

DAVIS-REA MUTUAL FUNDS

SIMPLIFIED PROSPECTUS

DATED

August 28, 2025

**Davis-Rea Equity Fund
Davis-Rea Fixed Income Fund
Davis-Rea Total Return Equity Fund**

Class A, Class B, Class F and Class O Units

*No securities regulatory authority has expressed an opinion about these
units and it is an offence to claim otherwise.*

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Introduction

This simplified prospectus contains selected important information about the Davis-Rea Equity Fund, the Davis-Rea Fixed Income Fund and the Davis-Rea Total Return Equity Fund (collectively, the “Davis-Rea Mutual Funds”). The information in this simplified prospectus will help you make an informed investment decision and will help you understand your rights as an investor in a fund.

This simplified prospectus contains information about the funds and the risks of investing in mutual funds generally, as well as the names of the firms responsible for the management of the funds.

This document is divided into two parts. The first part, from pages A-1 through A-18, contains general information applicable to all of the Davis-Rea Mutual Funds. The second part, from pages B-1 through B-9, contains specific information about each of the funds described in this document.

Additional information about each fund is available in the following documents:

- the most recently filed fund facts;
- that fund’s most recently filed audited financial statements;
- any interim financial statements 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 document, which means they legally form part of this document just as if they were printed as part of this document. You can get a copy of these documents, at your request, and at no cost, by calling us at **(416) 324-2200** or toll-free at **(877) 391-9929** or from your dealer.

These documents are also available on the designated internet site for the funds at **www.davisrea.com** or by contacting us by e-mail at **info@davisrea.com**.

These documents and other information about the funds are available on the internet site of the System for Electronic Document Analysis and Retrieval (also known as SEDAR+) at **www.sedarplus.ca**.

Unless otherwise stated, all dollar amounts in this simplified prospectus are in Canadian dollars.

In this document, “we”, “us”, “our” and “Davis-Rea” refer to Davis-Rea Ltd. (“Davis-Rea”), the manager of the funds.

RESPONSIBILITY FOR MUTUAL FUND ADMINISTRATION

Manager

Davis-Rea is the manager of each fund pursuant to the trust agreement of the funds described under the section entitled “*Name, Formation and History of the Funds*”. The address, telephone number, e-mail and designated web-site address of Davis-Rea is 23 Bedford Road, Suite 100, Toronto, Ontario, M5R 2J9, (416) 324-2200 or toll free at (877) 391-9929, info@davisrea.com and www.davisrea.com.

Davis-Rea is responsible for managing the day-to-day activities of the funds and providing or arranging for all required administrative services of the funds.

Davis-Rea may resign as manager of a fund(s) at any time on 90 days’ prior written notice to the unitholders of the fund(s). However, the resignation will not take effect until a new manager, that has been approved of by the unitholders of each class of the fund, has been appointed for the fund(s).

Davis-Rea may also terminate a fund(s) on 30 days’ prior written notice to the unitholders of the fund, by a resolution that is passed by a majority of unitholders of the fund(s), or if the trustee of the funds resigns or is removed or Davis-Rea resigns or becomes bankrupt or insolvent, and a successor is not appointed.

The name and municipality of residence and current position of each director and executive officer of Davis-Rea is as follows:

<i>Name and Municipality of Residence</i>	<i>Office or Position With Davis-Rea</i>
John O’Connell, Toronto, Ontario	Chairman, Chief Executive Officer, Ultimate Designated Person, Chief Compliance Officer, Co-Chief Investment Officer, Portfolio Manager and Director
John-Christophe O’Connell, Toronto, Ontario	Chief Financial Officer, Portfolio Manager, and Director
Stephanie O’Connell Toronto, Ontario	Director
Wendy Sanita Aurora, Ontario	Chief Operating Officer
Christine Poole Toronto, Ontario	President, Co-Chief Investment Officer and Portfolio Manager

Trustee

CIBC Mellon Trust Company is the trustee of each fund pursuant to the trust agreement between us and them, and is paid an annual fee by each fund for acting as the fund’s trustee. The head office of CIBC Mellon Trust Company is located at 1 York Street, Suite 500, Toronto, Ontario M5J 0B6. CIBC Mellon Trust Company can resign as trustee of the funds on 90 days’ prior written notice or be removed by Davis-Rea on the later of 90 days’ prior written notice and the appointment of a successor trustee.

Portfolio Adviser

Davis-Rea is the portfolio adviser of each fund and is responsible for providing investment advice to each fund in accordance with the investment objective of that fund.

Administrative Services

Davis-Rea has retained the services of CIBC Mellon Global Securities Services Company of Toronto, Ontario, to assist it with the administration of the funds pursuant to a fund administration services agreement. Each fund pays CIBC Mellon Global Securities Services Company an annual fee for acting as the fund administrator of that fund. The fund administration services agreement is made as of the 18th day of March 2013 and may be terminated by either party on 60 days' prior written notice.

The services CIBC Mellon Global Securities Services Company provides to the funds include fund valuation, unitholder recordkeeping and tax preparation for units of each class of the fund.

Brokerage Arrangements

We may receive research and order execution goods and services in return for directing brokerage transactions for a fund to registered dealers. The quality of these goods and services is considered when selecting a dealer; we ensure that they are used by the applicable fund to assist with investment or trading decisions, or with effecting securities transactions, on behalf of such fund.

Dealers provide research services that include advice, analyses and reports regarding various subject matters relating to investments. These reports and advice are provided either directly or through publications or writings, including electronic publications, telephone contacts and personal meetings, and may include analysis and reports concerning issuers, industries, securities, economic factors and trends, accounting and political developments.

These arrangements are generally subject to "best execution", which includes a number of considerations such as price, volume, speed and certainty of execution, and total transaction costs. Order execution goods and services include trading software, and market data that is directly related to executing orders, as well as databases and software that support these goods and services.

The names of such dealers are available on request, at no cost, by contacting us at (416) 324-2200 or toll free at 1-(877) 391-9929.

We conduct trade cost analysis to ensure that a fund receives a reasonable benefit from the use of the research and order execution goods and services provided, as applicable, relative to the amount of the brokerage commission paid. We also have a soft dollar arrangement with an investment dealer whereby we may receive order execution goods and services, and research goods and services, from such dealer.

Custodian

CIBC Mellon Trust Company is also the custodian of each fund pursuant to a custodial services agreement dated March 18th, 2013 and may be terminated by either party on 90 days' prior written notice. Each fund pays CIBC Mellon Trust Company an annual fee for acting as the custodian of that fund. The custodian is generally responsible for holding and maintaining information regarding all securities held by the funds. The custodian holds the funds' securities and other portfolio assets, including cash on deposit with financial institutions, on behalf of the funds. The head office of CIBC Mellon Trust Company is located at 1 York Street, Suite 500, Toronto, Ontario, M5J 0B6.

Auditor

The auditor of each fund is RSM Canada LLP, Chartered Professional Accountants. RSM Canada LLP's head office is located at 11 King Street West, Suite 700, Toronto, Ontario, M5H 4C7.

Registrar

The registrar of units of each fund is CIBC Mellon Global Securities Services Company. The registrar maintains a register of unitholders of each class of each fund in Toronto, Ontario.

Independent Review Committee and Fund Governance**Manager and Trustee**

Each fund is organized as a trust. Davis-Rea, as the manager of each fund, has the responsibility for managing the affairs of each fund, and has all the necessary powers, duties and authority to do so pursuant to the trust agreement of the funds. Davis-Rea will comply with the trust agreement of the funds, including the investment policies and restrictions established therein, and all applicable securities laws, regulations and policy statements of the relevant Canadian securities regulatory authorities.

Davis-Rea is governed by a board of directors consisting of three (3) individuals, all of whom are officers of Davis-Rea. The board of directors oversees the activities of Davis-Rea and the funds.

Davis-Rea has established policies, procedures and guidelines relating to the management of the funds, including with respect to business practices and compliance with regulatory and corporate requirements.

Short-Term Trading

Davis-Rea has also adopted policies and procedures to detect and deter short-term trading. Short-term trades are defined as a combination of a purchase and redemption of units of a fund within a short period of time that we believe is detrimental to other investors in the fund. Such trades may try to take advantage of certain funds which hold securities priced in other time zones or illiquid securities that trade infrequently.

The interests of the investors in a fund and the fund's ability to manage its investments may also be adversely affected by short-term trading because, among other things, these types of trading activities can dilute the value of the fund's units, can interfere with the efficient management of the fund's portfolio and can result in increased brokerage and administrative costs to the fund. While we will actively take steps to monitor, detect and deter short-term trading, we cannot ensure that such trading activity will be completely eliminated.

