Fund is managed in accordance with the standard investment restrictions and practices prescribed by applicable securities laws, including National Instrument 81-102 – *Investment Funds* (“NI 81-102”) of the Canadian securities regulatory authorities. These restrictions and practices have been designed by the regulatory authorities to ensure that investments of mutual funds are diversified and relatively liquid and to ensure the proper administration of mutual funds.

The proportion of assets of the Fund invested in each kind of such securities will be varied from time to time according to the judgment of the Manager and the outlook for the economy and the financial markets.

No changes will be made to the fundamental investment objectives of the Fund without the prior approval of the unitholders of the Fund holding more than one-half of the Units represented (in person or by proxy) at a unitholder meeting called for the purpose of approving the change.

### **Investment Restrictions**

The Manager is an investment dealer and acts as portfolio adviser for the Fund. Accordingly, the Fund is considered to be a “dealer managed” investment fund for the purposes of NI 81-102. Applicable securities legislation imposes restrictions on investments made by dealer managed investment funds. In accordance with such rules, the Fund may not make an investment in any class of securities of any issuer (other than those guaranteed by the Government of Canada, the government of a province of Canada or an agency of the foregoing) (i) during, or for 60 days after, the period in which the Manager or an associate or affiliate of the Manager acts as an underwriter in the distribution of securities of such class or (ii) of which any director, officer or employee of the Manager or an affiliate or associate of the Manager, is a partner, director or officer, if such person participates in the formulation of, influences or has access prior to implementation of, investment decisions made on behalf of the Fund. However, securities legislation provides exceptions to the prohibition described under (i) if certain conditions are met.

## **Related Party Investments**

The independent review committee of the Fund (the “IRC”) has reviewed the Manager’s policies and procedures related to the Fund’s holding of securities of issuers in which an officer, director or employee of the Manager becomes an officer, director or employee of the issuer subsequent to the Fund making an investment in the issuer. As a result of its review of the Manager’s policies and procedures, the IRC has given its recommendation, as a standing instruction, for the Fund to maintain an investment in securities of such issuers from time to time pursuant to the standing instruction and any conditions set out therein. From time to time, the Manager or an affiliate of the Manager (for which officers, directors and/or employees of the Manager act as officers, directors and/or employees) may provide services to and receive compensation from issuers in which the Fund is invested. For a current list of such issuers at any given time, please visit the Manager’s website at [www.goodwoodfunds.com](http://www.goodwoodfunds.com).

As a result of an officer or director of the Manager becoming an officer or director of an issuer in which the Fund invests, the Manager may come into possession of material non-public information on the connected issuer. The Manager will not make a decision on behalf of the Fund with respect to securities of such connected issuer until such information becomes public knowledge.

## **ELIGIBILITY FOR INVESTMENT BY DEFERRED INCOME PLANS**

The Fund currently qualifies as a mutual fund trust under the *Income Tax Act* (Canada) (“Tax Act”) and is expected to so qualify at all material times. Provided that the Fund so qualifies, Units of the Fund will be qualified investments for registered retirement savings plans (“RRSP”), registered retirement income funds (“RRIF”), deferred profit sharing plans, registered education savings plans (“RESP”), registered disability savings plans (“RDSP”) and tax-free savings accounts (“TFSA”). Investors should consult with their own tax advisors as to whether Units held in a RRSP, RRIF, TFSA, RESP or RDSP would be a “prohibited investment” under the Tax Act in their particular circumstances.

## **DESCRIPTION OF UNITS OF THE FUND**

The Fund is authorized to issue an unlimited number of classes of Units and is permitted to issue fractional Units. All Units are fully paid on issue and are not subject to further assessment. Each Unit or fraction of a Unit represents an undivided interest in the net assets of the Fund and entitles its holder to participate equally in the distribution of net income and net realized capital gains attributable to the Units and, on liquidation, to participate equally in the net assets of the Fund attributable to the Units remaining after satisfaction of outstanding liabilities of the Fund. Each Unit entitles the holder to one vote at all meetings of unitholders of the Fund. Holders of fractional Units are not entitled to vote at meetings of unitholders.

Unitholders are entitled to require the Fund to redeem their Units as set forth under “Redemption of Units.”

## **Meetings of Unitholders**

Unitholders of the Fund are entitled to vote on all matters that require unitholder approval under NI 81-102 or under the Trust Agreement. These matters include:

- a change in any contract with a non-arm's length party or the entering into of any new contract with a non-arm's length party as a result of which the basis of the calculation of a fee or expense charged to the Fund or charged to unitholders by the Manager or the Fund could be an increase in charges to the Fund or to unitholders;
- the introduction of a fee or expense charged by a non-arm's length party to the Fund, or charged to unitholders by the Fund or the Manager in connection with the holding of units of the Fund, if such fee or expense could result in an increase in charges to the Fund or the unitholders;
- a change of the Manager, unless the new manager is an affiliate of the Manager;
- any change to the fundamental investment objectives of the Fund;
- any decrease in the frequency of determination of Unit Value (defined below);
- certain material reorganizations of the Fund;
- the continuation of the Fund after an event of termination, as defined in the Trust Agreement; and
- any amendment to the Trust Agreement, other than certain amendments described in the Trust Agreement where the Fund's trustee is of the opinion that such amendments are not prejudicial to the interests of the unitholders and the unitholders are given at least 20 days' prior written notice thereof.

