



GOODWOOD CAPITAL FUND
(Class A and Class F units)

SIMPLIFIED PROSPECTUS

May 22, 2020

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 simplified prospectus 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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INTRODUCTION

In this document, “we”, “us”, “our” and the “Manager” refers to Goodwood Inc., the manager of Goodwood Capital Fund (the “Fund”). A reference to “you” in this document is a reference to anyone who invests in the Fund.

This Simplified Prospectus contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor. It contains information about the Fund as well as the benefits and risks of investing in mutual funds generally. It also identifies the firms responsible for the management of the Fund. Please read this Simplified Prospectus carefully before you invest and keep it for future reference.

Additional information about the Fund is available in the Fund’s Annual Information Form, the Fund’s most recently filed Fund Facts, the most recently filed annual financial statements, any interim financial report of the Fund filed after those annual financial statements, the most recently filed annual management report of fund performance and any interim management report of fund performance filed after that annual management report of fund performance. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document, just as if they had been printed as part of this document.

You can obtain a copy of these documents, at your request, and at no cost by calling us at (416) 203-2022 (if long distance charges apply, call us at 1-866-681-4393), or by contacting your dealer. You can also contact us by email at invest@goodwoodfunds.com. These documents and other information about the Fund are also available at www.sedar.com. Information about the Fund can be obtained on our website at www.goodwoodfunds.com.

WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?

What is a Mutual Fund?

A mutual fund is a type of investment vehicle that pools money from many investors with similar investment objectives in order to purchase stocks, bonds, money market instruments and other securities. The owners of units in a mutual fund share in the income and expenses of the mutual fund and the gains and losses from the mutual fund’s investment portfolio, depending on the number of the units held.

An investment in a mutual fund gives you the opportunity to participate with other investors with similar investment objectives in a professionally managed investment portfolio. Professional investment advisers make the investment decisions for a fund in accordance with its investment objectives. Mutual funds also enable you to diversify your investment portfolio which is difficult for most individual investors to achieve.

Classes of Units

A mutual fund may issue units in one or more classes. An unlimited number of units of each class may be issued. For some purposes, such as calculating fees and expenses, a class of units may be dealt with separately from other classes of units of the fund. In addition, the money that you and

other investors pay to purchase units of any class is tracked on a class-by-class basis in your fund's administration records. For other purposes, such as the investment activity of the portfolio of a fund, all classes of units of the fund are dealt with together.

Currently, the Fund has created two classes of units (the "Units"). The classes of the Fund derive their returns from a common pool of assets with a single investment objective and together constitute a single mutual fund.

See *Classes of Units* on page 5 of this Simplified Prospectus for more details on the different classes of Units available.

What are the Risks of Investing in a Mutual Fund?

All mutual funds involve some level of investment risk. Simply put, investment risk is the possibility you will lose money or not make money on your investment. Generally, the higher an investment's anticipated return, the greater the risk you must be prepared to take.

Everybody has a different tolerance for risk. Some individuals are more conservative than others when making their investment decisions. It is important to take into account your own comfort with risk as well as the amount of risk suitable for your financial goals.

The full amount of your investment in the Fund is not guaranteed. Unlike bank accounts or guaranteed investment certificates, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Under exceptional circumstances, we may suspend redemptions. See "Purchases, Switches and Redemptions" below for more information.

Mutual funds own different types of investments - stocks, bonds, cash, and derivatives - depending upon their investment objectives. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions, and market and company news. As a result, the value of a mutual fund's units may go up and down, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it. Some of the risks associated with investing in mutual funds are listed below. However, the risks listed do not purport to be a complete list or explanation of all the risks or potential risks associated with an investment in Units of the Fund. Potential investors should read the entire Simplified Prospectus and consult with their legal and other professional advisers before investing in the Fund.

Class Risk: The Fund may be issued in more than one class of Units. Each class of a mutual fund has its own fees and expenses, which are tracked separately. If the mutual fund cannot pay the expenses of one class using that class's share of the mutual fund's assets, the mutual fund will have to pay those expenses out of the other class' share of the mutual fund's assets attributable to those classes. This could lower the investment return of the other classes.

Concentration Risk: A mutual fund that holds a large portion of its investments in certain sectors, specific regions or countries or in a single issuer or a relatively small number of securities is susceptible to higher volatility since the value of the fund's portfolio will vary more in response to changes in the market value of these sectors, regions, countries or securities.

Credit Risk: A mutual fund that invests in fixed-income securities or other evidences of indebtedness are subject to credit risk. Issuers of debt securities or other evidences of indebtedness promise to pay interest and repay a specified amount on the maturity date. Credit risk is the risk that such issuers will not pay that obligation. Credit risk is low among issuers that have good credit ratings from recognized credit rating agencies. The riskier fixed-income securities or other evidences of indebtedness (such as junk bonds or certain debt securities with equity-like total return) are those with a low credit rating or no credit rating at all. These instruments are subject to higher risk of default of the issuer and may be less liquid and carry the risk of bigger losses than higher-grade investments. However, these instruments usually offer higher interest rates to compensate for the increased risk.

Currency Risk: A mutual fund that values its assets and liabilities in Canadian dollars may invest a portion of its assets in foreign securities. The return from securities denominated in currency other than the Canadian dollar will be affected if the value of that currency goes up or down in relation to the Canadian dollar. If the value of that currency goes down, the return (measured in Canadian dollars) from the investment denominated in that currency will be negatively affected. This would have an impact on the value of the mutual fund.