Independent Review Committee

Set out below are the names of the three individuals who currently comprise the independent review committee (the **IRC**) for each fund:

- a. Mr. Jos Schmidt
Toronto, Ontario
- b. Mr. Nitin Kaushal
Richmond Hill, Ontario
- c. Bruce Shaw
Toronto, Ontario

Each member of the IRC is independent of Davis-Rea, its affiliates and each fund. The IRC provides independent oversight and impartial judgment on conflicts of interest involving a fund that are referred to it by Davis-Rea. Its mandate is to consider such matters and to recommend to Davis-Rea what action Davis-Rea should take to achieve a fair and reasonable result for a fund in those circumstances; and to review and advise on or consent to, if appropriate, any other matter required by applicable securities laws. The IRC intends to meet at least two times a year.

Among other matters, the IRC prepares, at least annually, a report of its activities for unitholders of each fund which will be available on the designated website at www.davisrea.com and upon request by any unitholder of a fund, at no cost, by calling: (416) 324-2200 or toll-free at (877) 391-9929 or emailing to: info@davisrea.com

Under securities legislation, the IRC may approve a change in the auditor of a fund in accordance with National Instrument 81-107 *Independent Review Committee for Investment Funds*. In such circumstances, a written notice describing the change in auditors will be sent to unitholders of the applicable fund(s) at least 60 days before the effective date of the change.

Each member of the IRC is paid an annual fee of \$7,500 and is reimbursed, by each fund, as applicable, for any fees and/or expenses he incurs in carrying out such duties for that fund.

Policies and Procedures

Proxy Voting Policy

Davis-Rea, as portfolio adviser, has full responsibility for proxy voting and related duties in respect of the funds. In fulfilling these duties, Davis-Rea and the funds have adopted proxy policies and procedures (the “Proxy Policies”) to ensure that proxies for units held by each fund are voted consistently and solely in the best economic interests of the funds. The Proxy Policies are more fully summarized below.

- The Proxy Policies set out the voting procedures to be followed in routine and non-routine matters, together with general guidelines suggesting a process to be followed in determining how and whether to vote proxies. Although the Proxy Policies allow for the creation of a standing policy for voting on certain routine matters, each routine and non-routine matter must be assessed on a case-by-case basis to determine whether the applicable standing policy or general guidelines should be followed.
- The Proxy Policies also address situations in which Davis-Rea and the funds may not be able to vote, or where the costs of voting outweigh the benefits. Where a fund managed by Davis-Rea is invested in an underlying fund that is also managed by Davis-Rea, the proxy of the underlying fund will not be voted by us. However, we may arrange for you to vote the shares of those securities.
- Davis-Rea is responsible for the oversight of each fund's proxy voting process and has assigned a senior member of its staff to be responsible for this oversight.

Davis-Rea will compile and maintain annual proxy voting records for the fund for the annual periods beginning July 1st in a year and ending June 30th of the following year. After completion of an annual period, the proxy voting record will be made available on Davis-Rea’s designated website (www.davisrea.com) on August 31st following the annual period. Copies of the complete proxy voting procedures for the funds are available to investors free of charge upon request. Requests can be made by calling toll-free 1-877-391-9929 or by sending an email to info@davisrea.com. Investors may also send a request by mail addressed to the attention of Davis-Rea at 23 Bedford Road, Suite 100, Toronto, Ontario M5R 2J9.

Remuneration of Directors, Officers and Trustees

The Davis-Rea Mutual Funds do not have any directors or officers. As noted under the section entitled “*Responsibility for Mutual Fund Administration*”, CIBC Mellon Trust Company is the trustee of each fund. For the financial year ended December 31, 2024, CIBC Mellon Trust Company received an aggregate of \$10,000 for its services as trustee of the Davis-Rea Mutual Funds. In addition, the Davis-Rea Mutual Funds paid the IRC an aggregate of \$22,500 for the financial year ended December 31, 2024.

Material Contracts

The material contracts pertaining to the funds are listed below:

- a. the amended and restated mutual fund trust agreement as referred to in the section entitled “*Responsibility for Mutual Fund Administration*” and *Name, Formation and History of the Fund*”;
- b. the fund administration services agreement as referred to in the section entitled “*Responsibility for Mutual Fund Administration*”; and
- c. the custodial services agreement as referred to in the section entitled “*Responsibility for Mutual Fund Administration*”.

Copies of the foregoing material contracts may be inspected by prospective or existing unitholders during normal business hours at the principal office of the funds.

Legal Proceedings

There are no legal proceedings involving the funds or any material legal proceedings involving Davis-Rea.

Designated Website

A mutual fund is required to post certain regulatory disclosure documents on a designated website. The designated website of the funds that this document pertains to can be found at **www.davisrea.com**.

VALUATION OF PORTFOLIO SECURITIES

The value of a class of a fund (the “net asset value per unit of a class”) is determined in Canadian dollars. For the purposes of calculating the net asset value per unit of a class, the assets of each class of a fund will be valued, as applicable, as follows:

- cash on hand, on deposit or on call, bills and notes, accounts receivable, prepaid expenses and cash dividends and accrued interest to be received are valued at face amount, unless we determine that they are worth less, in which case, they will be valued at their fair value, as determined by us;
- any security listed or dealt in on a stock exchange is valued at the closing sale price. Failing a sale on that day, it is valued at the average of the closing bid and closing ask prices, as obtained from any report in common use or authorized as official by such stock exchange;
- any security not listed or dealt in on a stock exchange is valued at the last ascertainable sale price. Failing a sale on that day, it is valued at the average of the closing bid and closing ask prices as obtained from any report in common use;
- any treasury bill and other discounted short term debt obligation is valued at its amortized cost;
- dividend income is recognized on the ex-dividend date and interest income is accrued;
- all assets denominated or liabilities payable in a foreign currency are converted into Canadian currency at the current exchange rate obtained from any report in common use;
- forward foreign exchange contracts are valued as the difference between the value on the date the contract originated and the value of the contract on the valuation date. When the contract expires, we will recognize a realized foreign exchange gain or loss; and
- any security, the resale of which is restricted, whether by a representation, undertaking or agreement or by law, is valued at the lesser of: (i) its quoted value as reported in any report in common use and (ii) that percentage of the market value of securities of the same class or series the trading of which is not so restricted which is equal to the percentage which the fund’s acquisition cost was of the market value of such securities at the time of acquisition; but taking into account, if appropriate, the amount of time until the restricted security will cease to be a restricted security.

Davis-Rea will use the fair value of a security when the security is not traded, where it is usually traded, and Davis-Rea will only deviate from these valuation principles in circumstances where the above methods do not accurately reflect the fair value of a particular security at any particular time.

The liabilities of a class of a fund on a valuation date include all of the expenses of the fund that are attributable to that class of the fund and have arisen or accrued on or before that valuation date.

For the purpose of the issuance and the redemption of units of a class of a fund and for any distribution to unitholders of the fund, the price, value or amount distributed by or paid to the fund is in Canadian funds. For the purpose of any conversions of monies from any other currency to Canadian currency, the current rate of exchange as quoted to a fund by its custodian as nearly as practicable at the time as of which the net asset value is being computed will be used.

Davis-Rea has not had to exercise its discretion to determine the fair market value of any asset or security in the past year.

In accordance with National Instrument 81-106 *Investment Fund Continuous Disclosure* (NI 81-106), the net asset value of a fund, for all purposes other than financial statements, is calculated using the valuation principles described above which comply with the requirements of NI 81-106, but differ in some respects from the requirements of International Financial Reporting Standards (IFRS). Each fund is required to calculate its net assets for purposes of its financial statements in accordance with IFRS. IFRS requires that the fair value of traded securities held by a fund should be valued at the close price for both financial assets and financial liabilities where that price falls within that day's bid-ask spread. If a close price does not fall within the bid-ask spread, the close price will then be adjusted by Davis-Rea, to a point within the bid-ask spread that, in Davis-Rea's view, is most representative of fair value based on specific facts and circumstances. Hence, the reported value of securities held by a fund in its annual and interim financial statements may be different from the unit value. The financial statements of a fund will include, as applicable, a reconciliation of the net assets contained in the financial statements to the net asset value used for unit pricing purposes.

Calculation of Net Asset Value

The net asset value per unit of a class is determined at the close of business of the Toronto Stock Exchange (the "valuation time") on each valuation date. The net asset value per unit of a class of a fund is determined by adding up the value of the assets of that class of the fund, subtracting the liabilities of that class of the fund and dividing the remainder by the number of units of that class of the fund that are outstanding. A valuation date for a fund is each day on which the Toronto Stock Exchange is open for business. All units of a class of a fund will be sold at the net asset value per unit of that class of the fund for that day. The net asset value per unit of a class of a fund is calculated before any units of that class of the fund are issued or redeemed. Any units of a class of a fund that are purchased or redeemed on that day are reflected in the net asset value per unit of that class of the fund the next time it is calculated. The net asset values for each class of unit of the funds are available at your request, and at no cost, by contacting Davis-Rea toll free at 1-877 391-9929 or by e-mail at info@davisrea.com.