Approval by the unitholders of the Fund requires the affirmative vote of more than 50% of the votes cast at a meeting of unitholders of the Fund called for such purpose. A meeting of the unitholders of the Fund for any of the foregoing purposes may be called by the Fund's trustee, the Manager or by the holders of at least 10% of the Units outstanding.

In connection with a proposed meeting of unitholders, unitholders have the right to obtain from the registrar a list of unitholders, upon payment of a fee sufficient to reimburse the registrar for its reasonable costs incurred in connection with the meeting.

### **NET ASSET VALUE AND VALUATION OF PORTFOLIO SECURITIES**

The net asset value ("NAV") of the Fund is computed by deducting all expenses or liabilities of the Fund from the value of the assets of that Fund, except for unitholder equity which is classified as a liability. All expenses or liabilities of the Fund are calculated on an accrual basis. We also calculate a separate NAV for each class of Units of the Fund, which is referred to as "class NAV".

The class NAV is based on the value of the proportionate share of the assets of the Fund attributable to the particular class less the liabilities of the Fund attributed only to that class and the proportionate share of the common liabilities of the Fund allocated to that class. The NAV for each Unit of a class is determined by dividing the class NAV by the total number of Units of that class outstanding at the time and is referred to in this Annual Information Form as the "Unit Value".

The Unit Value of each class is determined by the Manager each Friday or, if a Friday is a Canadian holiday, then on the previous business day and on the last day of each month if such day is not a Friday (each such day being a “Valuation Date”). The NAV of the Fund and Unit Value is determined and reported in Canadian dollars. The NAV of the Fund and Unit Value is available upon request, by calling the Manager at 416-203-2022 or by sending an email to invest@goodwoodfunds.com.

The issue and redemption price of Class A Units and Class F Units of the Fund is based on the Unit Value of the applicable class determined on the Valuation Date following the receipt of a purchase or redemption order.

Unit Value is determined by the Manager in accordance with the provisions as set out below. The Manager has not, since the inception of the Fund, deviated from the valuation provisions as described below. The Manager does not have discretion to deviate from such provisions except to conform with the requirements of any applicable regulatory authority or with the approval of unitholders. For the purpose of determining the NAV of the Fund and Unit Value of each class on any Valuation Date:

- The value of cash on hand or on deposit, Government of Canada treasury bills and short term paper or certificates of deposit of Canadian chartered banks will be deemed to be the fair value thereof.
- Securities which are listed on a securities exchange or traded in an OTC market will be valued at their last sale price on that day or, if there are no sales on such day, at a price determined by the Manager but not higher than the closing asked price and not lower than the closing bid price. Where securities are traded on more than one securities exchange, the Manager will determine which exchange constitutes the primary market for such securities and use its pricing for valuation of such securities. Where securities are thinly traded and the last sale price on any date is less than the closing bid price or greater than the closing ask price, the Manager, in its discretion, may value the security based not on the last sale price but on the closing bid price (if higher) or the closing ask price (if lower), as the case may be. If there are no bid or ask quotations, then the Manager will make a realistic and fair valuation.
- With respect to interest accrued but not yet received or other amounts receivable by the Fund, the amount of such accrued interest or other amounts will be added to the value of the Fund.
- The value of any security which is a debt obligation will be the amount paid to acquire the obligation plus the amount of any interest accrued on such obligation since the time of acquisition. If there are no bid or ask quotations or if such quotations are, in the opinion of the Manager, unreasonable, then the Manager will make a realistic and fair valuation.
- Securities which the Fund has agreed to purchase or sell will be included or excluded as if the agreements were in fact fully carried into effect.

- “Restricted securities” (being securities, the resale of which is restricted or limited by means of a representation, undertaking or agreement by the Fund or by law) will be valued at the lesser of: (i) the value thereof based on reported quotations in common use, and (ii) that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by means of any representation, undertaking or agreement or by law, equal to the percentage that the Fund's acquisition cost was of the market value of such security at the time of acquisition, provided that a gradual taking into account of the actual value of the securities will be made where the date on which the restrictions will be lifted is known.
- In the case of any security or other property of the Fund for which no method for determining value is described above, or where the value of any security or other property of the Fund determined as described above would not, in the opinion of the Manager, reflect the fair value of such security or other property, the value thereof will be determined in such manner as, in the opinion of the Manager, will reflect the fair value thereof.
- For the purpose of valuing securities which are traded in currencies other than Canadian dollars, currency conversions will be calculated using Reuters or a similar publicly disseminated quotation service.

## **PURCHASE OF UNITS**

### **How to Purchase Units**

Units of the Fund are offered on a continuous basis through registered brokers or dealers in each province and territory of Canada. An investor's broker or dealer may, in its sole discretion, charge the investor a sales commission of up to 5% of the Unit Value of the Units purchased. Residents of the Provinces of Ontario, British Columbia, Alberta, Quebec and Nova Scotia can purchase Units directly from the Manager. No sales charge or commission is payable by an investor at the time of purchase if the investor purchases Class A Units through the Manager. There are no sales charges for the purchase of Class F Units. However, Class F investors may pay a separate fee to their dealer.