Cyber Security Risk: As the use of technology has become more prevalent in the course of business, mutual funds have become potentially more susceptible to operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause a mutual fund to lose proprietary information, suffer data corruption or lose operational capacity. This in turn could cause the mutual fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cyber security breaches may involve unauthorized access to a mutual fund's digital information systems (e.g., through "hacking" or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). In addition, cyber security breaches of a mutual fund's third party service providers (e.g., registrar and transfer agent and custodian) or issuers that a mutual fund invests in can also subject the mutual fund to many of the same risks associated with direct cyber security breaches. As with operational risk in general, the Manager has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially since the Manager does not directly control the cyber security systems of issuers or third party service providers.

Equity Risk: Companies issue equities, or stocks, to help finance their operations and future growth. A company's performance outlook, market activity and the larger economic picture influence its stock price. When the economy is expanding, the outlook for many companies will be positive and the value of their stocks would rise. The opposite is also true. The value of a mutual fund is affected by changes in the prices of the stocks it holds. The risks and potential rewards are usually greater for small companies, start-ups, resource companies and companies in emerging markets. Investments that are convertible into equity may also be subject to interest rate risk.

Foreign Investment Risk: A mutual fund that invests in securities of foreign issuers will be affected by world economic factors and in many cases by the value of the Canadian dollar as measured against foreign currencies. Information about foreign issuers may not be complete and

may not be subject to the uniform and extensive accounting, auditing, financial reporting standards and practices and other disclosure requirements which apply in Canada and the United States. Some foreign securities markets may be volatile or lack liquidity and other global factors could also cause the value of a mutual fund that invests in such markets to fluctuate to a greater degree than if the fund limited its investments to Canadian securities.

Interest Rate Risk: As interest rates rise and fall, equity securities may be affected and the cost to companies which borrow money will go up and down accordingly. This cost may affect profitability and, therefore, the value of a company's securities. Furthermore, interest rates affect the value of fixed-income securities, including bonds, mortgages, treasury bills and commercial paper. The value of these securities will generally rise if interest rates fall and fall if interest rates rise. Therefore, the value of a mutual fund which invests in equity securities and/or fixed-income securities will change with fluctuating interest rates.

Liquidity Risk: Liquidity risk is the possibility that a mutual fund won't be able to sell its investments for cash when it needs to. The value of securities that are not regularly traded (less liquid) will generally be subject to greater fluctuations. A company's securities may be illiquid if:

- the company is not well known;
- there are few outstanding shares;
- there are few potential buyers; or
- they cannot be resold because of a promise or an agreement.

The value of a mutual fund that holds illiquid securities may rise and fall substantially because the mutual fund may not be able to sell the securities for the value that is used in calculating the net asset value of the mutual fund. There are restrictions on the amount of illiquid securities a mutual fund may hold.

Market Risk: The value of most securities, in particular equity securities, will change with market conditions. The value of the market will affect the value of a mutual fund's investments. The value of the market can vary with changes in the general economic, political, health, social, environmental and financial conditions in countries where the investments are based.

In addition to changes in the condition of markets generally, unexpected and unpredictable events such as war, a widespread health crisis or global pandemic, terrorism and related geopolitical risks may lead to increased market volatility in the short term and may have adverse more general long-term effects on world economies and markets, including U.S., Canadian and other economies and securities markets. These types of unexpected and unpredictable events could have a significant impact on a Fund and its investments and could also result in fluctuations in the value of a Fund.

Small Company Risk: A mutual fund may make investments in smaller capitalization companies. These investments are generally riskier than investments in larger companies for several reasons. Smaller companies are often relatively new and/or may not have an extensive track record. This may make it difficult for the market to place a proper value on these companies. Some of these companies may not have extensive financial resources and, as a result, may be unable to react to events in an optimal manner. In addition, stocks of smaller companies are sometimes less liquid,

meaning that there is less demand for such stocks in the marketplace at a price that is deemed fair by sellers.

Specialization Risk: A mutual fund that invests primarily in one industry or market capitalization range, or a mutual fund that uses a specific investment approach such as growth or value, may be more volatile than a less specialized investment fund, and will be strongly affected by the overall economic performance of the area of specialization in which the mutual fund invests. The mutual fund must continue to follow its investment objectives regardless of the economic performance of the area of specialization.

Specific Issuer Risk: With each investment, a mutual fund is subject to specific risks associated with the issuer of the securities regardless of general market conditions. A company may be unprofitable due to its management, its market share and other competitive forces.

Tax Risk: If the Fund experiences a “loss restriction event”: (i) the Fund will be deemed to have a year-end for tax purposes, and (ii) the Fund will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, the Fund could be subject to a loss restriction event when a person becomes a “majority-interest beneficiary” of the Fund, or a group of persons becomes a “majority-interest group of beneficiaries” of the Fund, as those terms are defined in the affiliated persons rules contained in the *Income Tax Act* (Canada) (the “Tax Act”), with appropriate modifications. Generally, a majority-interest beneficiary of the Fund will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all interest in the income or capital, respectively, in the Fund. Generally, a person is deemed not to become a majority-interest beneficiary, and a group of persons is deemed not to become a majority-interest group of beneficiaries, of the Fund if the Fund meets certain investment requirements and qualifies as an “investment fund” under the rules.

PURCHASES, SWITCHES AND REDEMPTIONS

Classes of Units

The Fund may have an unlimited number of classes of Units and may issue an unlimited number of Units of each class.