Purchases, Switches and Redemptions

Price of a Unit of a Class of a Fund

The price of a unit of a class of a fund is equal to the net asset value per unit of that class of the fund. The net asset value of each class of a fund is calculated at the close of business on each business day. If we receive your purchase order to buy units of a class of a fund before such time on any business day, your purchase order, if accepted by us, will be processed at the net asset value per unit of that class of the fund on that day. If we receive your purchase order to buy units of a class of a fund after such time, it will be processed, if accepted by us, at the net asset value per unit of that class of the fund on the next business day. A "business day" is each day on which the Toronto Stock Exchange is open for trading.

Purchases of Units

You may buy units of a class of a fund, except class N units, in Canadian dollars from your dealer. Units of a class of a fund will not be issued to you until your dealer confirms to Davis-Rea that it has received the necessary funds from you to buy the units of that class of the fund. Certified cheques should be made payable to the name of the applicable fund. No certificates will be issued for any units of any class of a fund that are purchased.

Purchase orders for units of a class of a fund we receive at or prior to the close of business on any valuation date will be priced on that day. Any purchase orders for units of a class of a fund received after the close of business on a valuation date will be priced on the next valuation date.

Within two (2) business days following the valuation date on which a subscription for units of a class of a fund is accepted, we will issue the units of the class of the fund subscribed for at the net asset value per unit of that class of the fund on the valuation date. We may purchase units of a class of a fund by certified cheque, bank draft or wire transfer.

We have the right to accept or reject a purchase order for units of a class of a fund. We will decide to accept or reject a purchase order for units of a class of a fund within one (1) business day of receiving the purchase order. If we reject a purchase order, we will immediately return any monies received with the purchase order you.

If we do not receive payment for units of a class of a fund from your dealer within two (2) days of processing an investor's order, we will redeem your units of that class of the fund. If the proceeds of redemption are greater than what you owe, the fund will keep the difference. If the proceeds are less than what you owe, we will pay the difference to the fund and will collect this amount from your dealer, who may collect it from you.

We will arrange for the sale of units of each class of each fund through dealers qualified to sell mutual fund securities.

A dealer may make provision in arrangements that it has with an investor who wants to buy units of a class of a fund that will require the investor to compensate the dealer for any losses suffered by the dealer in connection with a failed settlement to buy units of that class of the fund which is caused by the investor.

Purchase Option

Units of class of a fund usually cannot be converted into units of another class of the fund. See "*Description of Units of each Class of a Fund*" for additional information on the classes of the funds offered.

Class A Units

If you buy class A units of a fund from us, which is typically when class A units of a fund will be issued, you do not have to pay us any sales charge.

If you buy class A units of a fund through another dealer, you may have to pay a sales charge to that dealer (i.e. a front-end load sales charge). That dealer will generally deduct the amount of the sales charge that you negotiate with that dealer, which cannot exceed 5.00% of your subscription and forward the net amount to us to be invested in class A units of the applicable fund. Subject to a fund's short-term trading fee, you can redeem your class A units of the fund under this option at any time and do not have to pay any redemption fees.

See "*Fees and Expenses*" for additional information.

Class B Units

If you buy class B units of a fund through your dealer, you may have to pay a sales charge to your dealer (i.e. a front-end load sales charge). Your dealer will generally deduct the amount of the sales charge that you negotiate with them, which cannot exceed 5.00% of your subscription and forward the net amount to us to be invested in class B units of the applicable fund. Subject to a fund's short-term trading fee, you can redeem your class B units of the fund under this option at any time and do not have to pay any redemption fees.

If you buy class B units of a fund through another dealer, we will also pay your dealer a trailer fee equal to 1.00% per annum of the average net asset value of the class B units of the funds that you buy.

See "*Fees and Expenses*" for additional information.

Class F Units

You do not have to pay any sales charge if you buy class F units of a fund as you already pay your dealer for the advice and other services your dealer provides to you. We can therefore charge a lower management fee. However, your dealer must be a participant in our class F program. If we become aware that you are no longer eligible to hold class F units of a fund, we will give you 30 days' notice before we switch your class F units of the fund for class A units of the fund. Subject to a fund's short-term trading fee, you can redeem your class F units of the fund under this option at any time and do not have to pay any redemption fees.

See "*Fees and Expenses*" for additional information.

Class O Units

If you buy your class O units of a fund from us, you do not have to pay any sales charge.

If you buy class O units of a fund through another dealer, you may have to pay a sales charge to that dealer (i.e. a front-end load sales charge). That dealer will generally deduct the amount of the sales charge that you negotiate with that dealer, which cannot exceed 5.00% of your subscription and forward the net amount to us to be invested in class O units of the applicable fund. Subject to a fund's short-term trading fee, you can redeem your class O units of the fund under this option at any time and do not have to pay any redemption fees.

See "*Fees and Expenses*" for additional information.

Redemption of Units

You may redeem units of a class of a fund by sending a redemption order to us or your dealer. You may have to pay an administrative fee to your dealer. We will confirm with your dealer that they have received all necessary information and instructions from you to redeem your units of that class of the applicable fund.

No redemption fee has to be paid with respect to class A units, class B units, class F units or class O units of a fund, although your dealer may charge you an administrative fee.

Requests to redeem units of a class of a fund received by us at or prior to the close of business on any valuation date will be priced at the net asset value per unit of that class of the fund on that day and any redemption requests to redeem units of a class of the fund received after the close of business on such valuation date will be priced on the next valuation date.

Your dealer is responsible for sending your redemption order to us on the same day that the dealer receives it from you. We will redeem your units of a class of a fund on the business day we receive the redemption order from your dealer, provided we receive it at or before the close of business on such day. If we do not receive your redemption order to redeem units of a class of a fund from your dealer until after the close of business on such day, we will process your redemption order on the next business day. Once we receive from your dealer the instructions necessary to complete the redemption, we will send the redemption proceeds to you. If we do not receive these instructions from your dealer within 10 business days of the redemption, the applicable fund will repurchase your units of that class of such fund. If the redemption proceeds are greater than the repurchase amount, the applicable fund will keep the difference. If the redemption proceeds are less than the repurchase amount, we will pay the applicable fund the difference. We will then collect this difference from your dealer, who may collect it from you.

The obligation to pay the redemption proceeds will be discharged when the monies are deposited into your bank account or a cheque is mailed to you, unless the cheque is not honoured on presentation for payment. In certain limited situations, we may allow you to redeem your units of a class of a fund on an in specie basis.

A 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 any failure of the investor to satisfy the requirements of a fund or securities legislation for a redemption of units of a class of the fund.

No redemption fee is payable to us if you buy class A units, class B units, class F units or class O units of the fund, although your dealer may charge you an administrative fee.

Units of a class of the fund are usually not redeemable at our option.

The trust agreement of the funds provides that to the extent that it is required to sell securities to satisfy the payment of proceeds of redemption to a redeeming unitholder, it may allocate any taxable capital gains realized or income earned from such sale to such redeeming unitholder. Based on rules in the *Income Tax Act* (Canada), if a fund is a mutual fund trust for tax purposes throughout the year it is prohibited from claiming a deduction in computing its income for amounts of income that are allocated to redeeming unitholders and is limited in its ability to claim a deduction in computing its income for amounts of capital gains that are allocated to redeeming unitholders. Currently, each fund is a mutual fund trust for tax purposes. For more details see “Income Tax Considerations – Tax Status of the Funds”.

Suspension of Redemptions

Under extraordinary circumstances, your right to redeem units of a class of a fund may be suspended. We may refuse orders to redeem units of a class of a fund:

- (i) if normal trading is suspended in the market, within or outside Canada, which represents more than 50% by value, or underlying market exposure, of the total assets of the fund without any allowance for liabilities and if the assets of the fund cannot be traded in any other market that represents a reasonably practical alternative for the fund; or
- (ii) with the consent of the Ontario Securities Commission.

A fund will not accept any purchase orders during any period when the right to redeem units of a class of the fund is suspended.

Reclassification

A reclassification of units from one class of a fund to another class of the same fund is not considered to be a disposition for tax purposes and, accordingly, a unitholder will not realize a gain or loss on such reclassification.

Switches

You can switch your investment from a class of units of one fund to the corresponding class of units of another fund through your dealer. Such a switch will result in a redemption of the units of the fund you own and a purchase of units of the new fund. Because you are moving your investment from one fund to another fund, the switch will be a taxable transaction to you and you may realize a gain or loss in the same manner as you would otherwise realize on a redemption of units of a fund. A switch fee of up to 2.00% of the value of the units switched may be charged by your dealer. See “*Fees and Expenses*”.