All subscriptions for Units are to be forwarded by registered dealers to the head office of the Manager on the day they are received by courier, priority post or telecommunications facility, unless received by such dealers after normal business hours, in which event they must be forwarded not later than the next business day, in both instances without charge to the investor.

Payment for all subscriptions for Units must be dated as of and reach the Manager on or before the second business day from, but not including, the Valuation Date on which the Unit Value was determined for the purpose of issuing the Units pursuant to the subscription (such second business day being the “Settlement Date”).

No certificates will be issued in respect of Units purchased. You will receive confirmation of your purchase from the Manager or your dealer.

The Fund will not accept any subscriptions during any period when the right of redemption of Units is suspended.

If payment has not been received by the Manager on behalf of the Fund on or before the Settlement Date, the Fund will be deemed to have received and accepted on the first business day following the Settlement Date an order for the redemption of the Units and the amount of the redemption proceeds is to be applied to reduce the amount owing to the Fund in respect of the purchase of the Units. If the amount of the redemption proceeds exceeds the purchase price of the Units, the excess will belong to the Fund. If the amount of the redemption proceeds is less than the purchase price of the Units, the Manager will be required to pay forthwith to the Fund the amount of the deficiency and is entitled to collect such amount together with its costs, charges and expenses in so doing and interest thereon from the dealer (or, if no other dealer is involved, from the investor who has failed to settle the order in question).

If a purchase is executed through a dealer, that dealer is obligated to pay the purchase price to the Fund. The dealer may make provision in arrangements that it has with an investor that will require the investor to compensate the dealer for any losses suffered by the dealer in connection with a failed purchase of the Units of the Fund caused by the investor.

### **Purchase Price and Redemption Price**

The purchase and redemption price for Class A Units and Class F Units is based on the Unit Value, determined as of the close of business on the Valuation Date on which such orders are implemented. Purchase and redemption orders must be received by the Manager prior to 4:00 p.m. (Toronto time) on any Valuation Date in order to be implemented at the Unit Value of the applicable class determined on such day. Purchase and redemption orders which are received after 4:00 p.m. (Toronto time) on a Valuation Date or on a day other than a Valuation Date will be implemented at the Unit Value of the applicable class determined on the next following Valuation Date.

### **SWITCHING PRIVILEGES**

A unitholder may switch his or her Class A Units of the Fund into Class F Units of the Fund if the unitholder is eligible to purchase Class F Units of the Fund. The eligibility details of the classes are described in the simplified prospectus. This switch is processed as a redesignation and is not considered to be a disposition of Units for tax purposes. An investor will not realize a capital gain or loss upon a redesignation unless Units are redeemed to pay any fees or charges. See “Income Tax Considerations for Investors” beginning on page 8.

A redesignation from one class of the Fund to another will likely result in a change in the number of Units of the Fund an investor holds since each class of the Fund generally has a different Unit Value.

If an investor ceases to be eligible to hold Class F Units, the Manager may switch the investor to Class A Units of the Fund.



## **REDEMPTION OF UNITS**

A unitholder may request, in writing, that the Fund redeem any or all of his or her Units at any time. The Unit Value of the applicable class next determined after receipt of a unitholder's request for redemption will be used to determine the proceeds from the redemption.

A dealer may make provision in arrangements that it has with an investor that will require the investor to compensate the dealer for any loss suffered by the dealer in connection with any failure of the investor to satisfy the requirement of the Fund or securities legislation for a redemption.

### **Payment of Redemption Proceeds**

Payment for any Units redeemed (including by reason of a mandatory redemption as described below or upon termination of the Fund), less all taxes required to be withheld and all applicable early redemption charges (as described in the Fund's simplified prospectus) will be made by the Fund within two business days of the determination of the redemption price.

Unless a unitholder requests otherwise, the cheque representing the redemption proceeds will be mailed to the address of the unitholder on the register of the Fund. As a convenience to unitholders, the Manager will, if a unitholder so requests, wire the redemption proceeds to a designated bank account of the unitholder on the day on which the redemption proceeds are made available by the Fund to the Manager. There are no charges for this service other than the wire costs of \$25, charged by the financial institution effecting such wiring.

### **Short-Term Trading**

The Manager has adopted certain restrictions to deter short-term trading. For example, the Manager may restrict purchases if an investor engages in short-term trading. The Manager's restrictions also include charging a deduction of up to 2% of the Unit Value of the Units that are redeemed within 90 days of purchasing them. This deduction is retained by the Fund and will reduce the amount otherwise payable to you on the redemption.

The Manager has systems in place to monitor and detect short-term trading. These systems have the capacity to detect and mark any redemption that occurs within 90 days of the purchase of the relevant Units. The Manager reviews the marked transactions on a regular basis and determines whether any further action is required. If it is determined that a redemption constitutes a short-term trade, the Manager may charge a deduction of up to 2% of the amount redeemed. The Manager may waive the deduction. The deduction will be paid out of the redemption proceeds of the Fund.

The short-term trading deduction will not be charged for a redemption of Units: (i) acquired through automatic reinvestment of all distributions of net income or capital gains by the Fund; (ii) in connection with a failed settlement of a purchase of Units; or (iii) in the absolute discretion of the Manager as described above. For purposes of the short-term trading deduction, Units will be considered to be redeemed on a first-in first-out basis.