Each class of Units is intended for different types of investors. Investors must meet eligibility criteria established by us from time to time in order to hold certain classes of Units of the Fund. If, at any time, you cease to be eligible to hold your class of the Fund, we may switch you to another class of Units of the Fund (including a class that may be created in the future).

Class A Units

Units of the Fund that were issued and outstanding prior to June 10, 2016 were redesignated as Class A Units. The Fund continues to offer Class A Units. Class A Units are available to all investors.

Class F Units

Class F Units are available to investors who have a fee-based account with their dealer and whose dealer has signed an agreement with us. Instead of paying sales charges, investors buying Class F Units pay fees to their dealer for investment advice and other services. We do not pay any commissions to dealers in respect of Class F Units, so we can charge a lower management fee.

If you cease to be eligible to hold Class F Units, we may switch you to Class A Units of the Fund.

How is the unit price determined for purchases and redemptions?

The Fund is an open-ended mutual fund created under the laws of Ontario and is authorized to issue an unlimited number of classes of Units. 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 the Fund. All expenses or liabilities of the Fund are calculated on an accrual basis. The actual price that an investor will pay on the purchase of a Unit or which an investor will receive on the sale (redemption) of a Unit is based on the NAV per Unit of the applicable class, next determined after receipt of the order by the Fund. The NAV per Unit of a class is referred to in this Simplified Prospectus as the “Unit Value”. Each class of Units of the Fund has a separate NAV (“class NAV”). In general, we calculate the class NAV by:

- Taking that class’s proportionate share of the assets of the Fund; and
- Subtracting that class’s expenses and its proportionate share of the Fund’s common expenses.

The Unit Value of each class is calculated by dividing the class NAV by the total number of outstanding Units of that class.

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 are available upon request, free of charge, by calling the Manager at 1-866-681-4393 or by sending an email to invest@goodwoodfunds.com. It is intended that the Unit Value will be listed in the financial section of most major newspapers in Canada.

How to Purchase Units

Units of the Fund are offered on a continuous basis through registered dealers or brokers in each province and territory of Canada. Your dealer or broker may, in its sole discretion, charge you a sales commission of up to 5% of the Unit Value of the Units you purchase. 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 you at the time of your purchase if you purchase Class A Units through the Manager. There are no sales charges for the purchase of Class F Units. However, Class F investors pay a separate fee to their dealer.

The minimum initial investment in the Fund is \$5,000 (for subsequent purchases of Units the minimum investment is \$100). The minimum initial investment amount may be changed by the Manager from time to time in its sole discretion.

Buying or selling orders received at the principal office of the Manager prior to 4:00 p.m. (Toronto time) on any Valuation Date will be implemented at the Unit Value of the applicable class determined on such day and those 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 following Valuation Date. Buying or selling orders will be priced based on the Unit Value of the applicable class determined as of the close of business on the Valuation Date on which such orders are implemented.

The purchase price of all subscriptions must be made in a manner acceptable to the Manager. If we do not receive payment within two business days of processing your purchase order, we will redeem your Units on the next business day. If the proceeds are greater than the payment you owe, the Fund is required by securities regulation to keep the difference. If the proceeds are less than the payment you owe, your dealer will be required to pay the difference, and may wish to collect this amount plus the expenses of doing so from you. The Manager may in its discretion reject any order, but must make its decision within one business day of receipt by the Manager of the order. If an order is rejected, all money received with the order will be returned immediately to the subscriber without interest. The Fund will not accept any subscriptions during any period when the right of redemption of Units is suspended. See “How to Redeem Units” below.

How to Redeem Units

You may request the Fund to redeem any or all of your Units at any time. The Unit Value of the applicable class determined on the Valuation Date following the receipt of a unitholder’s request for redemption will be used to determine the proceeds from the redemption.

If the Manager does not receive all documentation needed to settle your redemption within ten business days after the Unit Value has been determined in respect of your redemption, the Manager is required under securities legislation to force settlement that day by assuming you have sent in a purchase order for the same number of Units. If the redemption proceeds are less than the purchase price, we will pay the Fund the difference and seek reimbursement from your dealer, together with any banking costs charged to the Fund. If the redemption proceeds are greater than the purchase price, the Fund will keep the difference.

Under exceptional circumstances, we 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.

How to Switch Units

You may switch your Class A Units of the Fund into Class F Units of the Fund if you are eligible to purchase Class F Units of the Fund. See “Class F Units” under “Purchases, Switches and Redemptions” on page 5. This switch is processed as a redesignation and is not considered to be a disposition of Units for tax purposes. You 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 13.

A redesignation from one class of the Fund to another will likely result in a change in the number of Units of the Fund you hold since each class of the Fund generally has a different Unit Value. The aggregate NAV of your Units will not change as a result.

If you cease to be eligible to hold Class F Units, we may switch you to Class A Units of the Fund.

Redemptions at the Option of the Fund

If the aggregate Unit Value of the Units in your account declines below \$1,000, the Manager may, in its sole discretion, cause the redemption of all Units held by you after ten days’ written notice, provided that you may, within the notice period, increase your investment in the Fund to a level which meets the minimum requirement.

Short-Term Trading

Short-term trading in Units of the Fund can have an adverse effect on the Fund. Such trading can increase brokerage and other administrative costs of the Fund and interfere with the Manager’s long-term investment decisions for the Fund.