Short-Term Trading

We have adopted policies and procedures to detect and deter short-term trading. See “*Independent Review Committee and Fund Governance - Manager and Trustee*” for more information on our short-term trading policies. A purchase and a redemption of a unit of a fund within a short period of time may be subject to a short-term trading fee of up to 2.00% of the purchase price (excluding any sales charge) if you redeem your units of a fund within 90 days of buying them. The fee payable, if imposed, will be deducted from the redemption proceeds when you redeem your units of the applicable fund and such fees will be retained by that fund. We, in our sole discretion, may waive the short-term trading fee. See “*Fees and Expenses*”.

OPTIONAL SERVICES

Registered Tax Plans

Units of each class of a fund are qualified investments for deferred income plans under the *Income Tax Act* (Canada).

Pre-Authorized Chequing Plan

Provided that your initial investment is at least \$500 under a pre-authorized chequing plan (PAC) you can indicate a regular amount of investment (not less than \$25) to be made on a periodic basis (e.g., on the 1st and the 15th of each month), to buy class A units, class B units or class F units of a fund, and the chequing account from which the investment amount is to be debited. A void cheque is required. You may suspend or terminate such a plan on ten days' prior written notice.

While you have a statutory right to withdraw from your initial purchase of units of a class of a fund under a pre-authorized chequing plan, you will not have a right to withdraw from subsequent purchases of units of that class of the fund. You will continue to have all other statutory rights under securities law, including the rights as described at page A-18 under the heading "*What are your legal rights?*" You have the right to terminate your participation in a pre-authorized chequing plan at any time.

Systematic Withdrawal Plan

You can establish a systematic withdrawal plan (SWP), provided you are not investing through a retirement savings plan. Under a systematic withdrawal plan you can indicate a regular amount of cash withdrawal (not less than \$25 monthly) to be made on a periodic basis and the class of units of a fund from which the investment is to be withdrawn. Withdrawals will be made by way of a redemption of units of that class of a fund and it should be noted that if withdrawals are in excess of any distributions and net capital appreciation, they will result in an encroachment on, or possible exhaustion of, your original capital. If you choose the systematic withdrawal plan, any distributions declared on units of that class of a fund held under such a plan must be reinvested into additional units of that class of the fund. To establish a systematic withdrawal plan in respect of a class of units of a fund your account must have a minimum value of \$5,000. You may modify, suspend or terminate a systematic withdrawal plan on ten days' prior written notice.

Fees and Expenses

The following table lists the fees and expenses that you may have to pay if you invest in units of a class of a fund. You may have to pay some of these fees and expenses directly. A fund pays the other fees and expenses. This will reduce the value of your investment in a fund.

<i>Fees and Expenses Payable by a Fund</i>	
Management Fees	An annual management fee based on a fixed percentage of the daily closing net asset value of each fund is charged to clients who hold units in that fund. The following services are provided to clients in exchange for this management fee, including but not limited to: - the day-to-day management of each fund; - making investment portfolio decisions and arranging for the execution of portfolio transactions; - providing for or arranging for advice and assistance in connection with investment programmes; - dealing with the purchase and redemption of units of each fund; - paying trailer commissions and other forms of compensation to dealers; - negotiating contractual arrangements with, and supervising, third-party service providers, including the custodian, auditors and legal counsel;

<i>Fees and Expenses Payable by a Fund</i>																									
	- providing office accommodation, personnel, office supplies and internal accounting services in respect of each fund; and - monitoring compliance with applicable laws. Set out below is the management fee that we receive from each class of units of each fund: Davis-Rea Equity Fund <table> <tr> <td>Class A units</td><td>1.25%</td></tr> <tr> <td>Class B units</td><td>1.80%</td></tr> <tr> <td>Class F units</td><td>0.80%</td></tr> <tr> <td>Class O units</td><td>1.75% (maximum paid directly by class O unitholders)</td></tr> </table> Davis Rea Fixed Income Fund <table> <tr> <td>Class A units</td><td>1.25%</td></tr> <tr> <td>Class B units</td><td>1.70%</td></tr> <tr> <td>Class F units</td><td>0.70%</td></tr> <tr> <td>Class O units</td><td>1.75% (maximum paid directly by class O unitholders)</td></tr> </table> Davis-Rea Total Return Equity Fund <table> <tr> <td>Class A units</td><td>1.25%</td></tr> <tr> <td>Class B units</td><td>1.80%</td></tr> <tr> <td>Class F units</td><td>0.80%</td></tr> <tr> <td>Class O units</td><td>1.75% (maximum paid directly by class O unitholders)</td></tr> </table> The management fee of each fund is payable monthly in arrears.	Class A units	1.25%	Class B units	1.80%	Class F units	0.80%	Class O units	1.75% (maximum paid directly by class O unitholders)	Class A units	1.25%	Class B units	1.70%	Class F units	0.70%	Class O units	1.75% (maximum paid directly by class O unitholders)	Class A units	1.25%	Class B units	1.80%	Class F units	0.80%	Class O units	1.75% (maximum paid directly by class O unitholders)
Class A units	1.25%																								
Class B units	1.80%																								
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Class A units	1.25%																								
Class B units	1.80%																								
Class F units	0.80%																								
Class O units	1.75% (maximum paid directly by class O unitholders)																								
Operating Expenses	A fund is responsible for paying all operating expenses incurred in the normal course of its activities including record keeping, fund and unitholder accounting costs, audit fees and expenses, reporting and filing fees, legal fees, insurance costs, custodial expenses, brokerage commissions and other expenses directly related to portfolio transactions of the fund and taxes payable by the fund. To the extent applicable these costs are borne by the class of units of the fund to which they apply. The funds are also responsible for paying each member of the independent review committee or IRC of the funds an annual fee of \$7,500. A fund will also reimburse each member of its IRC for any fees and/or expenses they incur in carrying out their duties on behalf of the fund. These fees will be <i>pro rated</i> between the two funds based on the assets under management of each fund.																								
<i>Fees and Expenses Payable Directly by You</i>																									
Sales charges: class A units, class B units and class O units	You may pay a negotiable sales charge (i.e. a front-end load sales charge) to your dealer not exceeding 5.00% of your subscription.																								

<i>Fees and Expenses Payable by a Fund</i>	
Short-term trading fee	We may, in our discretion, impose a short term trading fee of 2.00% of the value of the units of a class of a fund that you redeem, if you hold units of that class of the fund for less than 90 days.
Redemption fee	There is no redemption fee if you redeem class A units, class B units, class F units or class O units of a fund. Your dealer may charge you an administrative fee when you redeem units of a fund.
Switch fee	Your dealer may charge you up to 2.00% of the net asset value of any units of a class of a fund that you switch to the corresponding class of another fund.
Registered Tax Plan Fee	No administration fee is charged by a fund, but you may be charged an administrative fee by your dealer.
Optional Services	<i>No fees are charged for our registered tax plans, pre-authorized chequing plan or systematic investment plan.</i>

Dealer Compensation

Units of each class of a fund are offered for sale on a continuous basis through dealers.

Every compensation paid to dealers are paid only to dealers who are conducting a suitability analysis for their clients.

Your dealer, who is conducting a suitability analysis for their clients will receive the following sales commission and trailer fees.

If you buy class A units, class B units or class O units of a fund, your dealer may receive a sales commission from you of up to 5.00% of your subscription (i.e. a front-end load sales charge). The sales commission your dealer receives depends on what sales commission you negotiate with your dealer.

If you buy class B units of any fund, we will also pay your dealer an annual trailer fee from our management fee of 1.00% of the average daily net asset value of the class B units of the fund that you buy.

Other Kinds of Dealer Compensation

We may share with dealers up to 50% of their eligible costs in marketing units of a class of a fund. For example, we may pay a portion of the costs of a dealer advertising the availability of units of a class of a fund through the financial advisors of that dealer. We also pay for marketing materials that are given to dealers to help support their sales efforts.

In addition, we may pay part of the costs of a dealer in running a seminar to inform investors about a fund or about the general benefits of investing in the fund.

We also may pay up to 10% of the costs of some dealers to hold educational seminars or conferences for their financial advisors to teach them about the advantages of investing in a fund. The dealer makes all decisions about where and when the conference is held and who can attend.

Under applicable securities legislation, it is the obligation of your dealer and its sales representatives to ensure that the units of a class of a fund that you buy are suitable for you, taking into consideration your investment objectives and risk tolerances, regardless of the compensation you pay your dealer.

Dealer Compensation from Management Fees

No trailer fees were paid to dealers during the year ended December 31, 2024.

INCOME TAX CONSIDERATIONS

The following is a summary of the principal Canadian federal income tax consequences of distributions made by a fund as well as the gains or losses that occur on the disposition of units of the fund. The summary also discusses the taxation of the funds. It assumes that you are an individual resident in Canada for Canadian federal income tax purposes, who holds units of a fund as capital property and deals with the fund at arm's length.

This summary takes into account the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder, as well as all publicly announced proposed amendments to the *Income Tax Act* (Canada) and regulations as of the date hereof. It also takes into account the current published administrative policies and assessing practices of the Canada Revenue Agency.