While these restrictions and our monitoring attempt to deter short-term trading, the Manager cannot ensure that such trading will be completely eliminated.

## **Suspensions of Redemption Rights**

Under exceptional circumstances, the Manager may suspend redemptions and would be unable to process your redemption order on the day it is received. This would be most likely to occur either when (i) normal trading is suspended on a stock exchange in Canada or outside Canada upon which securities that make up more than 50% of the value or underlying exposure of the Fund's total assets are traded (and those securities are not traded on any other exchange that represents a reasonable alternative for the Fund); or (ii) with the consent of any securities commission or regulatory body having jurisdiction.

## **REPORTING TO UNITHOLDERS**

The Manager will provide unitholder transaction statements and the annual tax information slips reporting income and net realized capital gains distributions required to complete the unitholder's income tax returns to unitholders purchasing through the Manager and to certain other unitholders requesting such documentation and information. Many dealers through which Units may be purchased prepare and provide such documentation and information themselves. Accordingly, investors should speak to their dealers to ensure that such documentation and information will be provided.

## **INCOME TAX CONSIDERATIONS FOR INVESTORS**

In the opinion of Borden Ladner Gervais LLP, counsel to the Fund, the following is a general summary of the principal Canadian federal income tax considerations generally applicable to unitholders who, for purposes of the Tax Act, are individuals resident in Canada (other than trusts), deal at arm's length with the Fund and hold their Units as capital property. This summary is based on the current provisions of the Tax Act, the regulations thereunder and counsel's understanding of the current administrative practices of the Canada Revenue Agency (the "CRA") and also takes into account all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by the Minister of Finance (Canada) prior to the date hereof (the "Amendments").

This summary is not exhaustive of all possible federal income tax considerations and does not deal with foreign or provincial income tax considerations, which may differ from the federal considerations. This summary does not take into account or anticipate changes in the law, whether by legislative, regulatory, administrative or judicial decision, except the Amendments.

The income and other tax consequences of acquiring, holding or disposing of Units vary according to the status of the investor, the province or provinces in which the investor resides or carries on business and, generally, the investor's own particular circumstances. The following description of income tax matters is, therefore, of a general nature only and is not intended to constitute advice to any particular investor. The income tax consequences described in this summary are based on the assumptions that an investor does not undertake or arrange any transaction relating to his or her Units, other than those referred to in this annual information form, and that none of the transactions relating to the investor's Units and referred to in this annual information form is undertaken or arranged primarily to obtain a tax benefit other than those specifically described herein. Investors are advised to consult their own tax advisers with respect to their individual circumstances.

This summary is based on the assumption that the Fund currently qualifies as a mutual fund trust for purposes of the Tax Act and will so qualify at all material times.

### **Taxation of the Fund**

The Fund is generally subject to taxation in each year on the amount of its net income and net realized taxable capital gains for the year, less the portion thereof that is paid or payable to unitholders in the year. Provided the Fund pays or makes payable to unitholders in each year its net income and net realized capital gains, less any amounts which can be offset by loss carry forwards and taking into account any entitlement to a capital gains refund, and the Fund deducts in computing its taxable income such amount paid or made payable in the year, the Fund should not generally have taxes payable under Part I of the Tax Act. Capital or income losses incurred by the Fund cannot be allocated to unitholders but may, subject to certain limitations, be deducted by the Fund from capital gains or net income realized in other years. In certain circumstances, losses of the Fund would be suspended or restricted, and therefore would not be available to shelter capital gains or income.

### **Tax Treatment of Unitholders**

Unitholders of the Fund (other than registered plans) will be required to include in computing their income for a taxation year the amount of the net income, and the taxable portion of net realized capital gains, if any, paid or payable to them by the Fund in that taxation year, whether or not such amount is reinvested in additional Units. Certain provisions of the Tax Act permit the Fund to make designations that have the effect of flowing through to the unitholders the character of taxable dividends from taxable Canadian corporations and taxable capital gains realized by the Fund. To the extent that appropriate designations are made by the Fund, such taxable dividends and taxable capital gains paid or payable to unitholders will be taxable as if such amounts had been received by them directly. An enhanced dividend tax credit is available for certain eligible dividends paid by Canadian corporations. The Fund may derive income or gains from investments in countries other than Canada and, as a result, may be liable to pay income or profits tax to such countries. The Fund may designate a portion of its foreign source income in respect of the unitholder so that such income and a portion of the foreign tax paid by the Fund may be regarded as foreign source income of, and foreign tax paid by, the unitholder for purposes of the foreign tax credit provisions of the Tax Act. To the extent that such foreign tax paid by a Fund exceeds 15% of the foreign non-business income, such excess is not available for the foreign tax credit mechanism but may generally be deducted by the Fund in computing its income for purposes of the Tax Act. The non-taxable portion of the Fund's net realized capital gains in a year can generally be distributed to unitholders without adverse tax consequences. To the extent that distributions to unitholders of the Fund exceed the net income and net realized capital gains of the Fund for a year, such excess distributions will be a return of capital and will not be taxable in the hands of unitholders but will reduce the adjusted cost base of such unitholder's Units in the Fund.

Unitholders will be advised in each year of the composition of amounts distributed to them by the Fund (in terms of net income, taxable dividends, net taxable capital gains, return of capital and foreign source income, where applicable) and of the amount of any foreign taxes considered to have been paid by them in respect of foreign source income.