The Manager has adopted certain restrictions to deter short-term trading. For example, the Manager may restrict your purchases if you engage in such 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 short-term trading deduction will not be charged for 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.

For purposes of the short-term trading deduction, Units will be considered to be redeemed on a first-in first-out basis.

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

In the event of the termination of the Fund pursuant to the terms of the Amended and Restated Trust Agreement governing the Fund, all outstanding Units would be surrendered for redemption and a short-term trading deduction may be applicable if the Units so redeemed have been issued and outstanding for less than 90 days.

Please see “Short-Term Trading Deduction” under “Fees and Expenses Payable Directly by You” on page 12.

OPTIONAL SERVICES

The Manager has arranged for the following special services which are available to you without charge:

Pre-Authorized Payment Plan

Under a pre-authorized payment plan, you can make automatic investments in the Fund in pre-determined amounts (not less than \$100 monthly) made on a periodic basis. You may suspend or terminate such a plan on ten days’ written notice. The minimum initial subscription amount is \$5,000.

Automatic Withdrawal Plan

So long as you are not investing through a retirement savings plan, you will be permitted to establish an automatic withdrawal plan. Under our automatic withdrawal plan, you can indicate a regular amount of cash withdrawal (not less than \$100 monthly) to be made on a periodic basis. Withdrawals will be made by way of redemption of Units. It should be noted that if such withdrawals are in excess of distributions and net capital appreciation, they could result in encroachment on, or possible exhaustion of, your original capital. If you choose the automatic withdrawal plan, all distributions declared on Units held under such a plan will be reinvested into additional Units. To establish an automatic withdrawal plan in respect of the Fund, the aggregate Unit Value of the Units held in your account must be at least \$5,000. You may modify, suspend or terminate an automatic withdrawal plan on ten days’ written notice.

Deferred Income Plans

The Manager will assist you in establishing, through a licenced trust company, a registered retirement savings plan (“RRSP”), registered retirement income fund (“RRIF”), registered education savings plan (“RESP”), deferred profit sharing plan (“DPSP”) or a tax-free savings account (“TFSA”) registered under the Tax Act to invest in Units.

FEES AND EXPENSES

This table lists the fees and expenses that you may have to pay if you invest in the Fund. You may have to pay some of these fees and expenses directly. The Fund may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in the Fund. Your consent will be obtained if (i) the basis of the calculation of a fee or expense that is charged to the Fund, or directly to its unitholders by the Fund or by the Manager, is changed in a way that could result in an increase in charges to the Fund or to its unitholders; or (ii) a fee or expense to be charged to the Fund, or directly to its unitholders by the Fund or by the Manager, that could result in an increase in charges to the Fund or to its unitholders, is introduced. However, your consent will not be required if the fee is charged by a third party at arm’s length to the Fund. In this case, you will be sent a written notice at least 60 days before the effective date of the change.

| Fees and Expenses Payable by the Fund | |
|--|---|
| Management Fees | <p>As compensation for the services provided by the Manager to the Fund, the Manager is entitled to receive a management fee from the Fund. The services provided by the Manager to the Fund in exchange for the management fee include, but are not limited to:</p> <ul style="list-style-type: none"> • day-to-day management, supervision and administration of the Fund; • providing the Fund with administrative services and facilities, including clerical, investment research and statistical services; • providing portfolio management services, including making all investment decisions with respect to purchases and sales of the Fund's property and for the necessary brokerage arrangements and trade orders; • arranging for the marketing and distribution of Units of the Fund; • accepting subscriptions for Units of the Fund and processing redemptions of Units of the Fund; • making appropriate distributions to unitholders; • establishing general matters of administrative and managerial policy; and • executing documents on behalf of the Fund. <p>The management fee for Class A Units of the Fund is 1.90% per annum and for Class F Units of the Fund is 0.90% per annum (in each case, before any applicable sales tax). The management fee is calculated and payable on each Valuation Date.</p> |
| Operating Expenses | <p>The Fund pays for its own operating expenses. Operating expenses include taxes, brokerage commissions in connection with portfolio securities, regulatory expenses including those related to the preparation and filing of the Fund's offering documents, expenses related to meetings of unitholders and all other unitholder servicing costs such as those related to preparing and mailing reports to unitholders, all other expenses related to the administration and operation of the Fund including audit and legal fees, trustee fees, fees and expenses of third party service providers retained by the Manager to service the Fund by providing custodial, accounting, administrative, consulting or other professional services and all compensation, fees and other expenses in connection with the creation and</p> |

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| | <p>ongoing operations of the Fund’s independent review committee (the “IRC”) including the costs of holding meetings, insurance premiums for the IRC, and fees and expenses of any advisor engaged by the IRC.</p> <p>Each IRC member receives compensation for the duties he or she performs as an IRC member. Each IRC member is also entitled to the reimbursement of all reasonable expenses in connection with his or her duties as an IRC member. The Chair is paid \$5,000 (plus applicable taxes) as compensation for his services. Each member is paid an annual retainer in the amount of \$4,000 (plus applicable taxes) as compensation for his or her services. For each IRC meeting that is in excess of four during a calendar year, each IRC member, including the Chair, is entitled to a per meeting fee of \$1,000 (plus applicable taxes). Compensation and reimbursements made to each IRC member is allocated among the funds managed by the Manager, including the Fund, and for which the Manager has appointed the IRC to act as the independent review committee, on a basis that is considered equitable by the Manager.</p> |
|--|---|