The summary assumes that no fund will have any material investment in interests in (a) non-resident trusts deemed to be resident in Canada under the *Income Tax Act* (Canada); or (b) an "offshore investment fund property" within the meaning of the *Income Tax Act* (Canada).

This summary is not intended to be exhaustive. It does not address provincial, territorial or foreign tax considerations. Unitholders should consult their own tax advisors for advice with respect to the tax consequences of an investment in their particular circumstances.

Tax Status of the Funds

Each fund is a unit trust for purposes of the *Income Tax Act* (Canada) and, as of the date of this prospectus, each of Davis-Rea Equity Fund and Davis-Rea Fixed Income Fund qualifies as a "mutual fund trust" for purposes of the *Income Tax Act* (Canada). Each of Davis-Rea Equity Fund and Davis-Rea Fixed Income Fund is a "registered investment" and a "mutual fund trust" for the purposes of the *Income Tax Act* (Canada). Davis-Rea Total Return Equity Fund is not currently a registered investment but will make an election under subsection 132(6.1) of the *Income Tax Act* (Canada) in its first return of income so that it will qualify under the *Income Tax Act* (Canada) as a "mutual fund trust" from the commencement of its first taxation year.

It is assumed that at no time will "financial institutions" (as defined in section 142.2 of the *Income Tax Act* (Canada)) hold more than 50% of the fair market value of all of the units in any fund while the fund is not a "mutual fund trust." If financial institutions held more than 50% of the fair market value of all of the units of a fund that is not a mutual fund trust, such fund will be subject to the "mark-to-market" rules on its "mark-to-market property."

Income Tax Considerations for the Funds

In general, a fund is not subject to income tax under Part I of the *Income Tax Act* (Canada) on such part of its net income for the year, including net realized capital gains, as is paid or payable or deemed to be payable in the year to unitholders of the fund and deducted by the fund in computing its income. Each fund will make payable (and deduct), in respect of each taxation year, sufficient net income and sufficient net realized capital gains so that it will generally not be liable to income tax under Part I of the *Income Tax Act* (Canada).

For taxation years throughout which a fund is not a mutual fund trust under the *Income Tax Act* (Canada), the fund may in certain circumstances be subject to alternative minimum tax even though its net income and net realized capital gains are paid or payable to its unitholders.

In accordance with the administrative practice of the Canada Revenue Agency, each fund treats gains and losses on short sales as being on income account (unless the short sale is a hedge against identical securities of the fund that are capital property). Gains and losses on certain derivatives are also treated by the funds as being on income account.

If at any time in a taxation year a fund is not a mutual fund trust for purposes of the *Income Tax Act* (Canada), the amount of distributions of net realized capital gains to unitholders of the fund in the taxation year and, therefore, the amount required to be included in the income of unitholders of the fund may exceed the amount of distributions of net realized capital gains that would otherwise be required to be made if the fund qualified as a mutual fund trust throughout a taxation year.

Net losses incurred by a fund cannot be allocated to unitholders of the fund, but may be deducted by the fund in future years in accordance with the *Income Tax Act* (Canada).

Each fund is required to calculate its net income and net realized capital gains in Canadian dollars for purposes of the *Income Tax Act* (Canada), and may, as a consequence, realize income or capital gains from changes in the value of the U.S. dollar or other relevant currencies relative to the Canadian dollar.

For taxation years throughout which a fund is not a mutual fund trust under the *Income Tax Act* (Canada), the fund will be liable to a special tax under Part XII.2 of the *Income Tax Act* (Canada) if its unitholders include “designated beneficiaries” and the fund has “designated income”. If a fund has a “designated beneficiary” (which includes a non-resident of Canada, certain trusts and certain tax-exempt persons) and has “designated income” (which includes capital gains from the dispositions of “taxable Canadian property” and income from a business carried on in Canada), the fund will be liable to pay Part XII.2 tax on such designated income. Such tax will be effectively borne by the “designated beneficiaries” and all tax-exempt unitholders whereas taxable unitholders of the fund who are resident in Canada should generally achieve the same after-tax return as if the fund were not subject to Part XII.2 tax.

If a fund is a registered investment but not a mutual fund trust under the *Income Tax Act* (Canada), it will be liable to pay a penalty tax under the *Income Tax Act* (Canada) if, at the end of any month, the fund holds any investments that are not qualified investments for registered plans (such as a registered retirement saving plan). The tax for a month is equal to 1% of the fair market value of the non-qualified investments at the time they were acquired by the fund but the tax only applies on a prorated basis to the extent that the fund has registered plans as investors.

Income Tax Considerations for Unitholders

Funds Held in a Registered Plan

If you hold your units of a fund in a registered plan, you do not have to pay taxes on distributions received by the plan from the fund or on capital gains realized upon redeeming or otherwise disposing of your units within the plan. However, withdrawals from registered plans are generally taxable at your personal tax rate. You or your registered plan may be subject to taxation in respect of an investment in a fund in certain circumstances, including if the units of the fund are, at any time, not a qualified investment or are a prohibited investment or are used in a transaction that is a prohibited advantage under the *Income Tax Act* (Canada) for the registered plan. You should consult your own tax advisor for advice regarding the implications of acquiring, holding and disposing of units of a fund in your registered plan, including whether or not units of a fund would be a prohibited investment or whether a particular transaction constitutes a prohibited advantage for your registered plan.

Eligibility for Investment

Each of Davis-Rea Equity Fund and Davis-Rea Fixed Income Fund is a “registered investment” and a “mutual fund trust” for the purposes of the *Income Tax Act* (Canada). Davis-Rea Total Return Equity Fund is not currently a registered investment but will make an election under subsection 132(6.1) of the *Income Tax Act* (Canada) in its first return of income so that it will qualify under the *Income Tax Act* (Canada) as a “mutual fund trust” from the commencement of its first taxation year. As long as a fund maintains either status, units of that fund will be qualified investments under the *Income Tax Act* (Canada) for registered plans (meaning registered retirement saving plans (“RRSPs”), registered retirement income funds (“RRIFs”), first home savings accounts (“FHSAs”), deferred profit

sharing plans (“DPSPs”), registered disability savings plans (“RDSPs”), registered education savings plans (“RESPs”), and tax free savings accounts (“TFSA”).

If the units of a fund are “prohibited investments” for the purposes of a FHSA, TFSA, RRSP, RDSP, RESP, or RRIF, a unitholder who is a holder, subscriber, or an annuitant of such plan, will be subject to a penalty tax as set out in the *Income Tax Act* (Canada). A “prohibited investment” includes a unit of a trust which does not deal at arm’s length with the holder, or in which the holder has a significant interest. A significant interest, in general terms, means the ownership of 10% or more of the value of the fund’s outstanding units by the holder, either alone or together with persons and partnerships with whom the holder does not deal at arm’s length. You are advised to consult your own tax advisor in this regard.

Funds Not Held in a Registered Plan

Distributions

If you hold your units of a fund outside of a registered plan, you must include the amount of all distributions of net income and net taxable capital gains paid or payable by the fund to you during the year (computed in Canadian dollars) in your net income for tax purposes even though the distributions are reinvested in additional units of the fund. Distributions in excess of your share of net income and net capital gains of a fund are treated as returns of capital and will reduce the adjusted cost base of your units of the fund. If your adjusted cost base is reduced to less than zero, a capital gain equal to the negative amount is deemed realized and the adjusted cost base is increased to zero.

To the extent that distributions are made by a fund out of its Canadian dividends, net capital gains or foreign income, and the appropriate designations are made by the fund, the nature of the distribution will be preserved. In addition, you will be entitled to claim any applicable dividend tax credits and foreign tax credits.

Based on rules in the *Income Tax Act* (Canada), if a fund is a mutual fund trust for tax purposes throughout the year it is prohibited from claiming a deduction in computing its income for amounts of income that are allocated to redeeming unitholders and is limited in its ability to claim a deduction in computing its income for amounts of capital gains that are allocated to redeeming unitholders. If a fund is a mutual fund trust throughout a taxation year, then the taxable component of distributions to non-redeeming unitholders of the fund may increase in such taxation year.

Unitholders of a class of a fund will receive an annual statement in respect of the distributions received from the fund in the prior year.

Disposition of Units

You must take into account, in computing your income for a year, any capital gain or capital loss you make on redeeming (or otherwise disposing of) a unit of a fund. Exchanging units of a fund for units of another fund will result in a disposition for tax purposes, and capital gains or losses will arise.

You should keep detailed records of the purchase cost of your units of a fund and distributions you receive on those units so you can calculate their adjusted cost base. Other factors may affect the calculation of the adjusted cost base and you may want to consult a tax advisor.