A unitholder's share of distributions paid by the Fund will be based on the number of Units held by the unitholder on the record date of the distribution regardless of how long the unitholder has owned his or her Units of the Fund. Where a unitholder buys Units of the Fund, the NAV of the Units, and therefore the price paid for the Unit, may reflect income and gains that have accrued in the Fund which have not yet been realized or distributed. When such income and gains are distributed by the Fund, the unitholder will be required to include his or her share of the distribution in his or her income even though some of the distribution the unitholder received may reflect the purchase price paid by the unitholder for Units. This effect could be particularly significant that the unitholder purchases Units of the Fund just before a record date for distribution by the Fund.

A unitholder who disposes of or who is deemed to dispose of Units of a class will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of costs of disposition, exceed (or are less than) the adjusted cost base to the unitholder of the Units of that class. Generally, one-half of a capital gain is included in income and one-half of a capital loss is deductible only against taxable gains. A redesignation of Units of one class of the Fund to another class of the Fund is not considered to be a disposition for tax purposes and will not result in a capital gain or loss. The total cost of the Units a unitholder receives will equal the NAV of the Units being redesignated, and the total adjusted cost base of the Units the unitholder receives on redesignation is the same as the total adjusted cost base of the Units the unitholder redesignated.

Where a unitholder who holds Units of a class acquires additional Units of that class, the adjusted cost base of each Unit of that class held will be determined by dividing the aggregate adjusted cost bases of existing Units of that class plus the cost of additional Units of that class by the total number of Units of that class held after the acquisition.

## **RESPONSIBILITY FOR OPERATIONS OF THE FUND**

### **Manager**

The Fund is managed by Goodwood Inc., 75 Navy Street, Suite 403 Oakville, Ontario L6J 2Z1, a corporation incorporated under the laws of Ontario. You may contact the Manager by calling (416) 203-2022 or by e-mail at [invest@goodwoodfunds.com](mailto:invest@goodwoodfunds.com). The Manager manages the overall business and operations of the Fund, and has arranged for SS&C Fund Administration Company to provide administrative services and facilities to the Fund. In addition, the Manager is the portfolio adviser of the Fund. As the Manager took the initiative in establishing the Fund, the Manager may be considered the promoter of the Fund.

The Trust Agreement authorizes the delegation by the trustee of all of the powers of the trustee with respect to the management, supervision and administration of the Fund. Pursuant to such authority, the trustee of the Fund has entered into an agreement (the "Management Agreement") with the Manager, dated January 27, 2006. The Management Agreement provides for the assumption by the Manager of full responsibility for the management, supervision and administration of the Fund and responsibility for portfolio management. The administrative management responsibilities include provision of administrative services and facilities to the Fund.

The Management Agreement may be terminated if the Manager defaults materially in the performance of any of its duties or obligations thereunder and the unitholders of the Fund pass a

resolution at a meeting of unitholders terminating the Management Agreement as a result of such default. The Manager must give the Fund's trustee and the unitholders of the Fund at least 180 days' notice of its intention to terminate in accordance with its terms. In the event that the Management Agreement is terminated, the Fund's trustee is required to use its best efforts to appoint a successor manager, provided that no such appointment shall be effective until it has been approved by the unitholders of the Fund in the same manner as is set forth above with respect to a change of manager. If a successor manager has not been appointed within 90 days of the termination of the Management Agreement, the Fund will terminate, in which case all outstanding Units would be redeemed. If at any time the manager of the Fund should become insolvent, as defined in the Trust Agreement, it is to cease performing its duties under the Management Agreement, and the Fund's trustee is to call a meeting of unitholders of the Fund to approve a successor manager. If no such successor manager is approved within 90 days of such insolvency, the Fund's trustee may, without unitholder approval, appoint a successor manager.

### **Directors, Executive Officers and Key Personnel of the Manager**

The names and municipalities of residence of the directors, executive officers and key personnel of the Manager, their positions and offices held with the Manager and their principal occupations during the past five years are as follows:

<b>Name and Municipality of Residence</b>	<b>Position Held</b>	<b>Principal Occupation</b>
Peter H. Puccetti, CFA Toronto, Ontario	Chairman, Chief Executive Officer, Chief Investment Officer, Ultimate Designated Person and Director	Chief Executive Officer of Goodwood Inc. since December 2012; Chief Investment Officer of Goodwood Inc. since April 2001; Chairman of Goodwood Inc. since December 2000.
Gajan Kulasingam CFA, CPA, CA Brampton, Ontario	Lead Portfolio Manager	Lead Portfolio Manager of Goodwood Capital Fund since May 2019
Curt S. Cumming Oakville, Ontario	President, Chief Financial Officer, Secretary-Treasurer and Director	President of Goodwood Inc. since December 2012; Chief Financial Officer of Goodwood Inc. since July 2005; Secretary-Treasurer of Goodwood Inc. since May 1999.
Kate Sherkey, CFA Toronto, Ontario	Vice President, Chief Compliance Officer and Director	Chief Compliance Officer of Goodwood Inc. since August 2012; Vice President of Goodwood Inc. since January 2012; a registered representative of Goodwood Inc. since 2007.