| Fees and Expenses Payable Directly by You | |
|--|---|
| Sales Charges | <p>No sales charge or commission is payable by you at the time of your purchase if you purchase Class A Units through the Manager or Class F Units.</p> <p>For Class A Units purchased through a dealer or a broker, your dealer or broker may, in its sole discretion, charge you a sales commission of up to 5% of the Unit Value of the Units you purchase. This fee is deducted from the amount you wish to invest at the time of purchase.</p> |
| Investment Advisory Fee | <p>Investors in Class F Units pay fees to their dealer for investment advice and other services. Investors in Class F Units do not pay sales charges and we do not pay any commissions to dealers in respect of Class F Units.</p> |
| Redemption Fees | <p>No redemption fee is payable by you at the time of redemption of Class A Units or Class F Units; however, the Manager has the discretion to charge a short-term trading deduction of up to 2% of the Unit Value of the Units being redeemed, if such Units are redeemed within 90 days of their purchase. This deduction is retained by the Fund.</p> |

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| Short-Term Trading Deduction | There is a deduction of up to 2% of the Unit Value of the Units redeemed for Units redeemed within 90 days of purchase. The short-term trading deduction will not be charged for 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. |
| Registered Tax Plan Fees | A fee may apply if you make a partial or full withdrawal from a registered tax plan established by the Manager, or if you transfer your registered tax plan established by the Manager to another plan administrator. Please consult your broker or dealer regarding this fee. |
| Other Fees and Expenses | <p>Pre-Authorized Payment Plan: No fee.</p> <p>Automatic Withdrawal Plan: No fee.</p> |

IMPACT OF SALES CHARGES

The following table shows the amount of fees that you would have to pay under the different purchase options available to you if you made an investment of \$1,000 in Class A Units of the Fund, if you held that investment for one, three, five or ten years and redeemed immediately before the end of that period.

The table assumes that you pay the maximum sales commission when making purchases through your broker or dealer. Short-term trading deductions may apply if Units are redeemed within 90 days of their purchase.

| | At Time of Purchase | 1 Year | 3 Years | 5 Years | 10 Years |
|-----------------------------------|---------------------|--------|---------|---------|----------|
| Purchase through Goodwood Inc. | \$0 | \$0 | \$0 | \$0 | \$0 |
| Purchase through broker or dealer | \$50 | \$0 | \$0 | \$0 | \$0 |

There are no sales charges payable to your broker or dealer for the purchase of Class F Units; however, you pay a separate fee to your dealer.

DEALER COMPENSATION

The following is a summary of the ways in which dealers who sell Units may be compensated.

| | |
|----------------------------|--|
| Sales Incentives | The Manager may provide incentive programs to selling dealers or brokers with respect to advertising and promotional expenses. The Manager will comply with securities legislation governing mutual fund sales practices. Sales incentives will be paid by the Manager, not by the Fund or its unitholders. |
| Trailer Commissions | <p>Subject to compliance with applicable securities regulations, the Manager pays your broker or dealer (including a discount broker) a trailer commission in respect of your Class A Units to assist in providing you with ongoing advice and/or service so long as your investment remains in the Fund. The Manager may change its trailer commission program at any time.</p> <p>The trailer commission for Class A Units is up to 1.0% per annum, based on the aggregate value of the Class A Units held by clients of the dealer or broker. Trailer commissions are calculated on each Valuation Date and paid quarterly by the Manager. No trailer commission will be paid in respect of any Class A Units after the Class A Units are redeemed.</p> <p>A trailer commission is not an additional fee paid by the Fund.</p> <p>We do not pay brokers or dealers any trailer commissions in respect of Class F Units of the Fund.</p> |

DEALER COMPENSATION FROM MANAGEMENT FEES

The approximate percentage of management fees paid by the Fund to the Manager that was used to pay dealers (including amounts paid for trailer commissions or other promotional activities in connection with the sale of Units of the Fund) for the Manager's financial year ended November 30, 2019 was approximately 33.79%.

INCOME TAX CONSIDERATIONS FOR INVESTORS

There are tax implications when you invest in the Fund. To a large degree, they depend on whether or not you hold your investment in a registered tax plan or in a regular cash account.

Units Held In Registered Tax Plans

RRSPs, RRIFs and DPSFs offer significant tax deferral opportunities and are an effective method of saving for your retirement. RESPs are an effective method of saving for one or more child's education. TFSAs allow savings to grow tax-free. This is because transactions within such registered tax plans are generally non-taxable. If you hold your investments in a fund in a

registered tax plan, you generally will not pay any taxes on distributions or on any capital gains that arise when Units are sold, as long as the proceeds remain within the plan. When you take money out of an RRSP, RRIF or DPSP, the amount withdrawn will be included in your income and taxed at ordinary income rates. In the case of an RESP, generally, investment earnings on contributions are taxable to the recipient when such amounts are distributed by the RESP to the recipient. Withdrawals from a TFSA are not subject to tax.

Units Held Outside a Registered Tax Plan

If you hold your Units outside a registered tax plan you must pay tax on distributions of income and capital gains from the Fund, whether such distributions were received in cash or additional Units of the Fund. As well, you must report in your tax return any capital gains or capital losses realized by redeeming Units of the Fund. A capital gain will be realized if the proceeds of disposition exceed the adjusted cost base of the Units redeemed and any costs of disposition. A redesignation of Units from one class to the other will not result in a disposition for tax purposes. The adjusted cost base of your Units of a class is generally determined by reference to the average cost of all of the Units of that class of the Fund held by you at the time you redeem or dispose of any of those Units. In order to calculate the adjusted cost base of the Units of a class you own, you take the cost of your initial investment (including any up-front sales charges); you add to it all additional contributions you make (including any up-front sales charges) plus all distributions which you have reinvested; and you subtract any capital returned to you in distributions (excluding distributions included in computing income or the non-taxable portion of capital gains) and the adjusted cost base of any Units you have redeemed. Divide the total by the number of Units of that class you now own to determine the adjusted cost base per Unit of that class.