Pursuant to the trust agreement of the funds, we may at our discretion make payment for units that are redeemed by delivery of portfolio securities to the redeeming unitholder of a fund. If units of a fund are redeemed in such manner, the proceeds of disposition to the unitholder of such units will be equal to the fair market value of the securities so distributed less any income or capital gain realized by the fund in connection with the redemption of those units. Where income or capital gain realized by a fund in connection with the distribution of securities on the redemption of units of the fund has been designated by the fund to a redeeming unitholder, the unitholder will be required to include in income the income or taxable portion of the capital gain so designated. The cost of any property distributed by a fund to a unitholder upon redemption of units of the fund will be equal to the fair market value of those securities at the time of the distribution.

Pursuant to the trust agreement of the funds, a fund may allocate and designate any income or capital gains realized by the fund as a result of any disposition of property of the fund undertaken to permit or facilitate the redemption of units of the fund to a unitholder whose units are being redeemed. In addition, each fund has the authority to distribute, allocate and designate any income or capital gains of that fund to a unitholder who has redeemed units of that fund during a year in an amount equal to the unitholder's share, at the time of redemption, of that fund's income and capital gains for the year or such other amount that is determined by that fund to be reasonable. Any such allocations will reduce the redeeming unitholder's proceeds of disposition.

Taxation of Capital Gains

Your capital gain (or capital loss) will be the amount by which the redemption proceeds exceed (or are exceeded by) the adjusted cost base of that unit and any costs of disposition.

Based on rules in the *Income Tax Act* (Canada), one-half of a capital gain (or a capital loss) is a taxable capital gain (or allowable capital loss) and is included in computing your income (or subject to the detailed rules of the *Income Tax Act* (Canada) may be allowed as a deduction against taxable capital gains).

The adjusted cost base of a unit of a fund will generally be the weighted average cost of all your units of the fund, including units purchased on a reinvestment of distributions. For example, suppose you own 500 class A units of a fund with an adjusted cost base of \$10 each for a total cost of \$5,000. Suppose you then purchase another 200 class A units of the same fund at \$12 each for a total of \$2,400. You have now spent \$7,400 for 700 class A units of that fund. Your new adjusted cost base of each class A unit of that fund would be \$7,400 divided by 700 class A units or \$10.57 per unit.

In certain situations where you dispose of units of a fund and would otherwise realize a capital loss, the loss will be denied. This may occur if you, your spouse or another person affiliated with you (including a corporation controlled by you) has acquired units of a class of a fund (which are considered to be "substituted property") within 30 days before or after you dispose of your units of the same class of the fund and units of that class of the fund are still held by you, your spouse or the affiliated person 30 days after you dispose of your units. In these circumstances, your capital loss may be deemed to be a "superficial loss" and denied. The amount of the denied capital loss will be added to the adjusted cost base to the owner of the class of units of that fund that are substituted property.

Canadian Currency

Unitholders are required to compute all amounts including their income, capital gains and cost base of the units in Canadian dollars for purposes of the *Income Tax Act* (Canada) and may, as a consequence, realize income or capital gains by virtue of changes in the value of the U.S. dollar relative to the value of the Canadian dollar in connection with U.S. dollar denominated holdings of funds purchased in U.S. dollars.

Alternative Minimum Tax

Dividends and capital gains distributed by a fund and capital gains realized on the disposition of units of the fund may give rise to alternative minimum tax.

Buying Securities Late in the Year

The price you pay to purchase units of a fund may include income and capital gains that the fund has earned, but not yet realized (in the case of capital gains) and/or paid out as a distribution. If you buy units of a fund just before it makes a distribution, you will be taxed on that distribution. In other words, you may have to pay tax on income or capital gains that a fund has earned (but has not yet distributed) before you owned your units of the fund.

Turnover Rate

The higher the portfolio turnover rate of a fund in a year, the greater the chance that you may receive a distribution from the fund that must be included in computing your income for tax purposes for that year.

Payment of Fees

Amounts paid in respect of fees and expenses directly by a unitholder in respect of units of a fund held directly (i.e., not in a registered plan) will be deductible for income tax purposes to the extent that such amounts are reasonable and represent amounts paid for advice provided to the unitholder in respect of the purchase and sale of units or services in respect of the administration or management of the units of the fund. The portion of the amounts paid directly by a unitholder that represents fees for services provided by the manager to a fund, rather than directly to the unitholder, will generally not be deductible for income tax purposes. Unitholders should consult their own tax advisors with respect to the deductibility of such amounts paid to the manager, a dealer or an advisor in their own particular circumstances. Fees paid in respect of units of a fund held in a registered plan are not deductible for income tax purposes.

Enhanced Tax Information Reporting

Each of the funds is a “Reporting Canadian financial institution” for purposes of the Canada-United States Enhanced Tax Information Exchange Agreement (the “IGA”) and Part XVIII of the *Income Tax Act* (Canada), and intends to satisfy its tax reporting obligations to the Canada Revenue Agency under such laws. As a result, certain investors in a fund may be requested to provide information to the funds or their registered dealer relating to their citizenship, residency and, if applicable, a U.S. federal tax identification number. If you are identified as a U.S. taxpayer (including a U.S. citizen who is resident in Canada) or if you do not provide the requested information and there is indicia of you having U.S. status, the IGA and Part XVIII of the *Income Tax Act* (Canada) will generally require information about your investment in the funds to be reported to the Canada Revenue Agency, unless your investment is held in a registered plan. The Canada Revenue Agency will then exchange the information with the U.S. Internal Revenue Service pursuant to the provisions of the Canada-U.S. Income Tax Treaty. Part XIX of the *Income Tax Act* (Canada) contains similar rules in respect of other non-Canadian investors in the funds.

WHAT ARE YOUR LEGAL RIGHTS?

Under securities law in some provinces and territories, you have the right to:

- withdraw from an agreement to buy mutual funds within two (2) business days after you receive a simplified prospectus or fund facts document, or
- cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, fund facts document or financial statements contain a misrepresentation. You must act within the time limits set by law in the applicable province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

Certificate of the Funds and of the Manager and Promoter of the Funds

This 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 Ontario and do not contain any misrepresentations.

August 28, 2025

“John O’Connell”

John O’Connell
Chief Executive Officer and
Chief Compliance Officer
Davis-Rea Ltd.

“Jean-Christophe O’Connell”

Jean-Christophe O’Connell
Chief Financial Officer and
Portfolio Manager
Davis-Rea Ltd.

On behalf of the Board of Directors
Davis-Rea Ltd.
as manager and promoter of the funds

“Stephanie O’Connell”

Stephanie O’Connell
Director

SPECIFIC INFORMATION ABOUT EACH FUND DESCRIBED IN THIS DOCUMENT

In the following section of this simplified prospectus, you will find detailed descriptions of each of the funds. All of the descriptions are organized and apply equally, under the headings provided below.

What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?

A mutual fund is a pool of money contributed by people with similar investment goals that is invested in a portfolio of investments on the investors' behalf by professional managers. Fund unitholders share the fund's income, expenses, gains and losses in proportion to their interest in the fund.

Mutual funds own different types of investments depending upon their investment objectives, including stocks, bonds and cash. The value of these investments changes 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.

To address the different investment needs of different types of investors, each of the funds offers class A units, class B units, class F units and class O units to the public. Each fund may also issue class N units, which are non-voting and do not pay a management fee, but they can only be purchased by another fund. Each class of units of a fund represents an investment in the same investment portfolio of the fund, but each class of units has a different management fee and expenses that are attributable to it. As a result, a separate net asset value is calculated for each class of units of a fund.

None of your investments in a Davis-Rea Mutual Fund is guaranteed.

Unlike bank accounts or GICs, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Under exceptional circumstances, a mutual fund may suspend redemptions. See "*Purchases, Switches and Redemptions*" at page A-7 for more information.

General Investment Risks

An investment in a fund can involve significant risks and is not intended to be a complete investment program. There is a risk that an investment in a fund may be lost entirely or in part. Investors should consider, among others, the following risk factors before investing, which is not intended to be a complete list of the risk factors that may arise as a result of investing in a fund. Investors should consult with their advisors before deciding to invest in a fund.

Risk of Obtaining Investment Objectives

While we believe that each fund's investment policies will be successful over the long-term, there can be no guarantee against losses resulting from an investment in units of a class of a fund and there can be no assurance that a fund's investment approach will be successful or that its investment objective will be attained. Any investment may decline in value and a fund may realize substantial losses, rather than gains, from some or all of its investments.

General Economic Conditions

The success of a fund's activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws and national and international political developments. These factors may affect the value and liquidity of a fund's investments. Unexpected volatility or illiquidity may also impair a fund's profitability or result in losses.

Interest Rate Fluctuations

The value of a fund's investments in bonds, debentures, notes and other fixed-income debt instruments will vary with interest rates. When interest rates rise, the value of securities with a fixed rate of interest will decline. Conversely, when interest rates fall, the value of such securities will increase.