The Fund does not pay any remuneration to the directors, executive officers or key personnel of the Manager.

## **Portfolio Adviser**

Goodwood Inc. also acts as the Fund's portfolio adviser ("Portfolio Adviser") pursuant to an investment management agreement dated January 27, 2006 (the "Investment Management Agreement"). Gajan Kulasingam, CFA, CPA, CA is principally responsible for the day to day investment management of the Fund and is responsible for investment decisions executed on behalf of the Fund. Such investment decisions are not subject to oversight, approval or ratification of any other particular committee. The Investment Management Agreement may be terminated on 60 days' written notice.

In connection with its activities as a registered securities dealer, the Portfolio Adviser may, from time to time, on behalf of its clients, trade in units of other mutual funds and in non-mutual fund securities and the Portfolio Adviser may, from time to time, establish additional mutual funds and provide administrative and/or portfolio management services to such funds.

## **Trustee**

Computershare Trust Company of Canada Inc. ("Computershare") of Toronto, Ontario is the trustee of the Fund (the "Trustee") pursuant to the Trust Agreement. The Trustee may resign as trustee by giving the Manager at least 90 days' prior written notice.

## **Custodian**

The assets of the Fund are held by National Bank Financial Inc. (through its National Bank Independent Network division, "NBIN") (the "Custodian"), Toronto, Ontario, pursuant to a Custodial Agreement dated December 1, 2006 between the Fund, the Manager and the Custodian. Any assets of the Fund not held by the Custodian will be held by its sub-custodians or by The Canadian Depository for Securities Limited or the Depository Trust Company or other domestic or foreign depository system where necessary. The Custodial Agreement may be terminated by any party on 90 days' written notice.

## **Registrar & Transfer Agent**

The Manager is responsible for the maintenance of all unitholder records, processing purchases, transfers, redemption orders and distributions, issuing investor account statements, and issuing annual tax reporting information. These services are performed by SS&C Fund Administration Company on behalf of the Manager pursuant to a Unitholder Recordkeeping and Administration Agreement dated September 3, 2013, as amended, between the Manager, the Fund and SS&C Fund Administration Company.

## **Auditor**

The auditor of the Fund is KPMG LLP, located at 333 Bay Street, Suite 4600, Toronto, Ontario, M5H 2S5.

## **BROKERAGE ARRANGEMENTS**

The Manager is responsible for placing orders to effect portfolio transactions on behalf of the Fund. These orders are allocated by the Manager to the brokers who offer the most advantageous prices to the Fund. It is anticipated that brokerage services may be provided by the Manager. In the event that the Manager provides such service, the order execution will be on terms and conditions no less favourable to the Fund than would otherwise be obtainable if the orders were placed through independent brokers and at commission rates equal or compatible to rates that would have been charged by independent brokers or dealers.

The Manager has no contractual arrangement to allocate the Fund's brokerage to any specific broker or dealer nor does the Fund engage in "soft dollar" transactions.