An example:

- You buy 1,000 units of a class of a fund with a cost to you of \$10 each. That's \$10,000.
- You then buy (or receive in lieu of a cash distribution) another 100 units of the same class of the same fund when the net asset value per unit is \$12. That's \$1,200.
- You have spent \$11,200 for 1,100 units of the fund. Your new adjusted cost base per unit of that class is \$11,200 divided by 1,100 units, or \$10.18 per unit.
- If you now redeem units of that class, the adjusted cost base for those units (and any units you continue to hold) is \$10.18 per unit.

You will receive or have received reports from the Manager which tells you how much money you have put in and how much you have taken out - you can then calculate your adjusted cost base from that information.

A redesignation of Units of one class into Units of the other class will not be a disposition of Units for tax purposes and will not result in a capital gain or loss.

The Unit price of the Fund may include income and capital gains that the Fund has earned, but not yet distributed. If you buy Units of the Fund late in the calendar year just prior to the distribution date, you will be taxed on the distribution, including the distribution of income and capital gains

previously earned by the Fund. You may end up owing tax on income or capital gains the Fund earned before you even owned it.

An example:

- The price of a unit of a fund on January 1 is \$10.
- You buy units of the fund on September 30, when the price is \$13, including \$3 in undistributed capital gains.
- On December 30, the fund's unit price is \$14.
- On December 31, the fund distributed \$4 in cash per unit. You pay tax on \$4 in capital gains, although you actually earned $\$14 - \$13 = \$1$.

However, if the distribution is reinvested in additional units of the fund, the amount of the distribution will be added to the cost of your units.

Goodwood Inc., as portfolio adviser to the Fund (the "Portfolio Adviser"), follows an active management strategy for the Fund, which may result in high portfolio turnover. The Fund's portfolio turnover rate presents potential tax implications for a taxable investor. The Fund's portfolio turnover rate indicates how actively the Portfolio Adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. There is not necessarily a relationship between a high turnover rate and the performance of a mutual fund. Frequent trading has these implications for you as an investor: The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year and the greater the chance of an investor receiving taxable capital gains in the year, both of which may reduce your returns.

This information is only a summary of certain tax information about your investment. You should consult with your tax adviser about the effect of a particular investment or transaction on your personal tax situation.

Tax information Reporting

Pursuant to the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-United States Tax Convention entered into between Canada and the U.S. on February 5, 2014 (the "IGA"), and related Canadian legislation, the Fund and/or registered dealers are required to report certain information (including certain financial information) with respect to unitholders who are U.S. residents and U.S. citizens (including U.S. citizens who are residents or citizens of Canada), and certain other "U.S. Persons" as defined under the IGA (excluding registered tax plans such as RRSPs), to Canada Revenue Agency ("CRA"). It is expected that the CRA will then exchange the information with the U.S. Internal Revenue Service. In addition, to meet the objectives of the Organization for Economic Co-operation and Development Common Reporting Standard (the "CRS"), the Fund and/or registered dealers are required under Canadian legislation to identify and report to the CRA details and certain financial information relating to unitholders in the Fund (excluding registered tax plans such as RRSPs) who are resident in a country outside of Canada and the United States. The CRA is expected to provide that information

to the tax authorities of the relevant jurisdiction that is a signatory of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information or that has otherwise agreed to a bilateral exchange with Canada under the CRS.

WHAT ARE YOUR LEGAL RIGHTS?

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the Simplified Prospectus or Fund Facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund units and get your money back or make a claim for damages if the Simplified Prospectus, Annual Information Form, Fund Facts or financial statements misrepresent any facts about the Fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult your legal adviser.

SPECIFIC INFORMATION ABOUT GOODWOOD CAPITAL FUND

Organization and Management of Goodwood Capital Fund

| Title | Services Provided |
|--|--|
| Manager Goodwood Inc. 212 King Street West, Suite 200 Toronto, Ontario M5H 1K5 | Goodwood Inc. manages the overall business and operations of the Fund. SS&C Fund Administration Company (“SS&C”) (formerly, SS&C Commonwealth Fund Services Ltd.) provides the administrative services and facilities to the Fund. |
| Portfolio Adviser Goodwood Inc. Toronto, Ontario | Goodwood Inc. provides portfolio management services to the Fund consistent with the investment objectives and strategies of the Fund. |
| Trustee Computershare Trust Company of Canada Toronto, Ontario | Computershare Trust Company of Canada, as Trustee, holds actual title to the property (cash and securities) of the Fund on behalf of the Fund’s investors. |
| Custodian NBIN Inc. Toronto, Ontario | National Bank Financial Inc. (through its National Bank Independent Network division, “NBIN”), as Custodian, has physical custody of the securities in the Fund’s portfolio and ensures that these assets are safely held. |
| Registrar and Transfer Agent Goodwood Inc. Toronto, Ontario | Goodwood Inc. is responsible for the maintenance of all unitholder records, processing purchases, transfers, redemption orders and distributions, investor account statements, and issuing annual tax reporting information. SS&C performs these services on behalf of the Manager. |
| Auditors KPMG LLP Toronto, Ontario | KPMG LLP audits the Fund’s annual financial statements to ensure that they present fairly, in all material respects, the Fund’s financial position, financial performance, and its cash flows in accordance with International Financial Reporting Standards. |
| Independent Review Committee | We have established and appointed the members of the IRC in accordance with National Instrument 81-107 – <i>Independent Review Committee for Investment Funds</i> . The mandate of the IRC is to review, and provide input on, our written policies and procedures that deal with conflict of interest matters in respect of the Fund and to review and, in some cases, approve conflict of interest matters. The IRC may also approve a change of auditors of the Fund and, in certain circumstances, approve a merger involving the Fund. In these circumstances, investor approval will not be obtained but you will be sent a written notice at least 60 days before the effective date of any such change of auditor or merger. |