Company Risk and Stock Market Risk

If there is negative news about a company in which a fund invests, its shares may lose value, causing the value of the investment to change. For example, the value of an investment in a particular company may change if that company's shares fall with the rest of the stock market. If a fund has a long position in these securities, such loss in the securities will decrease the value of the fund. Conversely, positive news about a company or a general rise in the value of the equity markets may cause the value of the company's stock to increase and may increase the value of a fund.

Liquidity Constraints

A fund's investments may be subject to liquidity constraints because of insufficient depth or volume on the trading markets that the fund's securities trade on. The trading of restricted or illiquid securities may also result in higher brokerage costs, and may sell at a lower price, than other similar securities.

Foreign Investment Risks

A fund's investment in foreign securities may be affected by economic conditions in that foreign country. The stock markets in such countries may not be as stable and financial data and information may be less reliable than it would be in North America. Political instability and social unrest may also affect a fund's investment in foreign securities. Investments in a foreign currency may also affect a fund's net asset value depending on how the value of such foreign currency changes as compared to changes in the Canadian dollar.

Net Asset Value

The value of a fund's investments may fluctuate as a result of various factors, including general economic conditions and fluctuations in the securities markets. A fund's investment strategies may not be successful and, therefore, there can be no guarantee that an investment in the fund may not decline in value.

Multi-Class Risk

Each fund has issued more than one class of units and in the future may issue additional classes of units. Notwithstanding the fact that a fund may issue more than one class of units, the fund may be treated as one entity. As a result, all of the assets of a fund may be available to meet all of the liabilities of each class of units of the fund. As a result, the investment performance, expenses or liabilities of one class of units of a fund may affect the value of another class of units of the fund. However, this is only expected to be an issue if a fund becomes insolvent or is unable to meet all of its liabilities.

Reliance on Key Personnel

The success of each fund is dependent on the successful implementation of its investment objectives and the investment strategies we adopt. The death, disability or withdrawal of a senior employee of Davis-Rea could adversely affect one or more of the funds.

Restriction or Suspension of Redemption Rights

We may from time to time restrict redemptions of units of a fund if normal trading is suspended on any stock exchanges on which securities are listed and traded which represent 50% or more of the value of the assets of the fund, or in certain other instances.

Conflicts of Interest

A fund may be subject to various conflicts from time to time, partially because we have other clients and may have different obligations to such clients, including as a result of our different registrations. We always endeavour to treat all of our clients fairly in accordance with applicable legal requirements, and to allocate investment opportunities amongst our clients in an equitable and appropriate manner. When retaining service providers on behalf of a fund, including dealers, we always try to ensure that all transactions undertaken on behalf of the fund are done on a best execution basis.

Effect of Redemptions and Termination

A significant redemption of units of a fund may have a significant adverse effect on a fund's performance. In addition, a fund could be terminated at any time. Either event may create adverse tax and/or economic consequences for the unitholders of the applicable fund, depending on the timing of such redemption or termination.

Tax Risk

There is no assurance that Canadian federal or provincial tax laws, foreign tax laws or the administrative policies or assessing practices of the Canada Revenue Agency respecting the treatment of mutual fund trusts will not be changed in a manner that adversely affects the funds or unitholders.

New rules contained in the *Income Tax Act* (Canada) may limit the deductibility of net interest and financing expenses for Canadian tax purposes. These new rules generally apply in respect of taxation years that begin on or after October 1, 2023. To the extent that such rules were to apply to a fund, the fund would be required to make larger taxable distributions to unitholders.

Investment Restrictions

The funds are subject to certain restrictions and practices contained in securities legislation, including National Instrument 81-102 *Investment Funds* ("NI 81-102"), which are designed in part to ensure that the investments of the funds are diversified and relatively liquid and to ensure the proper administration of each fund. These restrictions and practices may only be varied with the prior consent of the Canadian Securities Administrators.

Each fund is managed in accordance with these restrictions and practices.

Each of Davis-Rea Equity Fund and Davis-Rea Fixed Income Fund is a "registered investment" and a "mutual fund trust" for the purposes of the *Income Tax Act* (Canada). Davis-Rea Total Return Equity Fund is not currently a registered investment but will make an election under subsection 132(6.1) of the *Income Tax Act* (Canada) in its first return of income so that it will qualify under the *Income Tax Act* (Canada) as a "mutual fund trust" from the commencement of its first taxation year. Each fund will only hold investments that may be held by a "mutual fund trust" under the *Income Tax Act* (Canada). The units of each class of each fund are currently qualified investments for trusts governed by registered retirement savings plans (each a RRSP), registered retirement income funds (each a RRIF), first home savings accounts (each a FHSA), deferred profit sharing plans (each a DPSP), registered disability savings plans (each a RDSP), registered education savings plans (each a RESP) and tax-free savings accounts (each a TFSA). Each fund will also refrain from any investment which would make it liable for a material amount of penalty tax under the *Income Tax Act* (Canada) for investments that may not be held by such registered plans.

Description of Units of each Class of a Fund

Each fund is divided into classes of units. The interest of each investor in units of a class of a fund, who becomes a unitholder of that class of the fund, is equal to the number of units of that class of the fund registered in the name of the unitholder. There is no limit to the number of units of a class of a fund that can be issued, and there is no fixed issue price. No unit of a class of a fund has any preference or priority over any other unit of that class of the fund.

Currently each fund offers class A units, class B units, class F units and class O units to the public. Each fund may also issue class N units, which are non-voting and do not pay a management fee, but they can only be purchased by another fund.

Class A Units

Class A units of a fund are designed for retail investors.

Class B Units

Class B units of a fund are designed for retail investors who buy units of a fund through their own dealer.

Class F Units

Class F units of a fund are designed exclusively for investors who have entered into an investment management agreement with their dealers. This may include:

1. individual investors whose dealer participates in our class F program where Davis-Rea does not pay any sales charges, trailing fees or other fees to their dealer. In such a situation, the individual investor pays their dealer an all-inclusive set fee (usually based on assets under administration) for all services and advice that they provide to the investor; and
2. other investors provided Davis-Rea does not pay any sales charges, trailing fees or other fees to their dealer.

Class O Units

Class O units of a fund are designed exclusively for institutional investors and individual investors who have been approved by Davis-Rea. Each eligible investor must enter into a class O unit account agreement with Davis-Rea.

The criteria for approval may include the value of the investment. No management fees are charged to, or are payable by, a fund with respect to class O units. Each investor will negotiate a separate management fee directly payable to Davis-Rea, which will be specified in that investor's class O unit account agreement.

No unitholder of a class of a fund shall have individual ownership in any asset of the fund, nor any rights other than those mentioned in this simplified prospectus and the trust agreement of the funds.

Units of a class of a fund entitle a registered holder to:

1. except for class N units, one vote at all meetings of unitholders of that class of the fund;
2. participate in all distributions and in the division of the net assets of the fund on the liquidation of the fund on a proportionate basis; and
3. redeem units of that class of the fund as described in this simplified prospectus form under the heading "*Redemption of Units*".

Units of a class of a fund are not transferable, are not entitled to any pre-emptive or conversion rights and there is no liability for future calls or assessments. Fractions of a unit of a class of a fund are entitled to all of these rights except voting rights.

The rights of a unit of a class of a fund may only be modified by amending the trust agreement of the funds.

The following changes may not be made to the trust agreement of the funds without the consent of a majority of the unitholders of a class of an applicable fund at a meeting called to consider the matter:

1. any change in the basis of calculating the fees or other expenses that are charged to that class of that fund which could result in an increase in charges to that class of that fund;
2. a change in the manager of that fund (other than to an affiliate of Davis-Rea);
3. any change in the fundamental investment objectives of that fund;
4. any decrease in the frequency of calculating the net asset value per unit of that class of that fund;
5. transferring assets to or from another fund; or
6. reorganizing the fund with another fund.

Davis-Rea may amend the trust agreement of the funds without the prior approval of the unitholders of a class of an applicable fund or notifying the unitholders of that class of that fund of the change, if the proposed amendment is not materially adverse to such unitholders in the opinion of counsel to the trustee of such fund, or in the opinion of counsel to the trustee of such fund, such change is necessary or desirable to comply with applicable laws and notice of the amendment is given to the unitholders as soon as possible thereafter.

Davis-Rea may also amend the trust agreement of the funds in any other situation, provided the change does not affect the value of a unitholder's interest in a fund, and the unitholder is notified in writing of the change at least 30 days in advance of the change taking effect. The trustee of the funds must also consent to any change which affects its rights, powers or duties.

Units of class of a fund usually cannot be converted into units of another class of the fund.

Name, Formation and History of the Funds

This simplified prospectus contains information about the Davis-Rea Equity Fund, the Davis-Rea Fixed Income Fund and the Davis-Rea Total Return Equity Fund. If you have questions after reading these documents, please contact your financial advisor or us.

The principal office of each fund is 23 Bedford Road, Suite 100, Toronto, Ontario M5R 2J9.