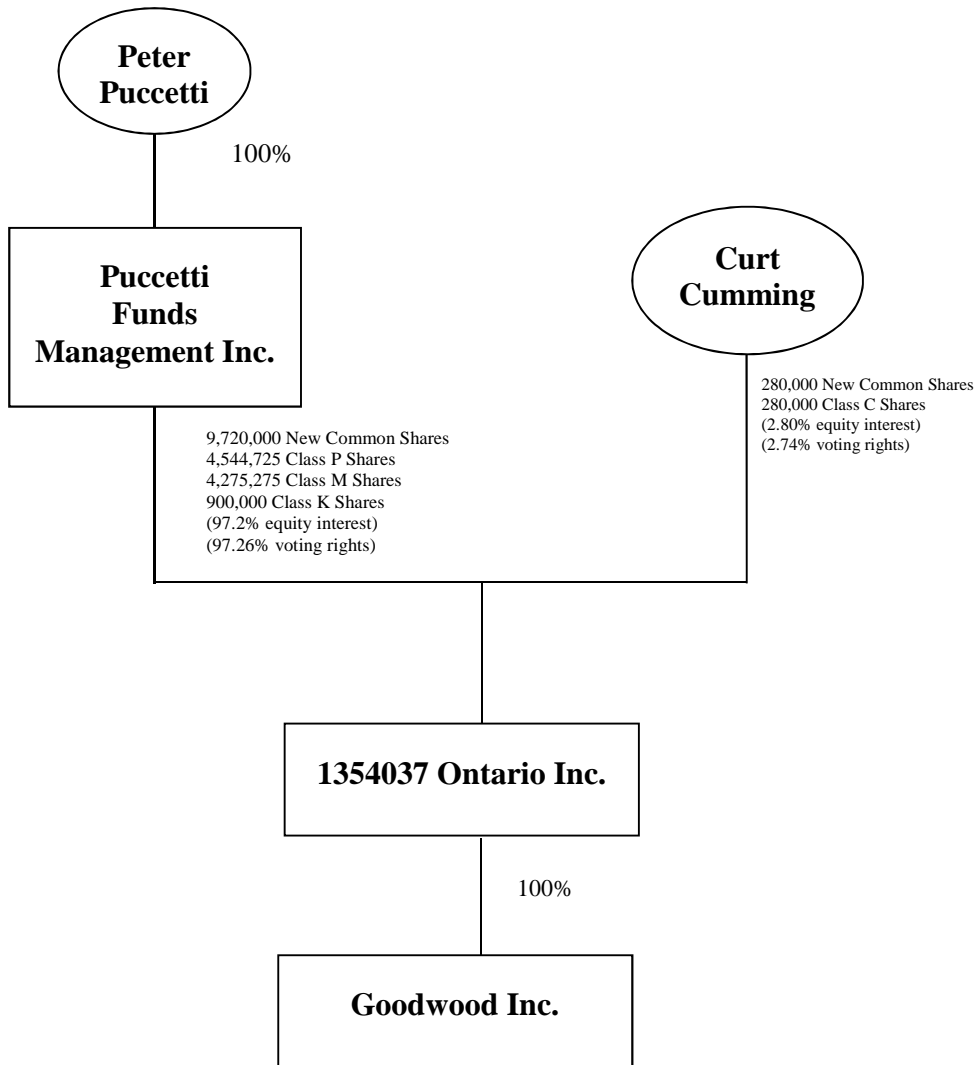
## **CONFLICTS OF INTEREST**

### **Principal Holders of Securities**

As at May 14, 2021, Gajan Kulasingam, Portfolio Manager of the Fund, and his wife Jaspreet Hansra-Kulasingam beneficially owned, directly or indirectly, more than 10% of the Units of a class of the Fund as follows:

<b>Fund</b>	<b>Unitholder Name</b>	<b>Class</b>	<b>Type of Ownership</b>	<b>Number of Units</b>	<b>Percentage of Class</b>
Goodwood Capital Fund	Gajan Kulasingam	F	Beneficially and of record	30,446.7779	15.55%
Goodwood Capital Fund	Jaspreet Hansra-Kulasingam	F	Beneficially and of record	22,095.0306	11.29%
Goodwood Capital Fund	Gajan Kulasingam	F	Beneficially (through Ketavi Inc.)	102.5199	0.05%

The following diagram represents the share ownership structure of the Manager as of the date hereof:



### MATERIAL CONTRACTS

The material contracts of the Fund include:

- the Third Amended and Restated Trust Agreement dated June 11, 2014 between Computershare and the Manager;
- the Management Agreement dated January 27, 2006 between the Fund and the Manager;
- the Custodial Agreement dated December 1, 2006 between the Custodian, Manager and the Fund; and



- the Investment Management Agreement dated January 27, 2006 between the Manager and the Portfolio Adviser.

Copies of the material contracts are available for inspection during regular business hours at the principal office of the Manager.

## **FUND GOVERNANCE**

### **Generally**

The Manager (who is also the portfolio adviser of the Fund) has responsibility for governance of the Fund and maintains policies, procedures and guidelines concerning governance of the Fund. In addition to the policies, practices or guidelines applicable to the Fund relating to business practices, sales practices, risk management or internal conflicts already disclosed in this Annual Information Form, the Manager also has a Policies and Procedures Manual (the “Manual”) which applies to all of its employees. The Manual is in place to ensure that all employees of the Manager are working with the sole purpose of doing what is best for the Manager’s clients with no real or perceived conflicts of interest. The Manual provides mandatory policies in respect of the conduct of business including conflicts of interest, privacy and confidentiality.

Responsibility for all operations of the Manager resides with Peter H. Puccetti, Chairman, Chief Executive Officer and Chief Investment Officer, Curt S. Cumming, President, Chief Financial Officer and Secretary-Treasurer, and Kate Sherkey, Vice President and Chief Compliance Officer. The Manager is also responsible for the investment decisions of the Fund, including oversight of policies and procedures related to risk management, including liquidity risk management (“LRM”). LRM is part of the Fund’s broader risk management process which includes the monitoring, measurement, testing and reporting of liquidity risks within the Fund. All actions of the Manager are overseen by the Board of Directors, which is composed of Peter H. Puccetti, Curt S. Cumming and Kate Sherkey. All actions of the Manager will be conducted in a manner consistent with an obligation to deal fairly with all clients when taking investment actions and that all efforts will be made to minimize the potential for any conflicts of interest which may arise. The Manager will not engage in any activity which may jeopardize its ability to render unbiased investment advice.

### **Proxy Voting Policies and Procedures**

The Manager, in its capacity as manager and portfolio adviser of the Fund, is wholly responsible for establishing, monitoring and amending (if necessary) the policies and procedures relating to the voting of proxies received in connection with the Fund’s portfolio securities.

The Manager’s standing policy with respect to routine or commonly raised issues (such as the appointment of auditors or authorizing directors to fix remuneration of auditors) will be to vote according to management’s recommendations. However, the Manager retains the discretion to depart from this standing policy on any proxy vote. In particular, the Manager may not vote in favour of management’s recommendation on a routine matter if such recommendation is, on balance, not in the best interests of the shareholders of that particular company having regard to the facts and circumstances existing at the time of such vote. The Manager may also solicit proxies

and send out a dissident’s information circular where the Manager has an alternative proposal that, in the view of the Manager, if approved, would be in the best interest of the Fund, as a shareholder of the investee company.

In the event that a proxy vote presents a conflict between the interests of the Fund’s unitholders and the interests of the Manager, the Manager will refer the conflict of interest to the IRC for its recommendation of the Manager’s proposed voting of such proxies and will vote the relevant proxies in the manner that it believes is in the best interest of the Fund.