| Title | Services Provided |
|-------|---|
| | <p>Each member of the IRC is independent of us and any party related to us. The IRC will prepare, at least annually, a report of its activities for investors. This report is available on our website at www.goodwoodfunds.com or you may request a copy, at no cost to you, by contacting us at invest@goodwoodfunds.com.</p> <p>Additional information about the IRC, including the names of the members, is available in the Fund's Annual Information Form.</p> |

FUND DETAILS

| | |
|-------------------------------------|---|
| Type of Fund | North American Equity |
| Start Date | Class A: December 29, 1999 Class F: June 10, 2016 |
| Nature of Securities Offered | Class A Units and Class F Units of a mutual fund trust |
| Registered Tax Plan Status | Qualified investment for Registered Retirement Savings Plans (RRSPs), Registered Retirement Income Funds (RRIFs), Deferred Profit Sharing Plans (DPSPs), Registered Education Savings Plans (RESPs), Registered Disability Savings Plans (RDSP) and Tax-Free Savings Accounts (TFSA). |

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The investment objective of the Fund is to achieve capital appreciation by investing primarily in equity securities of North American companies over a broad range of industry sectors which the Portfolio Adviser believes to have superior potential.

In making investment decisions on behalf of the Fund, the Portfolio Adviser intends to utilize a “bottom-up” approach involving intensive analysis of the individual company and associated industry conditions. The Portfolio Adviser intends to focus on companies and industries that it believes, as a result of such analysis, to have superior potential, rather than focus on the general direction of the overall market.

No changes will be made in the fundamental investment objectives of the Fund unless the Manager calls and holds a meeting of the Fund's unitholders and the change is approved by unitholders holding more than one-half of the Units represented (in person or by proxy) at the meeting.

Investment Strategies

In pursuit of the investment objectives of the Fund, the Fund invests primarily in equity securities of North American companies – that is, issuers with a connection to Canada or the U.S., such as issuers that are domiciled in Canada or the U.S., issuers the securities of which are listed on an exchange in Canada or the U.S., or issuers that derive a significant portion of their revenues or profits from, or hold a significant portion of their assets in, Canada or the U.S. The Portfolio Adviser will take into account the outlook for the economy, financial markets and specific companies, to guide it in making its investment decisions. The proportion of assets of the Fund invested in issuers in any particular geographic location or of any particular market capitalization (micro-cap, small-cap, mid-cap, large-cap etc.) will be varied from time to time according to the judgement of the Portfolio Adviser in applying its bottom-up approach and its outlook for the economy and the financial markets.

As a result of the Portfolio Adviser’s bottom-up approach, a large portion of the Fund’s portfolio may be invested in securities of micro-cap and small-cap issuers or private issuers (not listed on any exchange) at any given time. In addition, as there is no target allocation as to how much of the Fund’s portfolio may be invested in issuers with a connection to Canada versus those with a connection to the U.S., a large portion of the Fund’s portfolio may be invested in securities of issuers with a connection to Canada or those with a connection to the U.S.

In addition to the foregoing, should prevailing market, economic, political or currency conditions warrant a temporary defensive position, or should the Portfolio Adviser’s search for promising companies to invest in yield a shortage of acceptable candidates, the Fund may purchase additional securities (including term deposits, commercial paper, bonds and debentures of corporate and government issuers). In the ordinary course, the Fund may invest up to 15% of its net asset value at cost in junk bonds or other debt securities with equity-like total return.

The net proceeds from the sale of Units, and any monies available for investment or reinvestment at any time, will be invested in accordance with the investment objectives of the Fund as expeditiously as prudent investment practice permits. Pending investment or reinvestment, such monies may be held as cash or invested in short-term securities issued or guaranteed as to principal or interest by the Government of Canada or the government of a province of Canada or the Government of the United States, or by an agency of any such government on a temporary basis.

To meet its investment objectives, the Fund may actively turn over its portfolio securities. The higher the Fund’s portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance that you will receive a distribution from the Fund that must be included in computing your income for tax purposes for that year. There is not necessarily a relationship between a high portfolio turnover rate and the performance of the Fund. See “Income Tax Considerations for Investors” above for more information.

Investment Restrictions

The Manager is an investment dealer and acts as a portfolio adviser for the Fund. Accordingly, the Fund is considered to be a “dealer managed” investment fund. Applicable securities laws

impose restrictions on investments made by dealer managed investment funds. Please refer to the Fund’s Annual Information Form under the heading “Investment Restrictions” for more details.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The following are the risks associated with an investment in the Fund:

- Class risk
- Concentration risk
- Credit risk
- Currency risk
- Cyber security risk
- Equity risk
- Foreign investment risk
- Interest rate risk
- Liquidity risk
- Market risk
- Small company risk
- Specialization risk
- Specific issuer risk
- Tax risk

For a detailed description of these risks, please see “What are the Risks of Investing in a Mutual Fund” beginning on page 2.