Each of the Davis-Rea Mutual Funds is a trust established under the laws of Ontario by Davis-Rea as manager of the funds and CIBC Mellon Trust Company as trustee of the funds. See "*Responsibility for Mutual Fund Administration*" for more details.

Davis-Rea is an Ontario corporation formed by amalgamation on April 1, 1997 and its primary business activity is management of the funds and providing investment advice to other clients.

The Davis-Rea Equity Fund (prior to March 18, 2013 called the Davis-Rea Equity Pooled Fund) and the Davis-Rea Fixed Income Fund (prior to March 18, 2013 called the Davis-Rea Fixed Income Pooled Fund), were each established on May 31, 2011 and were previously offered on an exempt basis. The Funds, including the Davis-Rea Total Return Equity Fund, which was established on August 28, 2025, are governed by the amended and restated mutual fund trust agreement dated as of the 2nd day of January, 2024.

INVESTMENT RISK CLASSIFICATION METHODOLOGY

The risk rating of each fund has been determined in accordance with a standardized risk classification methodology that is based on this fund's historical volatility as measured by the 10-year standard deviation of the returns of the fund. However, as the Davis-Rea Total Return Equity Fund does not have 10 years of performance history, the fund's investment risk level is determined using the performance of the reference indexes reflected below.

Fund	Reference Index	Description of Reference Index
Davis-Rea Total Return Equity Fund	50% of the performance of the S&P/TSX Composite Index and 50% of the performance of the S&P 500 Index	The S&P/TSX Composite Index is the headline index for the Canadian equity market. The S&P 500 Index is comprised of the 500 leading companies and covers approximately 80% of available market capitalization.

Additional information about the methodology used by us to determine the fund's risk level is available at your request, and at no cost, by using the contact information on the back of this simplified prospectus.

Davis-Rea Equity Fund

Fund Details

<i>Type of Fund</i>	Equity
<i>Registered Tax Plan Status</i>	Units of each class of the fund are qualified investments for RRSPs, RRIFs, DPSPs, RESPs, RDSPs, FHSAs, and TFSAs under the <i>Income Tax Act</i> (Canada)

What Does the Fund Invest In?

Investment Objectives

The investment objective of the fund is to preserve and enhance capital by primarily investing in Canadian, U.S. and international equity securities for long-term gain.

The fundamental investment objective of the fund cannot be changed without the approval of the investors who own units of the fund.

Investment Strategies

Securities for the fund will be selected by us based on our assessment of the markets and potential investment opportunities. We intend to focus the fund on various sectors of the economy from time to time, and will typically only invest in the equity securities of large to medium capitalized companies with a market capitalization of not less than \$250 million. Any exceptions to this market capitalization will be limited to less than 10% of the value of the fund. We may also use derivatives from time to time to hedge against changes in currency, losses from movements in the stock markets or to realize additional gains. At our discretion, the fund may also hold cash and/or short-term money market instruments, fixed income securities and convertible debentures, and may from time to time invest up to 10% of its assets in class N units of the Davis-Rea Fixed Income Fund.

What are the Risks of Investing in the Fund?

The fund may be subject to the risk of not obtaining its investment objective, general economic conditions, interest rate fluctuations, company risk and stock market risk, liquidity constraints, foreign investment risks, net asset value fluctuations, multi-class risk, reliance on key personnel, the possible restriction or suspension of redemption rights, unitholder liability concerns, conflicts of interest and the impact of redemptions. These risks are described from page B-1 to page B-3 of this simplified prospectus.

Distribution Policy

Net realized capital gains and net income may be declared payable from time to time, at our discretion. Normally, this will only occur on a quarterly basis. We intend that sufficient net realized capital gains and/or net income will be made payable to unitholders of each class of the fund each year so that the fund will generally not have any regular tax liability.

Davis-Rea Fixed Income Fund

Fund Details

<i>Type of Fund</i>	Fixed Income
<i>Registered Tax Plan Status</i>	Units of each class of the fund are qualified investments for RRSPs, RRIFs, DPSPs, RESPs, RDSPs, FHSAs, and TFSAs under the <i>Income Tax Act</i> (Canada)

What Does the Fund Invest In?

Investment Objectives

The investment objective of the fund is to preserve capital while providing income and some capital gains by primarily investing in bonds and other fixed income securities with a strong credit rating.

The fundamental investment objective of the fund cannot be changed without the approval of the investors who own units of the fund.

Investment Strategies

The fixed income investments held by the fund may include government securities, corporate securities and bonds issued by foreign governments and issuers. Usually, we will not invest the fund in such investments unless they have a credit rating of B or higher. The duration of any fixed income investment held by the fund will also vary depending on our assessment of the direction of interest rates. At our discretion, the fund may also hold cash and/or short-term money market instruments, preferred shares and convertible debentures. We may also use derivatives from time to time to hedge against the changes in currency, losses from movements in the stock or bond markets or to realize additional gains.

What are the Risks of Investing in the Fund?

The fund may be subject to the risk of not obtaining its investment objective, general economic conditions, interest rate fluctuations, liquidity constraints, foreign investment risks, net asset value fluctuations, multi-class risk, reliance on key personnel, the possible restriction or suspension of redemption rights, unitholder liability concerns, conflicts of interest and the impact of redemptions. These risks are described from page B-1 to page B-3 of this simplified prospectus.

Distribution Policy

Net realized capital gains and net income may be declared payable from time to time, at our discretion. Normally, this will only occur on a quarterly basis. We intend that sufficient net realized capital gains and/or net income will be made payable to unitholders of each class of the fund each year so that the fund will generally not have any regular tax liability.

Davis-Rea Total Return Equity Fund

Fund Details

<i>Type of Fund</i>	Equity
<i>Registered Tax Plan Status</i>	Units of each class of the fund are currently not qualified investments for RRSPs, RRIFs, DPSPs, RESPs, RDSPs, FHSAs, and TFSAs under the <i>Income Tax Act</i> (Canada) but may be in the future, if, among other things, sufficient investors invest in the fund on or before March 31, 2026 and the fund makes a certain tax election in its first return of income so that it will qualify under the <i>Income Tax Act</i> (Canada) as a “mutual fund trust” from the commencement of its first taxation year. Alternatively, the fund will be a qualified investment if it is a “registered investment” for purposes of the <i>Income Tax Act</i> (Canada).

What Does the Fund Invest In?

Investment Objectives

The investment objective of the fund is to achieve long-term capital appreciation by primarily investing in Canadian, U.S., and international equity securities, with a focus on companies that offer a combination of income generation and growth potential.

The fundamental investment objective of the fund cannot be changed without the approval of the investors who own units of the fund.

Investment Strategies

To achieve the fund’s investment objective, the portfolio manager seeks a balanced return by investing in a mix of income-oriented businesses and companies with strong growth potential. The focus is on quality businesses with durable competitive advantages, consistent profitability, strong financials, and effective management. The fund seeks to grow capital through a combination of capital gains and dividend income. Particular attention is given to valuation, with a disciplined approach to identifying attractively priced opportunities across global equity markets.

Securities for the fund will be selected by us based on our assessment of market conditions and the relative attractiveness of investment opportunities across global equity markets. The fund will primarily invest in equity securities of large- and medium-capitalization companies with a minimum market capitalization of \$250 million. Exposure to companies below this threshold will be limited to no more than 10% of the fund’s assets. The portfolio may be tilted toward specific geographies or sectors of the economy from time to time, depending on prevailing economic and market trends.

In seeking to achieve the fund’s total return objective, we may also hold cash and equivalents, short-term money market instruments, preferred shares, fixed income securities and convertible debentures. We may also use derivatives from time to time to hedge against the changes in currency, losses from movements in the stock markets or to realize additional gains. At our discretion, the fund may invest 10% of its assets in Class N units of the Davis-Rea Fixed Income Fund.

What are the Risks of Investing in the Fund?

The fund may be subject to the risk of not obtaining its investment objective, general economic conditions, interest rate fluctuations, company risk and stock market risk, liquidity constraints, foreign investment risks, net asset value fluctuations, multi-class risk, reliance on key personnel, the possible restriction or suspension of redemption rights,

unitholder liability concerns, conflicts of interest and the impact of redemptions. These risks are described from page B-1 to page B-3 of this simplified prospectus.

Distribution Policy

Net realized capital gains and net income may be declared payable from time to time, at our discretion. Normally, this will only occur on a quarterly basis. We intend that sufficient net realized capital gains and/or net income will be made payable to unitholders of each class of the fund each year so that the fund will generally not have any regular tax liability.

DAVIS-REA MUTUAL FUNDS

Additional information about the funds are available in a fund's fund facts, management reports of financial 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 us at **(416) 324-2200** or toll-free at **(877) 391-9929**, by e-mail at **info@davisrea.com** or from your dealer.

These documents and other information about the funds, such as information circulars and material contracts, are also available on the **Davis-Rea Mutual Funds** designated internet site at **www.davisrea.com** or at **www.sedarplus.ca**.

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