The Manager reviews the proxy voting record of the Fund on a quarterly basis to ensure that its policies and procedures are followed.

The proxy voting guidelines of the Fund are available on request by contacting the Manager at 416-203-2022. In addition, the proxy voting record for the Fund for the annual period ended June 30 of each year is available to any investor, free of charge, upon request at any time after August 31 of that year. The proxy voting record is also available on the Internet site of the Manager at [www.goodwoodfunds.com](http://www.goodwoodfunds.com).

### **Independent Review Committee**

In accordance with National Instrument 81-107 – *Independent Review Committee for Investment Funds* (“NI 81-107”), the Manager has established the IRC. The IRC is composed of three individuals, each of whom is independent of the Fund, the Manager and its affiliates. Eamonn B.P. McConnell’s term ended on December 31, 2020. Ken Thomson was appointed to the IRC as his replacement effective January 1, 2021.

The current members of the IRC and their principal occupations are as follows:

<b>Name and municipality of residence</b>	<b>Principal Occupation</b>
Rod McIssac (Chair) Toronto, Ontario	Corporate Director, former Chairman and CEO of HSBC Securities (Canada)
Edna A. Chu Toronto, Ontario	Lawyer, Compliance Consultant
Ken Thomson Toronto, Ontario	President, Universal Financial Corp., an Investment Holding Company

The IRC has adopted a written charter that includes its mandate, responsibilities and functions, and the policies and procedures it will follow when performing its functions. In accordance with

NI 81-107, the mandate of the IRC is to consider and provide recommendations to the Manager on conflicts of interest to which the Manager is subject when managing the Fund. The Manager is required under NI 81-107 to identify conflicts of interest inherent in its management of the Fund, and request input from the IRC on how it manages those conflicts of interest, as well as on its written policies and procedures outlining its management of those conflicts of interest. The Manager must refer its proposed course of action in respect of any such conflict of interest matters to the IRC for its review. Certain matters require the IRC's prior approval, but in most cases, the IRC will provide a recommendation to the Manager as to whether or not, in the opinion of the IRC, the Manager's proposed action will provide a fair and reasonable result for the Fund. For recurring conflict of interest matters, the IRC can provide the Manager with standing instructions.

The IRC will report annually to unitholders of the Fund on its activities, as required by NI 81-107. The reports of the IRC will be available free of charge from the Manager on request by contacting the Manager at [invest@goodwoodfunds.com](mailto:invest@goodwoodfunds.com) and will be posted on the Manager's website at [www.goodwoodfunds.com](http://www.goodwoodfunds.com). The annual report of the IRC will be available on or about March 31 in each year.

### **REMUNERATION OF DIRECTORS, OFFICERS, TRUSTEE AND THE IRC**

No payment or reimbursement has been made to the directors and officers of the Manager by the Fund in the financial year ended December 31, 2020. Pursuant to the Trust Agreement, the Trustee is entitled to receive from the Fund trustee fees. For the financial year ended December 31, 2020, the Fund paid to the Trustee, in the aggregate, \$10,000.00, plus applicable taxes, for the Trustee's services.

For the financial year ended December 31, 2020, the aggregate compensation paid to the then existing members of the IRC by the Fund was \$1,237.22, plus applicable taxes, and the compensation paid to each member of the IRC by the Fund was as follows:

<b>IRC Member</b>	<b>Total individual compensation (excluding applicable taxes)</b>
Eamonn B.P. McConnell (Chair) <sup>1</sup>	\$0
Rod McIssac	\$617.44
Edna A. Chu	\$619.79

<sup>1</sup>Eamon B.P. McConnell is no longer a current member of the IRC as his appointment term ended on December 31, 2020.

### **LEGAL AND ADMINISTRATIVE PROCEEDINGS**

There are currently no legal or administrative proceedings involving the Fund or the Manager.

## GOODWOOD CAPITAL FUND

### CERTIFICATE OF THE FUND, MANAGER AND PROMOTER

This annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each of the provinces and territories of Canada and do not contain any misrepresentations.

**DATED** May 25, 2021.

*(signed) "Peter H. Puccetti"*

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Peter H. Puccetti, CFA  
Chief Executive Officer

*(signed) "Curt S. Cumming"*

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Curt S. Cumming  
Chief Financial Officer

On behalf of the Board of Directors of Goodwood Inc.  
as the promoter and manager of the Fund  
and on behalf of the Trustee of the Fund

*(signed) "Kate Sherkey"*

\_\_\_\_\_  
Kate Sherkey, CFA  
Director

## **GOODWOOD CAPITAL FUND**

**(Class A and Class F units)**

Manager: Goodwood Inc.  
75 Navy Street,  
Suite 403  
Oakville, Ontario  
L6J 2Z1

Tel. (416) 203-2022

Additional information about the Fund is available in the Fund's Fund Facts, management reports of fund performance and financial statements.

You can get a copy of these documents at your request, and at no cost, by calling (416) 203-2022, or from your dealer. You can also contact the Fund by email at [invest@goodwoodfunds.com](mailto:invest@goodwoodfunds.com).

These documents and other information about the Fund, such as information circulars and material contracts, are also available at [www.sedar.com](http://www.sedar.com).