As at May 24, 2019, approximately 16.12% of the Fund’s NAV was invested in shares of The Westaim Corporation. As at June 7, 2019, approximately 11.91% of the Fund’s NAV was invested in shares of Polaris Infrastructure Inc. As at February 21, 2020, approximately 14.07% of the Fund’s NAV was invested in shares of Great Canadian Gaming Corporation. As at March 20, 2020, approximately 10.32% of the Fund’s NAV was invested in shares of AMP Solar Group Inc. This represents the maximum percentage of the NAV of the Fund that was invested in these issuers during the 12 month period preceding May 15, 2020. Please see “Concentration risk” on page 2 for more information.

The investment risk level of the Fund is determined in accordance with the standardized risk classification methodology mandated by the Canadian Securities Administrators. Using this methodology, we assign the risk rating based on the Fund’s historical volatility risk as measured by the ten-year standard deviation of the Fund. We assign a risk rating category that is at, or is higher than, the applicable rating indicated by the standard deviation ranges in the standardized risk classification methodology, as outlined in the table below.

| Standard deviation range | Risk rating |
|---------------------------------|--------------------|
| 0 to less than 6 | Low |
| 6 to less than 11 | Low-to-medium |
| 11 to less than 16 | Medium |
| 16 to less than 20 | Medium-to-high |

| | |
|---------------|------|
| 20 or greater | High |
|---------------|------|

Accordingly, we have assigned a risk rating of “medium-to-high” to the Fund.

It is important to note that other types of risks, both measurable and non-measurable, may exist. It is also important to note that the Fund’s historical volatility may not be indicative of future volatility. We may exercise our discretion and assign the Fund a higher risk classification than indicated by the 10-year standard deviation and the prescribed ranges if we believe that the Fund may be subject to other foreseeable risks that the 10-year standard deviation does not reflect.

The risk rating assigned to the Fund is approved by management of the Manager. Management also reviews the risk rating for the Fund at least annually, as well as if there is a material change in the Fund’s risk profile that may affect its risk classification, including a change in the Fund’s investment objective or investment strategy.

You can get details of the methodology that we use to identify the risk level of the Fund by contacting the Manager at 1-866-681-4393 or invest@goodwoodfunds.com.

WHO SHOULD INVEST IN THE FUND?

The Fund is for less conservative investors who seek capital appreciation through exposure to North American equity markets. As a large portion of the Fund’s portfolio may be invested in small- and/or micro- cap issuers from time to time, the Fund is for investors who are willing to accept the risks associated with investing in or having exposure to small- and/or micro- cap issuers. The Fund is suitable for those investors with a medium to high risk tolerance and who plan to invest for the long term.

DISTRIBUTION POLICY

The Fund will distribute its net income to unitholders at least annually. In addition, the Fund will ordinarily distribute, on an annual basis, an amount in respect of its net realized capital gains (reduced by loss carry forwards), if any, as should generally result in no income tax being payable by the Fund. Net income and net realized capital gains of the Fund will be automatically reinvested without charge in additional Units at the Unit Value calculated on the date of distribution. Following each distribution, the number of outstanding Units will be immediately consolidated so that the Unit Value after the distribution is the same as the Unit Value before the distribution. You may request in writing that distributions be paid in cash in lieu of such reinvestment.

The Fund reserves the right to retain net income or net realized capital gains where it deems it appropriate to do so, including in respect of net realized capital gains under circumstances where the tax payable by the Fund on the taxable portion of such retained gains would be less than the cost of distributing them. For information with respect to the amount of net income and net realized capital gains, if any, distributed per Unit, reference may be made to the financial statements of the Fund.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay their expenses out of fund assets. This means investors in a mutual fund indirectly pay for these expenses through lower returns.

The table below is intended to help you compare the cumulative cost of investing in the Fund with the cost of investing in other mutual funds. The table assumes that (i) you invested \$1,000 in Units of the Fund; (ii) your investment earned a total annual return of 5% each year; and (iii) the Fund paid the same management expense ratio each year as it did in its last completed financial year.

| | Expenses payable over: | | | |
|---------|-------------------------------|----------------|----------------|-----------------|
| | 1 year | 3 years | 5 years | 10 years |
| Class A | \$41.37 | \$130.42 | \$228.60 | \$520.35 |
| Class F | \$29.51 | \$93.01 | \$163.03 | \$371.11 |

Your actual costs and returns may be different. See “Fees and Expenses” for more information about the cost of investing in the Fund.

GOODWOOD CAPITAL FUND
(Class A and Class F units)

Manager: Goodwood Inc.
212 King Street West,
Suite 200
Toronto, Ontario
M5H 1K5

Tel. (416) 203-2022

Fax (416) 203-0734

Additional information about the Fund is available in the Fund's Annual Information Form, Fund Facts, management reports of fund performance and financial statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.

You can get a copy of these documents, at your request, and at no cost, by calling (416) 203-2022 (if long distance charges apply, call us at 1-866-681-4393), or from your dealer. You can also contact the Fund by email at 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. Information about the Fund can be obtained on the Fund's website at www.goodwoodfunds.com.